THE REPUBLIC OF UGANDA

Semi-Annual Budget Monitoring Report

Financial Year 2017/18

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Ministry of Finance, Planning and Economic Development
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ABBREVIATIONS AND ACRONYMS

A.I.A	Appropriation in Aid
AAS	Atomic Absorption Spectroscopy
ACE	Area Cooperative Enterprise
ACF	Agriculture Credit Facility
ACF	Agriculture Credit Facility
ADB	African Development Bank
ADB	African Development Bank
ADF	African Development Fund
AFD	French Agency for Development
AfDB	African Development Bank
AIA	Appropriations in Aid
AICAD	African Institute for Capacity Development
AIDS	Acquired Immune Deficiency Syndrome
AIMS	Academic Information Management System
APL	Adaptable Programme Lending
ARVS	Anti-Retroviral
ASM	Artisanal and Small Scale Miners
BADEA	Arab Bank for Economic Development in Africa
BFP	Budget Framework Paper
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit
Bn	Billion
BoQ	Bills of Quantities
BPED	Budget Policy and Evaluation Department
BPO	Business Process Outsourcing
BPT	Break Pressure Tank
BTVET	Business Technical Vocation Education and Training
CAO	Chief Administrative Officer
CARs	Community Access Roads
CBET	Competence Based Education and Training

CDAP	Community Development Action Plan
CDM	Clean Development Mechanisms
CDO	Cotton Development Organisation
CEMAS	Computerised Education Management Accounting System
CERT	Computer Emergency Response Team
CF	Community Facilitator
CFO	Chief Finance Officer
CGS	Competitive Grant Scheme
CGV	Chief Government Valuer
CHEW’s	Community Health Extension workers
CNOOC	Chinese National Offshore Oil Company
CoCIS	College of Computing and Information Science – Makerere University
COP	Child Online Protection
CPU	Community Processing Unit
CSOs	Civil Society Organizations
CWE	China International Waters and Electric Corporation
DBST	Double Bituminous Surface Treatment
DC	Data Centre
DCIC	Directorate of Citizenship and immigration Control
DCPT	Dynamic Cone Penetration Test
DDA	Dairy Development Authority
DDEG	Discretionary Development Equalisation Grant
DDEG	District Discretionary and Equalization Grant
DEO	District Education Officer
DGSM	Directorate of Geological Surveys and Mines
DHO	District Health Officers
DIPs	District Development plans
DIS	District Inspector of Schools
DISP	District Infrastructure Support Programme
DIT	Directorate of industrial training
DLGs	District Local Governments
DNS	Domain Name Server
DP	Directorate of Petroleum

DSC	District Service Commission
DUCAR	District, Urban and Community Access Roads
DWSDCG	District Water and Sanitation Development Conditional Grant
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
EAPHLNP	East Africa Public Health Laboratory Networking Project
EARSO	East African Research Organization
ECD	Early Childhood Development
EDI	Enterprise Development Investment
EEI	Enterprise Expansion Investment
EGR	Early Grade Readers
EGRA	Early Grade Reading Assessment
EIA	Environmental Impact Assessment
EIPL	Energy Infratech Private Limited
EMHS	Essential Medicines and Health Supplies
EMIS	Education Management Information System
EmNOC	Emergency Obstetric and Neonatal Care
ENT	Ear, Nose and Throat
EOI	Expression of Interest
EPC	Engineering Procurement and Construction
EPCC	Engineering Procurement Construction Contractor
ERP	Enterprise Resource Planning
ERT	Energy for Rural Transformation
ESC	Education Service Commission
ESDP	Electricity Sector Development Project
ETA	Electronic Transactions Act
EXIM	Export Import
FBU	Fully Built Units
FEED	Front End Engineering Design
FIA	Financial Intelligence Authority
FID	Final Investment Decision
FIEFOC	Farm Income Enhancement and Forestry Conservation

FSM	Fecal Sludge Management
FY	Financial Year
GASf	Geological Society of Africa
GAVI	Global Alliance for Vaccines Initiative
GB	Giga Byte
GCIC	Government Citizens Interaction Centre
GFS	Gravity Flow Scheme
GIS	Geographical Information System
GIZ	German International Cooperation
GoU	Government of Uganda
Ha	Hectare
HC	Health Centre
HEST	Higher Education Science and Technology
HIV	Human Immune Virus
HMIS	Health Management Information System
HPMAs	Hand Pump Mechanic Associations
HPP	Hydro Power Project
HRH	Human Resources for Health
HRIS	Human Resource Management Information System
HRM	Human Resource Management
HSC	Health Service Commission
HSD	Health Sub District
HSDP	Support to Health Sector Development Plan
HSE	Health Safety and Environment
HSS	Health Strengthening Support
HV	High Voltage
IAC	Information Access Centre
ICT	Information and Communications Technologies
ICTAU	Information Communications Technology Association of Uganda
ICU	Intensive Care Unit
ID	Infrastructure Design
IDA	International Development Association
IEC	Information, Education and Communication

IFMS	Integrated Financial Management System
IPC	Interim Payment Certificate
IPC	Interim Payment Certificate
IPPS	Integrated Payroll and Pension System
IsDB	Islamic Development Bank
IVA	Independent Verification Agent
JAB	Joint Admission Board
JICA	Japan International Cooperation Agency
JKIST	John Kale Institute of Science and Technology
JLOS	Justice, Law and Order Sector
JMS	Joint Medical Stores
JOGMEC	Japan Oil, Gas and Metals National Corporation
KCCA	Kampala Capital City Authority
KfW	German Financial Cooperation (KfW Bankengruppe)
Kg	Kilogram
KHPP	Karuma Hydro Power Project
KIBP	Kampala Industrial and Business Park
KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
Km	Kilometre
KMC	Kiira Motors Corporation
KOICA	Korean International Cooperation Agency
kV	kilo Volts
LF	Lead Farmer
LG	Local Government
LGMSD	Local Government Management and Service Delivery
LGMSDP	Local Government Managerial and Service Delivery Programme
LGs	Local Governments
LLG	Lower Local Government
LPO	Local Purchase Order
LV	Low Voltage
M&E	Monitoring and evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries

MBPS	Mega Byte Per Second
MBSA	Master Business Services Agreement
MCM	Million Cubic Meters
MDAs	Ministries, Departments and Agencies
MDD	Music Dance and Drama
MDGs	Millennium Development Goals
MDGs	Millennium Development Goals
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MLHUD	Ministry of Lands, Housing and Urban Development
MNRH	Mulago National Referral Hospital
MoD	Ministry of Defence and Veterans Affairs
MoES	Ministry of Education and Sports
MoH	Ministry of Health
MOH	Ministry of Health
MoICT	Ministry of Information and Communications Technology
MoICT&NG	Ministry of Information, Communications Technology and National Guidance
MoJCA	Ministry of Justice and Constitutional Affairs
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoPS	Ministry of Public Service
MoSTI	Ministry of Science, Technology and Innovations
MoTIC	Ministry of Trade Industry and Cooperatives
MoU	Memorandum of Understanding
MoWE	Ministry of Water and Environment
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MRI	Magnetic Resonance Imaging
MT	Metric Tonne
MTAC	Management Training and Advisory Centre
MTEF	Medium Term Expenditure Framework
MUST	Mbarara University of Science and Technology
MW	Mega Watts

MWE	Ministry of Water and Environment
MWMID	Mineral Wealth and Mining Infrastructure Development
NAADS	National Agricultural Advisory Services Secretariat
NAGRC&DB	National Animal Genetic Resource Centre and Data Bank
NARO	National Agriculture Research Organization
NBI	National Backbone Infrastructure
NCDC	National Curriculum Development Centre
NCHE	National Council of Higher Education
NDC	National Disease Control
NDP	National Development Plan
NDP II	Second National Development Plan 2
NDP2	Second National Development Plan
NEC	National Enterprise Corporation
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGOs	Non-Government Organizations
NHATC	National High Altitude Training Centre
NHSTC	National Health Service Training Colleges
NIC	National Instructors' College
NIIRA	National Identification and Registration Authority
NISF	National Information Security Framework
NITA-U	National Information Technology Authority
NMS	National Medical Stores
NOC	National Oil Company
NOC	Network Operating Centre
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
NRC/R	National Road Construction/Rehabilitation Programme
NRMP	National Roads Maintenance Programme
NSSF	National Social Security Fund
NTC	National Training College
NTR	Non Tax Revenue

NWSC	National Water and Sewerage Corporation
NWWTP	Nakivubo Waste Water Treatment Plant
O&M	Operation and Maintenance
OAGS	Organization of the African Geological Surveys
OE	Owner's Engineer
OEM	Original Equipment Manufacturers
OFC	Optic Fiber Cable
OFID	OPEC Fund for International Development
OIC	Organisation of Islamic Countries
OPD	Out Patent Department
OPEC	Organization of Petroleum Exporting Countries
OPGW	Optical Ground Wire
OPM	Office of prime Minister
OWC	Operation Wealth Creation
PAPM	Project Analysis and Public Investment Management
PAPs	Project Affected Persons
PAPs	Project Affected Persons
PAU	Petroleum Authority of Uganda
PAYE	Pay As You Earn
PBS	Programme Based Budgeting System
PDHs	Physically Displaced Households
PDU	Procurement and Disposal Unit
PEPD	Petroleum Exploration and Production Department
PES	Physical Education Sports
PG	Parents Group
PGM	Platinum Group Minerals
PHC	Primary Health care
PIBID	Presidential Initiative on Banana Industrial Development
PIP	Public Investment Plan
PKI	Public Key Infrastructure
PMC	Project Management Consultant
PMG	Production and Marketing Grant
PMU	Project Monitoring Unit

PPDA	Public Procurement and Disposal of Public Assets (Authority)
PPP	Public Private Partnership
PRDP	Peace Recovery and Development Plan
PSA	Production Sharing Agreements
PSM	Public Sector Management
PTCs	Primary Teachers' Colleges
Q	Quarter
Q1	Quarter one
Q2	Quarter Two
Q3	Quarter Three
Q4	Quarter Four
RAP	Resettlement Action Plan
RCIP	Regional Communication Infrastructure Programme
RDP	Refinery Development Program
REA	Rural Electrification Agency
RGCs	Rural Growth Centers
RIDS	Rural Industrial Development Strategy
ROW	Right of Way
RPLRP	Regional Pastoral Livelihood Improvement Project
RRH	Regional Referral Hospital
RWSS	Rural Water Supply and Sanitation
SDG	Sustainable Development Goal
SDP	Sector Development Plan
SDR	Special Drawing Rights
SEAMIC	Southern and Eastern Africa Mineral Center
SESEMAT	Secondary Science Education and Mathematics Teachers
SFD	Saudi Fund for Development
SFF	Soroti Fruit Factory
SFG	School Facilities Grant
SG	Solicitor General
SLA	Service Level Agreement
SMEs	Small and Medium Enterprises
SPT	Standard Penetration Test

SPV	Special Purpose Vehicle
SRWSSP	Support to Rural Water Supply and Sanitation Programme
SSAs	Small Scale Agri Businesses
STNA	Skills Training and Needs Assessment
STs	Small Towns
T.I	Technical Institute
TA	Technical Assistance
TBI	Technology Business Incubation
TC	Town Council
TIET	Teacher/Tutor, Instructor Education & Training
TOR	Terms of Reference
TSA	Treasury Single Account
TSU	Technical Support Units
UAHEB	Uganda Allied Health Examinations Board
UBC	Uganda Broadcasting Corporation
UBRA	Uganda Retirement Benefits Regulatory Authority
UBTS	Uganda Blood Transfusion Services
UCC	Uganda College of Commerce
UCC	Uganda Communications Commission
UCI	Uganda Cancer Institute
UDC	Uganda Development Corporation
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UEPB	Uganda Exports Promotion Board
UETCL	Uganda Electricity Transmission Company Limited
Ug Shs	Uganda Shillings
UHI	Uganda Health Institute
UHSSP	Uganda Health Sector Strategic Plan
UICT	Uganda Institute of Information Communication Technology
UIRI	Uganda Industrial Research Institute
UMC	Uganda Media Centre
UMFSNP	Uganda Multisectoral Food Safety and Nutrition Project
UMI	Uganda Management Institute

UNBS	Uganda National Bureau of Standards
UNEB	Uganda National Examination Board
UNICEF	United Nations International Children Emergency Fund
UNMA	Uganda National Meteorological Authority
UNMEB	Uganda Nurses and Midwifery Board
UNMHCP	Uganda National Minimum Health Care Package
UNOC	Uganda National Oil Company
UNOPS	United Nations Office for Project Services
UNRA	Uganda National Road Authority
UPDF	Uganda Peoples Defence Forces
UPE	Universal Primary Education
UPIK	Uganda Petroleum Institute Kigumba
UPL	Uganda Posts Limited
UPOLET	Universal Post 'O' Level Education and Training
UPPET	Universal Post Primary Education and Training
URA	Uganda Revenue Authority
URF	Uganda Road Fund
US $	United States Dollar
USADF	United States African Development Foundation
USD	United States Dollars
USE	Universal Secondary Education
USMID	Uganda Support to Municipal Infrastructure Development
UTC	Uganda Technical College
UTSEP	Uganda Teacher and School Effectiveness Project
VAT	Value Added Tax VHTS
VF	Vote Function
VHT	Village Health Teams
VPN	Virtual Private Network
VTI	Vocational Training Institute
WASH	Water Sanitation and Hygiene
WES	Water and Environment Sector
WfP	Water for Production
WfPRC-W	Water for Production Regional Centre East

Wi-Fi	Wireless (Internet)
WQ	Water Quality
WSDF	Water and Sanitation Development Facility
WSDF-C	Water and Sanitation Development Facility -Central
WSDF-E	Water and Sanitation Development Facility -East
WSS	Water Supply System
ZARDI	Zonal Agricultural Research Development Institute

FOREWORD

This Financial Year 2017/18, one of the four pillars of the country's economic growth strategy is increased public sector efficiency. Government's shift to Programme-Based Budgeting (PBB), which focuses on outcomes rather than outputs, should enable sectors use resources more effectively and efficiently, with a view to achieving the targets as per the second National Development Plan.

As highlighted in this monitoring report, overall half-year performance for most sectors ranged between 50%-59%. This performance can be greatly enhanced if sectors improved their planning, readiness of programmes/projects, and initiated procurement processes early.

I urge all stakeholders to use these findings to address unwarranted delays and inefficiencies in execution of government programmes and projects.

Keith Muhakanizi

Permanent Secretary and Secretary to the Treasury

EXECUTIVE SUMMARY

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 10 sectors/ subsectors, including: Agriculture, Education, Energy, Health, Industrialization, Information and Communications Technology (ICT), Microfinance, Public Sector Management, Roads, and Water and Environment. In addition, some aspects under the Ministry of Finance, Planning and Economic Development (MFPED) are reviewed. Attention is on large expenditure programmes with preference given to development expenditure, except in the cases of Agriculture, Education, Health, ICT, Public Sector Management and road maintenance, where some recurrent costs are tracked.

Projects selected for monitoring were based on regional representation, level of capital investment, planned annual outputs, and value of releases during the Financial Year 2017/18. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations or physical verification of reported outputs. Physical performance was rated using weighted achievement of the set targets by 31st December, 2017.

FINDINGS

Overall Financial Performance

(a) Central Government Ministries, Departments and Agencies

Overall financial performance is provided for 10 priority sectors of; Accountability, Agriculture, Education, Energy, Health, Information and Communications Technology, Industrialization, Public Sector Management, Works and Transport, and Water and Environment.

Financial Performance

The approved GoU budget appropriated to Ministries, Departments, Agencies and Local Governments (MDA&LGs) for expenditure including arrears was Ug shs 12.544 trillion[1].

The 10 priority sectors including Local Governments and Kampala Capital City Authority (KCCA) constitute 70% (Ug shs 8.854 trillion) of the GoU approved budget for the MDAs and LGs. Overall, the release performance to MDAs and LGs was Ug shs 6.492 trillion, of which, the release performance for the 10 priority sectors including KCCA and LGs transfers as at 31st December, 2017 was 53% (Ug shs 4.733 trillion) of the approved budget. The expenditures (absorption) were 90% (Ug shs 2.879 trillion) for the central government votes, while KCCA achieved 88% (Ug shs 83.29 bn) and the LGs about 75% (Ug shs 1.062 trillion)). The 45% absorption of development funds under the LGs was attributed to delayed award of contracts to service providers by the respective LGs.

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[1] Allocation to MDAs and LGs forms the basis of analysis for this report

Sector Performance

The approved budgets in 80% of the 10 priority sectors were revised, as at 31st December 2017. The sectors with revised budgets included; Energy, Health, Accountability, Works and Transport, Water and Environment, Tourism, Trade and Industry; and Public Sector Management.

The highest release performance of 72% was registered under the Health sector. Tourism, Trade and Industry sector had the least release performance of 36%. The overall absorption of funds for the sectors was 90% of the funds released.

Overall, both the release and expenditure performance improved compared to the half year performance of FY 2016/17, where the absorption was 80% at 31st December, 2016.

Key Challenges

i) Reallocations and avoidable supplementary budgets for the sector votes pointed to poor planning and budgeting for wage, non-wage and development expenditures.

ii) The sector budgets slightly expanded compared to FY 2016/17 pointing to a requirement for more resources allocated to sectors.

iii) Releases in 70% of the analyzed sectors were suppressed, i.e. less than 50% at half year, this pointed to the need for more resource mobilization.

Recommendations

i) The MFPED should direct sector votes to keenly review the budget process and ensure inclusion of all possible areas of expenditure for the subsequent year.
ii) The MFPED through the Tax Policy Department should mobilize more resources to fund the budget, this could include taxing of money transfers, and online forex traders as well continued curbing of the informal sector for tax purposes.

b) Districts Local Governments (DLGs) Conditional Grants

Assessment to track the semi-annual performance for FY2017/18 focused on development grants that feed into the broader social service sectors. The departments whose grants were reviewed and monitored included; Health, Education, Agriculture, Water and Environment; and Works and Technical Services. Uganda Road Fund (URF) grants though recurrent in nature was considered as it is transferred to all LGs for road maintenance.

Financial Performance

Overall 51% of the LGs approved budget of Ug shs 2.558 trillion was released by 31st December 2017. The average absorption of funds released was 81%, of which wages absorbed 90%, non-wage 75%, Development and Discretionary Development Equalization Grant-(DDEG) 45%.

Absorption of the development grants was low due to procurement processes which were at various stages to completion.

At least 50% of the unconditional grant non-wage and averagely 52% of development funds were released and acknowledged by the DLGs by 31st December, 2017.

Timeliness of quarterly funds released to the DLGs took a minimum of 22 days from the time of announcement of the release by the Permanent Secretary and Secretary to the Treasury (PS/ST) to the warranting. Warranting for the DLGs on the Integrated Financial Management System (IFMS) and the Treasury Single Account (TSA) took averagely 5-7 working days to complete and access funds which was not good compared to the 3 working days that were taken in FY 2016/17. However, for the DLGs which are not yet on the IFMS and TSA, it was noted that warranting took on average one to two weeks mainly because of unreliable Internet connectivity, or the respective officials had to travel either to Kampala or regional centers to have it done.

Key Challenges

i) The downtime of the IFMS has become a common occurrence. It takes between 3 to 5 days, thus delaying payment processes. This was noted in about 70% of the districts monitored.
ii) Long procurement processes have continuously affected project implementation. Additionally, some contractors wish to complete works so that they submit a single certificate and receive payment. This portrays a low absorption rate of funds by the institution.
iii) The warranting of funds for all categories of wage, non-wage, development, gratuity and pension causes delays. Sometimes the warrants are rejected and it takes about two weeks to be resolved.
iv) Operational cost implications are high, as some DLGs have to travel to Kampala or other nearby districts to handle the warranting processes. Many times, the Internet is off or too slow, or electricity goes off for a number of days, thus causing delays.
v) There is need for capacity building for new staff. The one day Programme Based System (PBS) training was inadequate, and there are cases where a Chief Administrative Officer (CAO) is taken to a new district using a different Tier of the IFMS.

Recommendations

i) The MFPED and MoLG should ensure reliable Internet connections to LGs connected on the systems, to facilitate the full use of Public Financial Management (PFM) PFM reforms and improve timely implementation of government programmes.
ii) The Public Procurement and Disposal of Assets Authority (PPDA) should implement improvements in the procurements processes through capacity building. There is need to further develop and shorten the process to increase efficiency of the entire government procurement processes.
iii) The MFPED Budget Directorate and Accountant General should engage in continuous capacity building of staff in the LGs in the use of PFM reforms especially the PBS. The

Accounting Officers should be a high priority since they are frequently changed from one DLG to another.

iv) The MFPED should fast-track the roll out of oracle based IFMS tier 1 system to all LGs in order to effectively support the use of the PFM reforms.

Overall Physical Performance

The overall half-year performance was fair (57.86), with most sectors achieving between 50%-59%. The Microfinance sector exhibited best performance at 75% achievement of semi-annual targets, while Public Sector Management at 47% had the worst performance.

Achievement of planned targets was attributed to increased budget allocations and supplimentaries to some sectors, timely release and disbursement of funds to spending entities. Slow implementation of works and services was pegged to poor planning and readiness of projects, inadequate releases, prolonged and late initiation of procurement processes, low staffing levels, implementation of outputs for/ clearing of outstanding payments from previous FYs, and flouting of Public Finance Management regulations.

Agriculture

The overall sector performance during FY 2017/18 was fair at 65.26% almost similar to what was achieved at half year of FY 2016/17 (62.36%). This performance was much lower and not matching the very good release (48.9%) and good expenditure (86%) performance at half year. Good performance of some programmes and projects was attributable to increased budget allocations and supplimentaries; complimentary resources and services provided by the private sector players; availability of donor financing and timely procurements.

There was general sluggishness in project implementation across the sector due to: delayed releases; late disbursements from the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and agencies to the districts, and from the District Collection Accounts to implementing departments and agencies; lack of detailed work plans to aid quick decision making by the Accounting officers; poor readiness of projects; most spending entities had not concluded the procurements to enable them implement fully the planned actions for FY 2017/18; inadequate staffing; late submission of accountabilities by funds' recipients and general non-compliance with the Public Finance Management regulations. It was common to find MAAIF projects that were implementing workplans of FY 2016/17 in FY 2017/18. This made it difficult to link current disbursements to activities that were under implementation.

Among the good performers in budget execution were MAAIF projects: Northern Uganda Farmers' Livelihood Improvement Project (NUFLIP-98.41%); Uganda Multi-Sectoral Food Safety and Nutrition Project (91.21%), then the Cotton Development Organization (CDO-95.20%), Production and Marketing Grant (PMG-82.30%), and National Agriculture Advisory Services/Operation Wealth Creation (NAADS/OWC-87.45%). The National Agricultural Research Organisation (NARO) was a fair performer (52.61%).

The poor performers were MAAIF projects: Meat Export Support Services (11.62%), Regional Pastoral Livelihood Improvement Project (14.43%) and Support to Sustainable Fisheries

Development Project (32.32%). Reallocations from activity budgets to salary arrears was a major constraining factor in the latter project.

Highlights of Sector Performance

During the half year, the Government aggressively rolled out strategic interventions in the agricultural sector to enhance production and productivity, agro-processing and value addition. The NAADS/OWC supported farmers with a range of agricultural inputs, especially planting and stocking materials for strategic commodities and to a limited extent production and value addition machinery. All the 19 districts sampled in the four regions; received inputs and distributed them to farmers. However, the quantities provided to districts were below planned targets due to: a) re-allocation of Ug shs 23.5 billion from provision of priority and strategic agricultural inputs to farmers to sugar cane production in Amuru District b) lack of credible suppliers for large volumes of some inputs, and c) lengthy procurement processes.

Cumulatively from FY 2009/10 to 31st December 2017, the Government availed Ug shs 259.180 billion to farmers/firms through the Agricultural Credit Facility (ACF). All sampled farmers/firms received the ACF, although many got less amounts than they applied for. The beneficiaries have undertaken farm improvements including bush clearing, procurement of high grade animals; establishment of agricultural infrastructure; expansion of trade in grains; and importation of hi-tech machinery for processing feeds, foods, fish, milk, fruits, grains and other marketable commodities. The programme is highly constrained by regional and gender inequalities in access to finances.

Under the CDO, the first phase of construction and equipping the cotton seed processing plant in Pader District was concluded; the second phase civil works commenced in December 2017 with the handover of the site to the contractor. In the current phase, excavation for the office block, cotton and seed stores, and sanitary facilities was ongoing. A total of 3,000 bales of cotton buffer stocks were procured for Fine Spinners; an additional 7,500 bales were under procurement to be provided to Fine Spinners and Nyanza Textile Industries Limited (NYTIL). A total of 2,647 metric tonnes (MT) of cotton seed, about 1.23 million one acre units of pesticides, 5,156 litres of herbicides, 481 MT of fertilizers and 3,040 spray pumps were supplied to farmers at subsidized prices. All the sampled farmers in West Acholi, East Madi and South Eastern regions had received the inputs.

The Uganda Multi-Sectoral Food Security and Nutrition Project was under implementation in about 70 to 100 schools in each of the 15 pilot districts. Demonstration gardens of micro-nutrient rich foods such as orange flesh sweet potato, pumpkins, egg plants and green vegetables were established in the selected schools. Energy efficient stoves were also established in the school kitchens. These served as demonstrations for students, teachers, parents and farmers as well as complementing the school diet. Model farmers were also supported to replicate the demonstration in the surrounding communities to enhance household nutrition. However, many outputs of the Project were partially delivered by 31st December 2017 due to delayed release of funds from MAAIF to the schools, and slow releases from the school head teachers to the science teachers responsible for the intervention. In the absence of irrigation facilities, the performance of school gardens was also negatively affected by harsh climatic conditions;

maintenance of the project was difficult during school holidays when all the students, teachers and non-teaching staff were away.

The National Agricultural Research Organization (NARO) continued to generate and disseminate drought tolerant, pest and disease resistant high yielding technologies to farmers. Improved varieties of Robusta and Arabica coffee, maize, beans, cassava, rice, sorghum, oranges, mangoes, pineapples, vegetables, cocoa and tea were developed and promoted by NARO institutes, Zonal Agricultural Research Development Institutes (ZARDIs) and Satellite Stations. In the livestock sector, research was ongoing for improving performance of cattle, goats, fish, bees, poultry and sheep. Acaricides and de-wormers for handling tick resistance were developed. Cattle feeding packages were developed and promoted. A new modern cow shed that houses 250 animals was constructed at Nakyesesa Satellite Station.

However, the delayed release of funds especially for the Agricultural Technology Advisory Services (ATAAS), prolonged droughts and emergency of pest and disease epidemics led to loss of experiments, up to 60% in the National Crop Resources Research Institute (NACRRI). This constrained production of foundation seeds for the seed industry. The need for Government to undertake strategic investments in irrigation for research is paramount.

To support beef exportation, the Government has commenced infrastructure development at Kyankwanzi National Leadership Institute under the Meat Export Support Services Project. A total of 38.5km out of the targeted 50km of boundary and farm roads were opened up; 2km of fencing was established and 0.7 square miles of bush cleared.

Key sector challenges

i) Partial achievement of planned outputs due to delayed disbursement of funds from MAAIF and agencies for centrally implemented projects and from districts to implementing departments. Funds for NARO ATAAS and some MAAIF projects for Q1 where received in Q2. In some districts, whereas the Q1 PMG funds were received on district accounts by August 2017, the implementing departments accessed them in November-December 2017. Most planned activities were differed to Q3 and Q4.

ii) Slow implementation of MAAIF projects, whereby work plans and activities of FY 2016/17 were differed and being implemented in FY 2017/18. Examples include the Meat Export Support Services Project, and the Regional Pastoral Livelihood Improvement Project.

iii) High levels of wastage and mortality of plant seedlings delivered to farmers persists especially under the NAADS/OWC programme due to: a) harsh climatic changes, b) abandonment of inputs by farmers due to late delivery of materials by suppliers, c) delivery of poor quality planting materials especially cassava and citrus, d) pest and disease epidemics especially the fall army worm that reduced yield by 40% to 80% in most districts, and e) inadequate extension services and programme supervision.

iv) Non-compliance with the PFM Act through: a) unauthorised reallocation of activity budgets to cover salary arrears and National Social Security Fund (NSSF) for the project staff at the district level under the Regional Pastoral Livelihood Improvement Project.

There was no written evidence of authorisation by MAAIF to do these budget reallocations, b) arrears created by nursery operators in Bushenyi District who supplied 8m tea seedlings without call off orders for NAADS Secretariat and demanding for payment.

Recommendations

i) The MFPED should enhance supervision of budget execution at MAAIF, agencies and LGs to curb re-allocations, salary arrears and hasten funds disbursement; and institute sanctions for non-compliance.
ii) The MFPED/Project Analysis and Public Investment Management Department (PAP) should support the MAAIF to improve readiness of development project concepts and implementing departments before implementation commences.
iii) The MAAIF and agencies should implement strategic investments in irrigation at NARO and promote uptake of simple irrigation technologies at farm level.
iv) The MAAIF should equip the extension workers under the single spine extension system.

Education

The overall Education and Sports sector performance was fair at 58.6% by half year FY 2017/18. Overall physical performance as compared to release and expenditure performance was relatively low. Of the total budget of Ug shs 2,551.005 bn, 45% (Ug shs 1,093.235bn) was released and absorption was at 93.8%. The recurrent budgets performed better than development budgets in terms of release and expenditure across the votes.

Physical Performance

The best performing votes in terms of delivery of planned outputs were; National Curriculum Development Centre (94.2%) and Kyambogo University (82.9%). Good performance was noted for Makerere University Business School (MUBS-73.9%). Fair performance was noted for Gulu University (62.15%), Transfers to Local Governments (60%), Ministry of Education and Sports (57.65%), Mbarara University (56%), Muni University (54.2%) and Kabale University (50.9%). Poor performance was recorded for Soroti University (47.9%), Makerere University (47.2%), Lira University (47.5%), and Busitema University (24.6%).

Good performance was associated with timely release and disbursement of funds to spending entities, while poor performance was attributed to delays in procurement and low releases of funds by spending entities particularly for the development projects. At programme and project level, the sector's physical performance varied. There were good, fair and poor performers.

Ministry of Education and Sports (MoES): The budget for Vote 013 is Ug shs 627.377 bn inclusive of external financing and arrears. Of this, Ug shs 252.266bn (40.2%) was released and Ug shs 189.661bn (75.2%) expended by 31st December, 2017. The good performing projects included; Uganda Teacher and School Effectiveness Project (UTSEP) which completed the first batch of 54 schools and civil works for the second batch of 83 schools that started in October 2017 was at 17%, against time progress of 33%. Physical progress of the 33 UTSEP schools monitored in 11 districts ranged between 10% and 80%. (Ibanda at 80%, Rukungiri, Kalungu and Ntungamo at 50%).

The Support to Higher Education Science and Technology (HEST) project's performance was at 72.2% against time progress of 87%. Specifically, Muni University was at 85%, Gulu University at 80%, Lira University 81.6%, Busitema University 96%, Kyambogo University at 100%, Mbarara University 94.5%, Makerere University at 100% (Kabanyolo at 40%), and MUBS at 100%, while all the recurrent programmes performed at 70% and above.

Poor performing projects included; Emergency Construction and Rehabilitation of Primary Schools at 34.3%, Development of Secondary Education at 42.1%, Development of Primary Teachers' Colleges at 10.2%, National High Altitude Training Centre at 0.66%, Akii Bua Olympic Stadium at 8.74% and Presidential Pledges (37.3%). Poor performance was attributed to late start of project implementation, no release of funds specifically for Akii Bua and delay in payments of outstanding certificates by MoES leading to stalled works at the National High Altitude Training Centre- Kapchorwa.

Universities: Performance among the 10 public universities (Busitema, Kabale, Gulu, Kyambogo, Lira, Makerere, MUBS, Mbarara, Muni and Soroti) votes varied. Good performance was noted for the recurrent programmes for all the universities except for Lira (56.9%) and Soroti (39.3%). Soroti University had not enrolled students. The development projects on the other hand across all the universities had poor performance expect for Soroti (91.9%). The poor performance was attributed to low releases of the development funds (i.e Gulu University-16%, Mbarara University-22%, Muni University 23%, Makerere University-23% and Busitema University-24%) except for Soroti University that received 100%.

Transfers to Local Government-Votes 500 to 850: The budget for Local Government transfers FY 2017/18 is Ug shs 1,434.53 bn, of which Ug shs 687.092 bn (53%) was released to the 168 LGs (121 districts, 46 municipalities and KCCA). Good performance was noted for the wage, non-wage and development components across the LGs. All the wage, non-wage (i.e Universal Primary Education and Universal Secondary Education capitation for term II and term III and inspection grants) and development funds were received. There was good absorption for wage and non-wage in all districts. Majority of districts absorbed the development grant. Overall performance for all the transfers was fair (60%) and project implementation was at various stages.

Projects included; construction of classroom blocks, supply of furniture, construction of five-stance and two stance lined pit latrines, payment of retention fees for the previous financial year and construction of teachers' houses. In districts such as Lira, works were completed while in Jinja and Kapchorwa classroom blocks were at wall plate. In Ibanda, Rukungiri, Bushenyi, Lyantonde, Masindi, Rakai, Kyotera, Wakiso, Nakaseke, Gomba, Mpigi and other districts, civil works were in progress. In Arua, Kween, Mukono, Buliisa, Luweero and a few other districts, works had not started and this was attributed to delays in the procurement process.

Key implementation challenges

i) **Non-receipt/low release and late receipt of funds:** the development projects in universities received between 16%-24% of their annual budgets by half year with an exception of Soroti University. There were delays in transfer of capitation to schools by some districts, while others reported changes in enrollment figures since the last headcount, rendering capitation given insufficient.

ii) **Outstanding arrears leading to court litigation.** The Adaptable Programme Lending (APL 1) World Bank project that closed in FY 2013/14 left outstanding arrears for all the 121 secondary schools estimated at Ug shs 15.6 billion, so a number of contractors were threatening to take Government to court.

iii) **Staffing shortages** across all the public universities especially in the science related courses. Related to this is the high labour turnover as a number of lecturers had left some public universities due to lack of promotions**.** For instance, Lira University is operating at staffing level of 25% particularly in the core areas which affect effective implementation of outputs.

Key recommendations

i) The MoES should develop a comprehensive budget for all un-funded priorities under primary and secondary education to include all outstanding arrears, costs of court litigation, emergencies, requirements to complete the incomplete structures under APL I and other projects.
ii) The MFPED should make adequate provisions for recruitment of staff in public universities.

Conclusion

With this fair performance at half year, the Education and Sports sector is unlikely to achieve the annual planned development targets if releases especially to development projects are not improved and guidelines to implementing institutions issued in time. The implementing Votes under the sector need to expedite completion of the procurement processes.

Energy

The approved sector budget was Ug shs 2319.8 bn (Ug shs 1,870.18 bn for vote 017-Ministry of Energy and Mineral Development (MEMD) and Ug shs 449.62 for vote 123-Rural Electrification Agency-REA). The sector budget was revised to Ug shs 2,445 bn after receiving supplementary funding of Ug shs125.2 bn under vote 017. The overall sector release performance was poor at 32.1% of the approved sector budget with a similarly poor disbursement of 27.4% on the externally funded portion of the budget. However, the GoU release was generally good (48.1%) at half year.

Physical Performance

The Energy and Minerals sector overall physical performance at half year FY2017/18 was fair at 61.9%, which was a decline from the previous performance of 66% at the end of FY 2016/17. Projects that exhibited very good performance were the Mputa Interconnection (Hoima-Nkenda) Transmission Project, Electrification of Industrial Parks, the Kawanda-Masaka Transmission Project. Improved performance was also observed on the power generation projects (Karuma

Hydro Power Project (HPP) and Isimba HPP) although quality issues continue to arise even after the streamlining of the supervision on these two projects.

The projects whose performance was fair but could have been better had they not been hindered by the low release of GoU funds were: Strengthening the Production Phases of Oil and Gas, Rural Electrification, and Mineral Wealth and Mining Infrastructure Development.

Projects which performed poorly and had not registered any progress are: Tororo-Lira/ Mbarara-Nkenda Transmission Project, Bujagali-Tororo/Mbarara-Mirama (Nile Equatorial Lakes Subsidiary Action Program-NELSAP) project, Nyagak III HPP. Karuma Interconnection Project performance was still poor, but some progress was registered by half year although the project is still behind schedule.

As the sector prepares for oil production in 2020, the Oil and Gas Sector is continuing with the negotiations for a lead investor to partner in the development of the Oil Refinery. The compensation activities for the refinery are being concluded in preparation for the commencement of the production phase of oil and gas. Related to this, the Front-End Engineering Design (FEED) study for the development of the Hoima-Tanga East Africa Crude Oil Pipeline was completed in August 2017, and the Final Investment Decision is expected by the end of FY 2017/18.

If the sector performance is to improve, the following challenges should be addressed:

i) Land acquisition challenges especially for power transmission lines have delayed project implementation. This is due to inadequate funds to compensate the project affected persons (PAPs), failure to reach agreement with PAPs because of low valuation rates and delayed valuation by the Government Valuer's Office.
ii) Implementation of GoU funded projects continues to suffer due to the poor release of funds, meaning that on-going procurements could not be completed and on-going works could not be paid for forcing contractors to slow down works.
iii) The sector continues to experience delays in project implementation due to delayed procurement and poor contract and project management especially in the infrastructure projects.
iv) The current rate of electricity access in the rural areas is currently at 18%[2] of the households which is still low. The rate of connections on both previously and newly completed grid extension projects is also still low because of the issue of affordability.

To address the challenges in the sector, the following recommendations should be implemented:

i) Government should set up a special fund for land acquisition on infrastructure projects in order to reduce the delays from compensation, and eliminate the financial pressure these projects put on the National Budget.
ii) The planning units should prioritize projects for funding so that critical sector areas such as implementation of the Resettlement Action Plan receive adequate funding.

[2] UBOS (2016) Uganda Demographic and Health Survey

iii) The sector agencies (MEMD, Uganda Electricity Transmission Company Limited, Uganda Electricity Generation Company Limited, REA) should build capacity in the execution of infrastructure projects especially in areas of procurement and contract management.

iv) The REA should expedite the roll out of the connections policy so that more people can connect to the grid in order to further grow the demand for electricity as the completion of new power generation plants progresses.

Health

The sector was allocated Ug shs 1,824.08 bn inclusive of donor funding, excluding arrears, taxes, and Appropriation in Aid in FY 2017/18. This was 6% of the National Budget, having dropped from 8% in the previous FY 2016/17. The GoU and development partners financed 50% of the budget respectively. The GoU allocation is 44% wage, non-wage 45% and 11% development. The sector budget was shared as follows: The Ministry of Health (54%), LGs (19%), National Medical Stores (13%), regional referral hospitals (5%); national referral hospitals (4.6 %) and 4% to other spending agencies. By 31st December, 2017 the GoU had released Ug shs 600bn (64% of the budget), and Ug shs 538bn (90%)[i] was spent.

Physical Performance

Physical performance for the health sector was fair as 56% of the semi-annual targets were achieved. This performance was attributed to poor planning characterized by late initiation of procurements by various entities.

Best performing vote was Butabika Hospital which achieved 87% of the planned targets. The Alcohol and Drug Unit at Butabika Hospital was substantially completed as planned, medical equipment supplied and specialized mental services provided to targeted population. This performance was attributed to hiring capable contractors, involvement of administration in the monitoring and supervision of planned works, proper planning and timely procurements.

Good performance was exhibited in the Uganda Heart Institute (UHI) at 83%. Preparations for the first-ever highly specialized open-heart surgery known as Coronary Artery Bypass Grafting Surgery (CABG) were concluded by 31st December, 2017. The surgery was undertaken in January 2018. Good performing regional referral hospitals (RRHs) included Jinja at 79%, followed by Masaka at 70% and Soroti at 71%. Targets under medical services and development projects were substantially achieved.

The districts that performed well under the Primacy Health Care (PHC) transitional development grant included; Bundibugyo, Ibanda, Kiboga, and Lyantonde. This good performance was attributed to early initiation of procurement, phasing of the works, use of force on account, and committing government with the hope that all the budgeted funds would be released by the end of the financial year.

Fair performers included Mulago National Referral Hospital (63%), Ministry of Health (MoH) and some regional referral hospitals which averaged at 55% respectively.

Poor performance was noted in the Uganda Blood Transfusion Services (43%), Health Service Commission (30%) and Uganda Cancer Institute (20%). Among the RRHs, Lira performed worst at 29%, followed by Naguru Hospital at 33%. The Health Service Commission (HSC) recruited 143 personnel out of the planned 850. Lira Regional Referral Hospital did not commence procurement of contractors to undertake construction of the planned staff houses. Works under Mubende RRH were not undertaken as the hospital was paying arrears for previous construction works.

The performance at district hospitals that benefited from PHC transitional development grant was poor in most (90%) LGs. These included Luwero, Pallisa, Zombo, Kibuuku, Mukono and Entebbe Municipality. The dismal performance was attributed to late commencement of works due to delays in procurement and approval of Bills of Quantities (BoQs) by MoH.

Key Sector Findings

Some of the outcomes resulting from construction, rehabilitation and equipping of various health facilities in Uganda include improved health service delivery characterised by;

i) Introduction of specialised clinics like diabetes, cancer, hypertension, dental, eye services, and mental clinics among others at various health facilities. This also contributed into reduction in congestion of neighbouring facilities and Mulago National Referral Hospital.
ii) Improved general outlook of various general hospitals like Nakaseke, Pallisa, Kumi, Itojo and Tororo among others. This improved working environment and space has motivated health workers, and there was an increased inflow of patients in both inpatient and outpatient departments.
iii) Improved staffing levels and non-wage budgets at beneficiary health facilities. In Moroto RRH, the number of staff increased from 140 in 2015 to 220 in 2017 to facilitate effective utilisation of the newly rehabilitated hospital under the Uganda Health Systems Project, Rehabilitation of Moroto Hospital (Project 1004) among others.
iv) Improved surveillance and control of disease outbreaks like cholera, malaria, human immune deficiency virus (HIV), tuberculosis, and hepatitis among others. This was evidenced by reduction of malaria cases in Northern Uganda and West Nile due to mass sensitisation campaigns, Indoor Residual Spraying (IRS) and mass distribution of mosquito nets countrywide. This translated in reduction of congestion in facility wards, stock outs of drugs like coartem in districts of Arua, Oyam and Lira among others.

    In Kumi, malaria incidence was 40% in 2016 and reduced to 27% in FY 2017/18; 46% in 2014 to 19% in 2017 for Tororo District. "*Malaria is no longer the number one cause of admissions in Tororo,*" district health officer. All these interventions have directly or indirectly contributed to improvement of health indicators. The under-five mortality and infant mortality rates are expected to improve by end of FY 2017/18.

v) Emergence of competitive healthcare centres and centres of excellence to reduce referrals abroad. The Uganda Heart Institute (UHI) conducted the first-ever highly specialized open-heart surgery known as Coronary Artery Bypass Grafting Surgery (CABG) in January 2018. This surgery improves blood flow to the heart. Such services offer an opportunity to reduce referrals abroad. The Cobolt60 machine at the Uganda Cancer

Institute offers radiotherapy services to over 80 people daily. This has reduced the patients going to Aga Khan Hospital with GoU support to zero.

The centres for excellence particularly UHI lack adequate space to offer services. The UHI has only four ICU beds to attend to the rising number of clients. It cannot admit more children in need of heart surgery. For 2018, the facility was fully booked by February. Shortages of sundries for heart operations were also noted. Issues of limited supplies, quality and congestion at the UCI were also noted.

Challenges

i) **Poor planning characterised by allocation and release of funds without clear utilisation plans**. Entebbe Municipal Council was allocated Ug shs 500million under the PHC transitional grant for rehabilitation for general hospitals. These funds were released but not been utilised by 31st December 2017, because the MoH did not send clear guidelines on project implementation and utilisation of funds.

ii) **Limited financing and ineffective planning resulting in stalling of government projects**. Staff houses under the Italian Support Project in Karamoja, Surgical Complex at Mubende Regional Referral Hospital (RRH), and staff houses at Lira RRH among others stalled for such reasons. Other projects like the maternity ward complex in Masaka, private wing in Jinja, staff houses under Mulago Hospital Complex and Gulu have outlived their contractual periods resulting in endless extensions. This contributes to loss of time and value for money, and depreciation of facilities that become more expensive in the long run.

iii) **Delayed initiation of procurements from the user departments in the various health sector votes**. Majority (90%) of the LGs had not concluded procurement by January 2018.

iv) **Inadequate skills and poorly equipped regional maintenance workshops.** The staff had inadequate skills to handle complex medical equipment such as dental machines, x-ray and other imaging equipment. Attempts to repair a number of equipment were futile. For instance, the x-ray equipment at Busolwe GH, Manafwa GH, and Kagadi GH, among others.

v) **Prolonged delays in submission of recruitment requests to the HSC by various entities.** The MoH submitted the recruitment request on 3rd January 2018, six months into FY 2017/18. These were further not accompanied by the necessary requirements including some job descriptions which affected recruitment. The HSC recruited 143 out of 850 (16%) health workers.

vi) **Severe stock outs of blood in various health facilities monitored**. The Uganda Blood Transfusion Services (UBTS) collected 32% of the blood targets by 31st December, 2017. Shortages lasted up to seven days for various blood groups in health facilities. The major cause for the shortage was inadequate logistics such as coaches, cold boxes, vacutainers, fridges, screening machines among others and severe understaffing at the regional blood banks and blood collection centres.

vii) **Drug stock outs lasting between two to eight weeks in various districts and RRHs**. In Arua RRH, Artesunate (malaria injectable) stocked out on 10th July, 2017 for 16 days, and ran out again on 18th September, 2017 for 28 days. Arua experienced stock outs of family planning supplies like implants (68mg) in Arua, and Depovera for over a month in Bududa. Facilities also lacked other supplies like test kits, gloves, cotton, gauze, and jik among others.

viii) **Understaffing of national, RRHs and lower level health facilities**. There was general lack of critical cadres like pathologists, ear, nose and throat (ENT) surgeons, neurologists, anaesthetists, midwives, oncologists, radiologists and dental technologists among others at RRH level. The staffing norms are outdated and the Ministry of Public Service has taken over five years to review the structure.

ix) Lack of water in various health facilities compromised service delivery. These included Pallisa, Kumi, Apac, and Bugiri general hospitals; and Lira RRH. Equipment in such facilities could not be effectively utilised.

x) Mismanagement of government funds. The contractor meant to complete plumbing works at Bugiri Hospital failed to complete contracted works, despite receiving over 90% payment. The roof in some areas was still leaking. In Tororo Hospital, defects were noted in the doors of the children's ward, there were also drainage challenges and poor finishes on various water tanks.

xi) Lack of equipment including medical and delivery beds, patient trolleys, and drug cabinets among others. Equipment withdrawn from various health facilities by MoH under the Uganda Health Systems Strengthening was never replaced.

xii) Lack of staff accommodation had compromised attraction, retention and motivation of health workers. In Lemusui HCII-Nakapipirit District, several health workers like midwives turned down job appointments for lack of accommodation. Health workers in Loroo HCIII, Moroto District sleep in the OPD. Only 30% of health workers in Bududa District were housed.

Recommendations

i) The MoH and other sector votes should improve their planning capacity. Procurement should be initiated in a timely manner.
ii) The MFPED should not approve projects without clear plans covering multiyear financial requirements to avoid depreciation of facilities and loss of government resources.
iii) Accounting Officers of votes under the health sector should fast-track achievement of set targets by end of FY 2017/18. Entities that fail to undertake timely procurements and implementation of planned targets should be penalised.

iv) The health sector entities should increase efforts in prevention of communicable and non-communicable diseases. This will reduce the medicines and supplies budget, reduction of mortality rates and overall improvement of health indicators.

v) The MoH should prioritise procurement of key medical equipment for health facilities at all levels.

vi) The HSC and MoH should institute strict timelines for recruitment of health workers and the Accounting Officers who flout the timelines should be apprehended.

Information and Communications Technology

The overall budget for the Information, Communications and Technology (ICT) sector comprising of wage, non-wage recurrent, development, arrears and Appropriation in Aid (AIA) for FY 2017/18 is Ug shs 136.264 billion, of which Ug shs 46.311 billion was for Vote 020 (Ministry of ICT&NG) and Ug shs 89.953 billion is for Vote 126 (National Information and Technology Authority-Uganda -NITAU). The overall budget outturn was Ug shs 60.6 billion (44.5%), while expenditure of released funds was 45.1 billion (74.4%). The relatively low absorption was due to ongoing procurement processes and inadequate releases to trigger contract signing.

The overall sector physical performance was rated as fair (52%). This was partly due to poor planning and lengthy procurement processes, on one hand and the requirement for a “No objection” at each and every stage of execution of the World Bank funded Regional Communication Infrastructure Programme (RCIP). Good progress was observed on the key sector indicators of tele-density, increased access and usage of broadband internet bandwidth, increased internet users, increased telephone subscribers and reduction in prices of internet data which is expected to further reduce in 2018. Important to note however the impressive progress is not necessarily a result of interventions made by the sector during the review period, rather external factors largely from the private sector players.

The sector intensified efforts of centralized hosting of Government systems in order to save costs of operating several data centres in different MDAs. To this effect, the National Data Centre was upgraded and hosts sixteen (16) MDA applications.

There was an improvement in public service delivery through e-Government Services. Both NITA-U and MoICT&NG provided technical support to key e-Government services e.g. e-Visa, PROCAMIS (court cases) and Online Declaration System under the Inspectorate of Government among others. Provision of free Wi-Fi internet services (MYUG) to citizens in Kampala from 6pm-6am during the week, and 3pm-9am over the weekend slightly expanded with three (3) additional sites connected bringing the total number of hotspots connected to MYUG to 154 since inception. The National Backbone Infrastructure (NBI) and connectivity was extended to Sixteen (16) additional MDA sites as at 31st December, 2017 bringing the total number to 322 sites connected to the NBI.

The construction of the National ICT Innovators Hub which will provide space and all the equipment to innovators, at Uganda ICT Institute in Nakawa was ongoing. Grants to prospective ICT innovators were not disbursed by 31st December, 2017. However, a committee to review applications for grants was set up by the Ministry of ICT and National Guidance.

Compliance assessments and sensitisation of MDAs and LGs on cyber laws were conducted. Several ICT regulations and strategies were drafted and/or reviewed. They included; operationalization of IT Certification and Authentication of IT Training Regulations, 2016, Business Process Outsourcing (BPO) strategy, Draft National Post Code and Addressing System Policy, among others.

The overall performance was hampered by poor planning leading to delays in initiation of procurements, low ICT technical capacity within MDAs to support the systems, lack of capacity at MDAs to generate content for the different e-government services, insufficient counterpart funding to meet the financing needs of the programmes and projects, delays in procurement approvals/securing no objection from the World Bank, duplication of effort and non-optimal use of resources, conflicting guidance from the Executive arm of government on sourcing bandwidth from either NITA-U or Uganda Telecoms Limited, and delayed development and approval of a criteria for selection of ICT innovators.

Recommendations

i) The NITA-U and MFPED should prioritise counterpart funding for the RCIP Uganda project to avoid delays in project execution.
ii) The Ministry of Public Service and NITA-U should review the staff ceiling for NITA-U to increase on implementation efficiency.
iii) The NITA-U should develop a change management strategy to ensure that duplication of effort is minimised on procurement and use of ICT installations.
iv) The NITA-U should regularly engage with the World Bank to ensure that "no objections" are secured in time. The World Bank should be beseeched to have a country based Task Team Leader (TTL) to speed up the process.
v) The MoICT&NG should urgently finalise the criteria for selecting innovators.

Industrialization

A total of Ug shs 79 billion was allocated to the industrialisation sub-sector for the FY 2017/18, of which Ug shs 29 billion (37%) was released and Ug shs 20 billion (69%) spent by 31st December 2017, representing fair release and expenditure performance.

The sub-sector registered fair physical performance (53%) by half year. Entities whose financial performance was fairly good registered better performance compared to those with poor releases except, the Development of Industrial Parks and the Glass Sheet projects. The United States African Development Fund (USADF) project registered good performance with 83% of the half year targets achieved. The Presidential Initiative on Banana Industrial Development (PIBID-94%) was back on course with; *Tooke* floor production trial runs, market surveys and certification of the products ongoing. Civil works on the guest houses, external works, quality assurance laboratories and installation of equipment was on target.

The Rural Industrial Development Project (RIDP) registered 71% of the half year targets. Most of the beneficiary cooperatives/groups received the value addition equipment and were already in use. However, cases of poor quality equipment was observed at some of the beneficiary organisations. A number of investors allocated land in industrial parks were slowly settling in, especially in the Kampala based parks. The Uganda Industrial Research Institute registered fair performance at 52%, although a number of activities had stalled due to inadequate funding.

The projects that did not meet at least 50% of the half year targets included: Value Addition to Tea Project (4%), Construction of Quality Laboratories at Uganda National Bureau of Standards (5%), Development of Industrial Parks (16%), Soroti Fruit Factory (27%), Glass Sheet Manufacturing (29%) and Kiira Motors Corporation (44%).

The sub-sector performance was affected by poor planning, administrative reviews, inadequate releases, inadequate capitalisation of Uganda Development Corporation (UDC) and Uganda Development Bank (UDB), lack of substantive boards (governance gap) and business plans for some agencies, and diversion of funds to other competing needs.

Notwithstanding the funding to the energy and road sectors that directly compliment the industrialisation sub-sector, the current level of funding and releases to the latter shall not translate into the requisite job creation and shared prosperity spelt out in the theme of the FY 2017/18 budget - *Enhanced Productivity for Inclusive Growth and Job Creation*.

Recommendations

i) The Government of Uganda through the MFPED should prioritise substantial funding to the sub-sector and capitalisation of UDC and UDB to spur industrialisation.
ii) The UDC should constitute technically sound pre–shipment inspection teams to ensure that suppliers meet all the technical requirements before delivery, to avoid time overruns associated with rejection of delivered equipment.
iii) The responsible sector ministries should appoint substantive members of governing boards in time to avoid lapses in decision making as the case is with PIBID and Kiira Motors Corporation.
iv) The Ministry of Science, Technology and Innovations (MoSTI) should expedite the approval of the business plan for commercialisation of *Tooke* products.

Microfinance

For the period under review the performance of the Microfinance Support Centre (MSC) was monitored to assess;

i) The provision of financial services to the poor through Savings and Credit Cooperative Organizations (SACCOs), Small and Medium Enterprises (SMEs) and Teachers' SACCOs.
ii) Mobilization of resources so as to effectively deliver rural financial development services.
iii) The level of financial inclusiveness to the population through affordability and accessibility.
iv) The performance of various MSC products that include; agricultural loans, commercial loans, special interest group loans and environment loans.
v) The level and effect of business development services provided by the MSC to clients.

vi) Linkages and collaborations formed between the MSC and other institutions to enhance MSC interventions.

Credit Performance

Overall Microfinance Support Centre achieved 75% performance which was good; 80% of planned outputs were fully achieved, 15% partially achieved, and 5% were not achieved.

The MSC mobilized Ug shs 59.084 bn for onward lending, of which Ug shs 21.722bn were reflows and Ug shs 37.362 bn opening balances including Islamic financing project funds. This half year performance is an improvement from Ug shs 52bn realized for the whole FY 2016/17.

The MSC disbursed loans worth Ug shs 40.309 bn against a target of Ug shs 31.6 bn (127% performance), this is an improvement from the half year performance of Ug shs 15.7bn in FY 2016/17.

Government of Uganda (GoU) did not release credit funds to the MSC against a target of Ug shs 4.5 bn, however Ug shs 2.059 bn was released for operations that include; salaries and gratuity for contract staff.

The MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for SACCOs-Agricultural loans, 13% to SMEs, 17% for the commercial loans and 11% for teachers' SACCOs. This interest rate performance compared to the commercial rates that were on average 20% to 25% was more affordable. However, the interest on the teachers' loan is considered high when compared to the rate of 8% offered by the teachers' union.

As at 31st December 2017, the company had a 40% increase in outstanding portfolio to Ug shs 91.50 bn from Ug shs 65 bn at 30th June, 2017**.** This growth in portfolio supports the objective of inclusiveness, observed from an increase in the number of clients served under the MSC zonal offices of; Kabale, Kampala, Mbarara, Masaka and Soroti.

Although there is considered growth in portfolio outstanding, the demand for credit services is greater than what MSC was able to reach out to, this was observed from the records at the commercial offices of district local governments (DLGs) of Rakai, Busia, Iganga, Kiryandongo, Apac and Kisoro where less than 15% of the groups seeking credit facilities from the MSC were served.

In terms of client distribution, the highest number and value of client segment reached was commercial loans at 40%, followed by agricultural loans at 24%, group loans at 17% and teachers fund at 4.5%.

The tendency towards commercial loans was driven by drought that hampered the performance of agricultural loans. Environment loans registered zero performance. This was observed from groups monitored in the regions of Soroti, Lira, Kabale and Kiryandongo (under Hoima).

At least every zone achieved a 70% performance for reference SACCOs established in each of the districts in their respective region. Masaka Zonal Office had the highest performance of 8 reference SACCOs out of the nine districts covered, and Lira had the worst performance of 9 reference SACCOs out of the 16 districts. However, Village Saving and Lending groups（VSALs）are performing well, covering half of the regional portfolio.

Portfolio Quality

Portfolio at Risk (PAR)[3] more than 30 days-was 18.5% by 31st December 2017, compared to 13.9% in December 2016. The quality of portfolio declined and points to an increase in defaulting clients from the different zones especially Soroti and Lira. Kampala Zonal Office recovered Ug shs 32million from previously written off loans, which improved the overall PAR for the zone to 6.8% against a target of 15%.

Business Development Services (BDS)

Under this, MSC seeks collaborative partnership arrangements critical for leveraging both technical and financial resource and enhancing the MSC's interventions.

Although MSC formed some partnerships with some organizations such as Engineering Solutions (U) Limited (ENGSOL), CARE, Heifer International, United Nations Industrial Development Organization (UNIDO), and Mercy Corps as seen in the regions of Soroti, Lira and Mbarara, partnerships with government institutions were not formed. Some expected partnerships between the District Commercial Offices (DCOs) in DLGs were not harnessed to build collaborations that would enhance inclusiveness, this was the case for the districts of Rakai, Bukomansimbi, Alebtong, Apac, Kitgum, Buikwe and Kayunga under the MSC zonal offices of Masaka, Lira and Kampala.

There were lost opportunities to conduct capacity building programmes for the SACCOs and groups at a lower cost through partnerships with LGs. The Project for Financial Inclusion in Rural Areas (PROFIRA) only handled SACCOs trained by the MSC. It would be more efficient for the three players; MSC, PROFIRA and DCOs to conduct joint regional capacity building programmes for SACCOs and groups formed.

Zonal Office Rationalization Basis

During the period under review, the cost to income ratio was averagely 0.7:1. All the zonal offices monitored operated efficiently as the costs were less than the revenues attributed to the respective centres. Kampala Zonal Office achieved 0.2:1 performance against a target of 0.5:1, Soroti improved to 1:1 which was just able to break even from loss making in FY 2016/17.

Repayment rate

On-time repayment rate improved from 50% to 76% for the Kampala Zonal Office and was 65% for Masaka. Lira attained an on-time repayment of 46% against a target of 50%. Kabale Zonal Office attained 49% against a target of 80% due to two big loan clients in arrears; Kigezi Highland and Shobore Agro. Soroti Zonal Office declined from 75% to 52% as a result of Felistar Uganda, Standard Junior Kalaki and Home land. There is need to have the improved rates sustained for all the regions so as to reduce on the default rate shown in the P.A.R.

New Products Formed

The Islamic microfinance loan was rolled out in all regions except Lira and Soroti. This loan has greatly improved the volume of funds available for lending and gradually reduced the lead time

[3] Measures loan portfolio with outstanding instalments.

for loan applications received. However, there is need for increased awareness on how the Islamic loan operates and extension to regions such as Lira and Soroti.

Challenges

- Groups and SACCOs are not focused around the same objective, for example agriculture, fishing, and trade. This affects ability of group/SACCO members to pay back funds borrowed.
- Loan defaults by client institutions especially those in the agricultural sector on account of drought and prolonged dry season that led to poor yields.
- Zones still face challenges of staffing levels which affects the management of SACCOs and groups. Zones have wide geographical coverage which makes supervision costly especially with village groups.
- The MSC is undercapitalized and operates below optimal scale. Funds available are insufficient for MSC to meet client demands for credit, and GoU had not met its share of counterpart funding for some projects.
- No clear guidelines for SACCO leadership which affects financial inclusiveness since there's no continuity.

Public Sector Management

The approved GoU budget for the eight votes (excluding Local Governments) under the Public Sector Management (PSM) for FY 2017/18 was Ug shs 288.93 billion (exclusive; external financing, taxes and arrears), of which Ug shs 137.733 (47.7%) was released and Ug shs 118.952 (86.4%) spent by 31st December 2017. This was good release and absorption.

Overall Sector Performance

Overall physical performance was poor at **47%. Fair performance** was noted under the Community Agricultural Infrastructure Improvement Programme (CAIIP III) in Ministry of Local Government (MoLG) at 64.4%; all the 2,547.5km of community access roads were rehabilitated; 77 out of 79 Agro-Processing Facilities (APFs) constructed, machinery installed and tested, and 60 were functional whereas 58 in the North, West and Eastern Uganda had transformers installed. The Dry Lands Integrated Development Project in the Office of the Prime Minister (OPM) had 60.9% attributed to completion of two outpatient departments (OPD), one maternity and one general ward, two four-unit staff houses, and two community access roads; with 20 ongoing other civil works in the Karamoja region.

The Project for Restoration of Livelihoods in the Northern Region (PRELNOR) and Urban Markets and Marketing Development of the Agricultural Project (UMMDAP) in the MoLG registered fair performance with 58.2% and 52.5% respectively. For PRELNOR, skills trainings and provision of agricultural extension services to farmer groups in Acholi region was achieved. While UMMDAP commenced additional external works and a canopy over roof parking in Busega Market in Wakiso District. Nyendo Market in Masaka District was completed and operational however, vendors had still resisted occupying the upper sections and operating from the outside market square where customers can easily be accessed.

Public Service Commission (PSC) achieved fair performance at 55.7%. The E-Recruitment System was established; 23 members of District Service Commissions were inducted in 7 districts; 31 selection tests were administered to 4,265 applicants; and 38 out of 44 appeals received were handled and decisions communicated.

Fair performance was associated with achievement of planned outputs and funding released, timely procurement, qualified project staff; constant follow ups and measurement of performance. The donor projects offices are based at DLGs with all staff making implementation easier.

Poor performance was registered under OPM in the Post War Recovery and Presidential Pledges Project at 46.1%; Support to Luwero-Rwenzori Development Program (LRDP) at 42%; Karamoja Integrated Development Programme (KIDP) at 23%; Humanitarian Assistance Project at 30.5%; and Support to Bunyoro Development Project at 19.5% and Support to Ministry of Local Government (MoLG) at 43.6%.

Poor performance was also registered in the Ministry of Public Service (MoPS) and Local Government Management Service Delivery (LGMSD) Project under Kampala Capital City Authority (KCCA) at 29.7% and 27.6% respectively. Local Government Finance Commission (LGFC) at 37%; Ministry of East African Community Affairs-(MEACA) at 29%; and National Planning Authority (NPA) at 31.8%. This was attributed to the following challenges;

i) **Lack of Sector Strategic plans to guide the development of quarterly work plans, performance measurement and targets:** Except for NPA, Public Service Commission, Ministry of Public Service and KCCA, all other votes lacked strategic plans to guide in the strategic planning, budgeting and measuring performance. This results in poor planning, budgeting, prioritization and performance measurement. For example, there are persistent duplicated outputs in MoPS and KCCA on capacity building; and some funds were used for activities not in line with planned outputs.

ii) **High unexplained expenditures**: For votes like OPM, MoPS, NPA, LGFC and MEACA, most funds were spent on unplanned activities such as travel inland and abroad, consultancies, meetings, workshops and seminars, capacity building, contract salaries and clearing arrears.

iii) **High staff turnover** in the planning and human resource units. In most LGs monitored, there was a high rate of labor turnover due to work over load and poor motivation, yet these are the focal point officers spearheading the Public Service Finance reforms. This affects the quality of service delivery since most staff are in acting capacity.

iv) **Lack of follow up on the implementation of operational guidelines and signing of MoUs of all projects under OPM.** This resulted in poor planning and budgeting, for instance, Kibaale District had never benefited from the Support to Bunyoro Development Project as there is no criteria for resource allocation. While some groups were allocated Ug shs 1 million, others got Ug shs 15 million which is affecting implementation, and having no impact at the grass roots levels.

v) **Persistent wage and gratuity shortfalls in LGs**: This problem still persisted in all districts monitored despite the submission of recruitment plans and staff lists to MFPED and MoPS by respective LGs. The shortfall is attributed to poor human resource forecasts based on the month of May payrolls by MFPED to determine Indicative Planning Figures. In some instances, it is due to inadequate releases by MFPED especially for gratuity. Masaka, Hoima, Moroto, Napak, Nakapiripirit, Kayunga, Rukungiri, and Bugiri districts; and Entebbe, Kira, and Lugazi Municipal Councils had wage and gratuity shortfalls.

vi) **Shortage of staff in strategic positions especially in LGs:** Despite MFPED releasing funds for strategic recruitment, some staff were still in acting capacities for over 10 years which contravenes the Uganda Public Service Standing Orders. This was evident in the departments of Works and Technical Services, Production, Planning and Finance, Natural Resources and Community Development. Most LGs had wasted several funds in advertising but failed to attract staff because of the rigid structures that lack positions at Principal Officer, Scale U2 and yet this is a requirement in the job description that most officers lack.

vii) **Lack of a comprehensive strategic needs analysis to guide training in the public sector.** The Civil Service College operates without a strategic capacity building plan and yet its objective is to spearhead training in the public sector. As a result, capacity building is uncoordinated with very high unspent balances on training in most votes under PSM.

Recommendations

i) The MFPED should release funds in line with the strategic plans, which will also help avoid duplication and wastage of public funds.

ii) All Planning Units in MDAs and LGs should concentrate on the core role of Planning and Policy instead of financial management, and harmonize the planning outputs and activities with budgets to avoid high unexplained expenditures. The role of financial management should be under the Finance and Accounting departments.

iii) The MoLG together with MFPED, NPA, MoPS should carry out a comprehensive staff audit in Planning, Human Resource, Finance, and Audit units to address all human resource management issues and retooling of these departments in LGs.

iv) The MFPED and MoPS should conduct an analysis of recruitment plans submitted by MDAs and LGs and use this as a basis of releasing funds to avoid wage shortfalls.

v) The MoPS through the Department of Management Services should review the LG structures to address the issue of rigid structures that lack positions at Principal level and yet this is part of the job specifications in adverts.

vi) The OPM should enforce operational guidelines and sign MoUs with DLGs for smooth operation of all programmes/projects to realize the intended objectives.

vii) The MoPS and the Civil Service College through the Department of Capacity Building and Planning should carry out a strategic comprehensive training needs assessments in MDAs and LGs and develop strategic training plans to avoid uncoordinated trainings and high unspent balances in the public sector.

Roads

The overall performance of the roads sub-sector was fair at an estimated 57% against a financial performance of 37% by 31st December, 2017. The performance of the National Roads Construction and Rehabilitation (NRC) programme and the Uganda Road Fund (URF) was fair at 69% and 63% respectively; while that of the roads sub-sector component of Ministry of Works and Transport (MoWT) was poor at 41%.

Much as the National Roads Construction and Rehabilitation Programme implemented by Uganda National Roads Authority (UNRA) achieved 193km (39%) of tarmac out of the annual target of 736.11km, the program continued to be affected by the following: Insufficient and inadequate designs especially for rehabilitation projects which led to substantial change in scope of works thus calling for additional resources, for example, Kyenjojo-Fort Portal (50km) had a variation of 39.3% after the design review; slow pace of land acquisition for the Right of Way (RoW) like on Kashenyi-Mitooma (11.53km) and Bumbobi-Lwakhakha (44.5km); and poor mobilization by the contractors like on Bulima–Kabwoya (60 km) and Kabwoya-Kagadi-Kyenjojo (100 km).

The poor performance of the MoWT was mainly attributed to: clearing of outstanding payments from the previous financial year; delays in the procurement of force account inputs; lack of sound equipment in the force account units; and inadequate funds trickling down to the force account implementing units despite over 100% release of funds for the projects.

The URF has two programmes namely: the District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP) whose performance was fair and good at 54% and 72% respectively. All the LGs and UNRA stations did not achieve their annual targets. The under-performance of the DUCAR programme was mainly due to lack of full sets of road maintenance equipment units, and the mode of release of funding whereby agencies have to accumulate funds for two quarters before they can commence works.

The performance of the NRMP was affected by lack of fully constituted contracts committees at the regional level, and inadequate road maintenance equipment units. The LGs were receiving new Japanese equipment units from GoU through the MoWT. It is hoped that the equipment will address implementing issues arising from inadequate equipment at the districts.

Key Sector Challenges

i) Lack of full sets of road maintenance and construction equipment for force account units at the municipalities and UNRA stations.

ii) Poor mobilisation of contractors in the National Roads Construction and the National Roads Maintenance programmes that is; for both the equipment and personnel.

iii) Delayed acquisition of Right of Way on the National Roads Construction programme resulting in delayed completion.

iv) Inadequate facilitation for monitoring across all programmes.

v) Understaffing in the LGs with a number of staff positions in the Works Department not filled.

Recommendations

i) The MoWT should commit and release substantial funds to the implementing force account units for both the Rehabilitation of District Roads and Urban Roads Resealing Projects in order to effectively achieve the planned outputs.

ii) The GoU should also consider procuring equipment units for municipalities as these did not benefit from the newly acquired Japanese equipment. The new municipalities should be given priority.

iii) The Solicitor General, MoWT and UNRA should provide a clause in the works contracts which penalises contractors that do not meet their equipment and personnel mobilisation levels as provided for. This should be tagged on to the advance payment clause.

iv) The URF and MoWT should fast-track the dissemination and implementation of the reviewed remuneration to road gangs which will ease the attracting of casual labourers at the LGs.

Water and Environment

The sector budget allocation for the FY 2017/18 is Ug shs 683.467 bn (tax arrears inclusive), of which Ug shs 233.608 (34%) is externally financed. The cumulative release by Q2 was Ug shs 430.903bn (63%), while the expenditure was Ug shs 348.097bn (88% of the release) by end of December 2017 (excluding Local Governments).

The overall half year performance of the Water and Environment Sector in the FY 2017/18 was fair at 56%. Good performing projects included Protection of Lake Victoria-Kampala Sanitation Program (Phase I) that had excellent works at 90% completion despite inadequate funding. The outstanding certificates amount to Ug shs 66,085,552,373 and the project has a budget shortfall equivalent to Ug shs 185,696,618,951.25. Bududa Phase II and Bukwo Phase II Gravity Flow Systems (GFSs) were at 90% and 82% respectively. Bukwo II GFS was affected by non-completion of the treatment plant at Bukwo I which is the source of water. Gombe-Kyabadaza was constructed to 95%, and Busedde-Bugobya (95%). These systems were undergoing test running.

Poor performing projects included Nyabuhikye-Kikyenkye GFS (25%), Rwebisengo Kanara GFS (5%), Bukedea Gravity Flow Scheme (5%), under Piped Water in Rural Areas. The Rwebisengo-Kanara contractor was using incomplete designs, while under the Water and Sanitation Development Facility-East some works delayed resulting in extension of contract completion dates. The Uganda National Meteorological Authority (UNMA) received 29% of the budget thus could not achieve much of the planned outputs other than completing payment of the radar procured last FY.

The designs and construction of big reservoirs under Water for Production like Seretyo Irrigation Scheme were under procurement. Rwengaaju had just been handed over to contractor while the contract for design of Nakaale dam was yet to be signed. National Environment Management Authority's (NEMA) performance was fair but enforcement of environmental protection and adherence to environmental laws and regulation was an evident challenge. A case in point is violation of Environmental Impact Assessment condition by 19 companies engaged in sand mining in Lwera, Mpigi and Kalungu districts.

The sector priorities put into consideration NDPII targets, however, their achievement may depend upon solutions to some of the sector challenges which include among many; accumulated debts including value added tax (VAT) debts, funding gaps in the sector, non-prioritization of the environment and wetlands sub-sectors, unavailability of land for project implementation, low staffing levels especially at the LGs, climate change vis-à-vis slow adaptation measures.

Sector challenges

i) The unpaid certificates carried forward from the previous year as a result of budget shortfalls experienced at the end of every FY, affects work in the beginning of a new FY. The sectors first clear outstanding certificates before embarking on works for the new FY.
ii) Inadequate funding for the Environment and Natural Resources (ENRs) sub-sector which is critical to sustainability of water supply systems. The budget for the LGs is too small to enable implementation of ENR activities.
iii) Funding gaps limit achievement of objectives and targets, especially improving the functionality of existing water for productions irrigation schemes, and large gravity flow schemes. These projects require a lot of money which might not fit in the sector budget thus falling short of the NDPII targets.
iv) Unavailability of land for project implementation (mainly big water projects) which causes project delays. Where land has to be procured, the costs are hiked by land owners in order to reap big from government.
v) There is still weak enforcement, regulation and adherence to environmental laws and regulations. Continuous degradation of the existing ecosystems is rampant yet replacement is slow and enforcement weak. For example, the sand mining vis-à-vis the fishing activities in Lwera, Masaka District with 19 companies breaching the Environmental Impact Assessment conditions.
vi) Mischarge and unauthorized virements faulting Section 22 of PFMA 2015. The sector at times spends on different outputs other than where money was allocated without the authorization of MFPED.
vii) Lack of means of transport or old and costly vehicles in the LGs which limit supervision and monitoring of works. A number of districts use very old vehicles whose operation and maintenance is very costly, while others have lacked transport means for quite some time.

viii) At times, production wells take long to be developed, and when projects finally begin they are not reassessed making them ineffective as they might at times be silted or vandalized.

Recommendations

i) The MWE should prioritize outstanding payments in the budgeting and payment process so that debt is not calculated as expenditure within a different FY yet no outputs are reflected.

ii) The MFPED/MWE should increase and ensure prioritization of the ENRs sub-sectors to enable implementation of critical ENR activities.

iii) The government through MFPED should prioritize and increase funding for the sector priority areas to enable achievement of the NDPII targets.

iv) The Ministry of Lands, Housing and Urban Development should expeditiously review the land acquisition policy for development of government projects in line with the ongoing land commission recommendations.

v) The NEMA should play their role of enforcing environmental laws and seek political support to protect the fragile ecosystems.

vi) Accounting Officers should adhere to Section 22 of PFMA 2015 by seeking authorized virement from the Minister of Finance, Planning and Economic Development.

vii) The MWE should fast-track the process of seeking permission from MFPED to procure vehicles for LGs in a phased approach.

PART 1: INTRODUCTION

CHAPTER 1:BACKGROUND

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

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

The Budget Monitoring and Accountability Unit (BMAU) was established in FY2008/09 in MFPED to provide comprehensive information for removing key implementation bottlenecks. The BMAU is charged with tracking implementation of selected government programmes or projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through semi-annual and annual 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 semi-annual 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 Technology
- Social services (Education, Health, and Water and Environment)
- Microfinance; and
- Public Sector Management

CHAPTER 2: METHODOLOGY

2.1 Scope

This report is based on selected programmes in the following sectors: Accountability (Finance), Agriculture, Education, Energy, Health, ICT, Industrialization, Microfinance, Public Sector Management (PSM), Roads, and Water and Environment. Selection of areas to monitor is based on a number of criteria:

- 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 Agriculture, Education, Health, PSM and ICT where some recurrent costs are tracked.
- The programmes that had submitted Q2 progress reports for FY2017/18 were followed up for verification as they had specified output achievements.
- Multi-year programmes that were having major implementation issues were also visited.
- Potential of projects/programmes to contribute to sector and national priorities.
- For completed projects, monitoring focused on value for money, intermediate outcomes and beneficiary satisfaction.

2.2 Methodology

Physical performance of projects and outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure. Across all the projects and programmes monitored, the key variables assessed included: performance objectives and targets; inputs and outputs and the achievement of intermediate outcomes.

2.2.1 Sampling

A combination of random and purposive sampling methods were used in selecting projects from the Ministerial Policy Statements and progress reports of the respective departments. Priority was given to monitoring outputs that were physically verifiable. In some instances, multi-stage sampling was undertaken at three levels: i) Sector programmes and projects ii) Local governments and iii) Project beneficiaries.

Outputs to be monitored are selected so that as much of Government of Uganda (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 for effective representation.

2.2.2 Data Collection

Data was collected from various sources through a combination of approaches:

- Review of secondary data sources including: Ministerial Policy Statements for FY2017/18; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), Sector Quarterly Progress Reports and workplans, District Performance Reports, Budget

Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.

- Review and analysis of data from the Integrated Financial Management System (IFMS) and legacy system; Quarterly Performance Reports (Performance Form A and B) and bank statements from some 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 for primary data collection, observation and photography.
- Call-backs in some cases to triangulate information.

2.2.3 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Comparative analysis was done using the relative importance of the outputs and the overall weighted scores.

Relative importance (weight) of an output monitored was based on the amount of budget attached to it; thus the higher the budget the higher the contribution of the output to the sector performance. This was derived from the approved annual budget of each output divided by total annual budget of all outputs of a particular programme/project. The weight of the output and percentage achievement for each output were multiplied to derive the weighted physical performance. The overall programme/project performance is a summation of all weighted scores for its outputs. On the other hand, the overall sector performance is an average of individual programme performances that make up the sector..

The performance was rated on the basis of the criterion in Table 2.1.

Table 2.1: Assessment guide to measure performance of projects monitored in FY2017/18

SCORE	COMMENT
90% and above	***Very Good*** *(Most of the set targets achieved and funds absorbed)*
70%-89%	***Good*** *(Some core set targets achieved and funds absorbed to 70%-89%)*
50%- 69%	***Fair*** *(Few targets achieved and funds absorption is 50%-69%)*
Less than 50%	***Poor*** *(No targets achieved and or funds absorption is less than 50%)*

2.3 Limitations of the report

The preparation of this report was constrained by a number of factors namely:

- Lack of detailed work plans and targets for some programmes.
- Lack of disaggregated financial information by outputs which might have affected the weighted scores.
- Incomplete financial information for donor funded projects, and private implementing firms. In addition, actual utilization of funds was not established where project managers were not in office.

2.4 Structure of the Report

The report is arranged into four parts with a total of 16 chapters. Part one covers the two chapters of introduction and methodology; Part two gives financial performance in local and central government; while Part three is on physical performance in the 10 sectors monitored. Chapter 3 and 4 give the financial performance of the central and local governments respectively. Physical performance of the sectors of Agriculture, Education, Energy, Health, ICT, Industrialization, Microfinance, Public Sector Management, Roads, Water and Environment constitute chapters 5-14 respectively. Chapter 15 gives the conclusion, while chapter 16 has recommendations.

PART 2: FINANCIAL PERFORMANCE

CHAPTER 3: FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

3.1 Introduction

This chapter discusses the semiannual financial performance for the FY 2017/18-for the ten priority sectors of, Accountability[4], Agriculture, Education, Energy, Health and Information and Communications Technology (ICT). Others include Public Sector Management, Tourism, Trade and Industry, Water and Environment, and Works and Transport.

3.2 Scope

Analysis was conducted for ten priority sectors and was based on releases and expenditures for sector votes that are on the Integrated Financial Management System (IFMS). The budget operations table of Ministry of Finance, Planning and Economic Development (MFPED) was reviewed to triangulate the IFMS budget and release/warrants figures. Uganda Revenue Authority (URA) whose release and expenditure is off the IFMS was only assessed on the budget and release performance and assumed 100% performance at expenditure level.

The analysis excluded external financing, Appropriations in Aid (AIA) and Bank of Uganda recapitalization as these are not on the IFMS. Also excluded were Local Governments[5] (LGs) performance.

3.3 Overall Financial Performance

The overall Government of Uganda (GoU) approved budget for FY 2017/18 is Ug shs 29.008 trillion including external financing, debt and treasury operations, AIA, and arrears. The GoU approved budget excluding[6] external financing and AIA is Ug shs 21.175 trillion.

The approved GoU budget appropriated to Ministries, Departments, Agencies and Local Governments (MDA&LGs) for expenditure including arrears is Ug shs 12.544 trillion[7].

The ten priority sectors including Local Governments and Kampala Capital City Authority (KCCA) constitute 70% (Ug shs 8.854 trillion) of the GoU approved budget for the MDAs and LGs.

Overall, the release performance to MDAs and LGs was Ug shs 6.492 trillion, of which, the release performance for the ten priority sectors including KCCA and LGs transfers as at 31st December, 2017 was 53% (Ug shs 4.733 trillion) of the approved budget. The expenditures (absorption) were 90% (Ug shs 2.879 trillion) for the central government votes, while KCCA achieved 88% (Ug shs 83.29bn) and the LGs about 75% (Ug shs 1.062 trillion)). The 45% absorption of development funds under the LGs was attributed to delayed award of contracts to service providers by the respective LGs.

The overall semi-annual GoU budget performance for the ten priority sectors, KCCA and LGs is shown in Table 3.1 (excl external financing, AIA and arrears).

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[4]Excluding Treasury Operations.

[5] LG performance analyzed separately in chapter 4 of this report.

[6] External Financing and AIA Ug shs 7,308 trillion is 28% of the budget and is not included in this report.

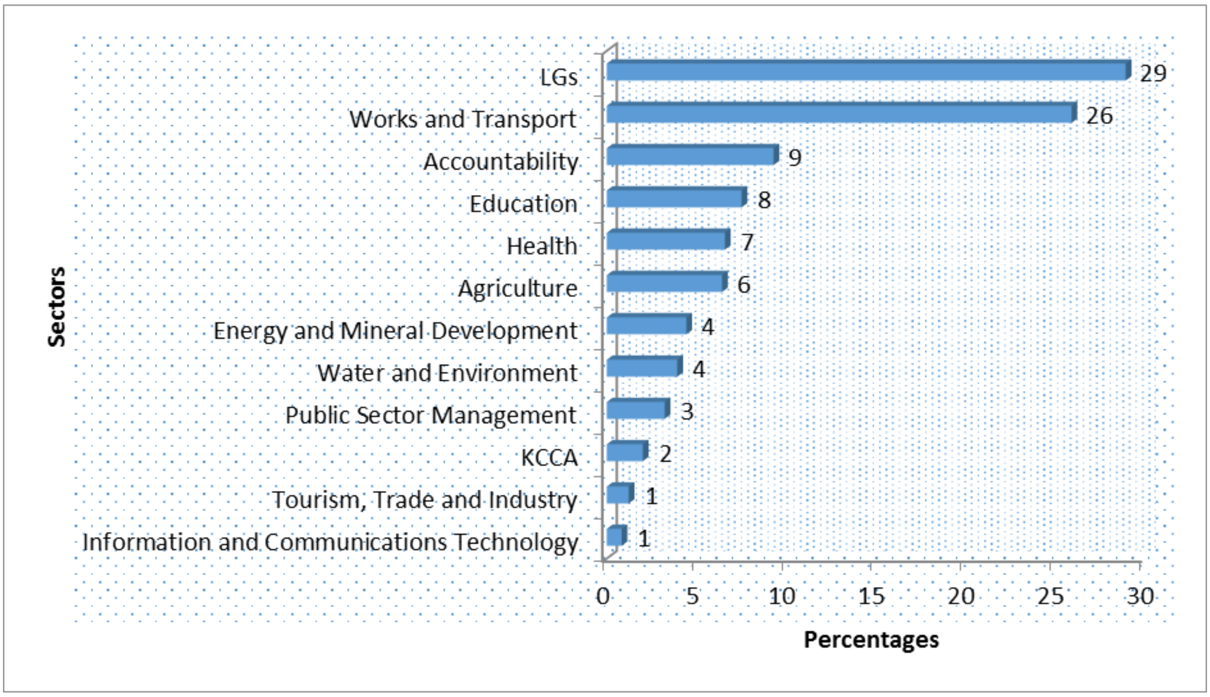
[7] Allocation to MDAs and LGs forms the basis of analysis for this report.

Table 3.1: Budget and Release Performance as at 31st December 2017

S/N	Category	Approved Budget (Ug shs)	Release Ug shs	Release Spent Ug shs	% of Budget Released	% of Release Spent
1	Wage	2,556,446,834,797	1,309,884,514,889	1,099,113,105,738	51	84
2	Non Wage	2,623,983,892,289	1,642,207,877,968	1,428,208,885,892	63	87
3	Development	3,674,213,358,848	1,780,476,025,836	1,498,337,995,266	48	84
	Total	**8,854,644,085,934**	**4,732,568,418,693**	**4,025,659,986,896**	**53**	**85**

Source: IFMS, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT[8]

Figure 3.1: Sector Budget Shares of Allocation to MDAs and LGs FY 2017/18



Source: IFMS, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT9

3.4 Financial Performance of Sectors (Excluding LGs Performance)

The approved budgets in 80% of the ten priority sectors were revised as at 31st December 2017.The sectors with revised budgets included; Energy, Health, Accountability, Works and Transport, Water and Environment, Tourism Trade and Industry, and Public Sector Management.

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[8] Budget Operations Table FY 2016/17

[9] Budget Operations Table FY 2016/17

The highest release performance of 72% was registered under the Health sector. Tourism Trade and Industry sector had the least release performance of 36%. The overall absorption of funds for the sectors was 90% of the funds released. Both the release and expenditure performance was an improvement compared to the half year performance of FY 2016/17 where the absorption was 80% at 31.12.2016.

The overall sector performance for the ten priority sectors excluding LGs is shown in table 3.2.

Table 3.2: Sector Budget Release and Expenditure as at 31st December, 2017

S/n	Sector	Approved Budget Ug shs	Release	Expenditure	%ge of Budget Released	%ge of Budget Spent
1	Accountability	821,889,276,315	438,968,454,941	406,261,834,594	53	93
2	Agriculture	568,115,312,678	300,909,017,966	261,555,166,745	53	87
3	Energy and Mineral Development	391,698,383,769	254,048,539,231	244,919,204,783	64	96
4	Information and Communications Technology	73,008,787,754	32,385,860,772	27,197,070,207	44	84
5	Public Sector Management	285,089,287,410	148,157,663,020	109,433,405,089	52	94
6	Education	664,231,676,827	344,689,397,039	313,105,507,587	52	91
7	Health	581,931,204,468	419,116,200,110	356,824,674,914	72	85
8	Water and Environment	347,389,791,391	194,955,101,049	185,501,462,396	56	95
9	Works and Transport	2,291,366,249,247	1,040,052,872,075	944,165,857,326	45	91
10	Tourism, Trade and Industry	107,912,244,818	39,069,311,919	30,846,927,427	36	79
	Grand Total	**6,132,632,214,677**	**3,212,352,418,122**	**1,904,798,326,315**	**52**	**90**

Source: IFMS January 2018, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT

3.4.1 Accountability

The Accountability sector has eight votes (excluding LGs and KCCA Accountability grants) and except for Uganda Revenue Authority (URA), all sector votes had their releases and expenditures on the IFMS.

The GoU approved budget for the Accountability Sector for the FY 2017/18 is Ug shs 821.889bn (excluding treasury operations), of which 27% (Ug shs 224 bn) is for development and 73% (Ug shs 597.827bn) for wage and non-wage activities. The sector recurrent budget was revised to Ug shs 614.102bn (Ug shs 16.275bn supplementary) and the development budget revised to Ug shs 232.565bn (Ug shs 8.503bn).The overall sector supplementary was Ug shs 24.778bn and was to Vote 008-Ministry of Finance, Planning and Economic Development. The supplementary budget was in respect of short and long term consultancy services- Ug shs 3.235bn and transport equipment- Ug shs 2bn. Under the recurrent budget Ug shs 5.502bn was in respect of recurrent costs for the IFMS, contributions to autonomous institutions Ug shs 2.247bn, staff training costs Ug shs 1.720bn and travel abroad Ug shs 1.990bn.

Overall, release for the sector was 53 % (Ug shs 439 bn) of the revised budget of which 93% (Ug shs 406bn) was absorbed by 31st December, 2017.There was a slight growth of 8.32% for the approved sector budget from Ug shs 758.77bn in FY 2016/17 to Ug 821.889bn

The overall budget performance of the sector votes is shown in table 3.3.

3.4.2 Agriculture Sector

The GoU approved budget for the agriculture sector for the FY 2017/18 is Ug shs 568.115 bn, of which 68% (Ug shs 388.88bn) is development and 32% (Ug shs 179.228bn) for wage and non-wage recurrent.

Overall the sector realized 53% (Ug shs 300.909bn) of the budget and spent 87% (Ug shs 261.555bn) on development and recurrent activities.

There was low absorption of funds under Vote-155 Uganda Cotton Development Organization at 27% of the budget released, as well as Vote-125 National Animal Genetic Resource Centre and Data Bank at 37% of the release. There was a slight decrease of the sector budget of 5.61% from Ug shs 601.68bn in 2016/17 to 568.115bn in FY 2017/18.

The sector had no supplementary budget and had a very good financial performance at 87% absorption rate against 53% budget release. Overall performance of the votes is shown in table 3.4.

3.4.3. Education Sector

The Education sector has 15 votes (excluding the LGs and KCCA) all of which have their releases and expenditures on IFMS.

The GoU approved budget for the Education Sector for the FY 2017/18 is Ug shs 664.231bn[10] of which 17% (Ug shs 111.291bn) is for development and 83% (Ug shs 552.940 bn) wage and non-wage activities.

The sector budget was revised to Ug shs 780.503bn as at 31 December 2017. The revision under the recurrent budget was Ug shs 1.727bn (0.31% of the approved sector recurrent budget) of which 55% (Ug shs 952.63m) was for domestic arrears under Vote: 307 Kabale University.

The sector development budget was revised to Ug shs114.545bn on account of a supplementary budget of Ug shs 3.253bn to Vote: 137-Mbarara University of Science and Technology (MUST). The supplementary to MUST was compensation for land reserved for a powerline under the energy sector.

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[10] The LG and KCCA share of the education sector budget is 69% (Ug shs 1.468tn) and excluded in this section of the report.

There was a 24% growth in the sector budget from Ug shs 533bn in FY 2016/17 to Ug shs 664.23bn in the FY 2017/18. Overall, the sector realized 51.89% (Ug shs 344.689bn) and spent 91% (Ug shs 313.105bn) of the release. Both the release and expenditure performance of the respective sector votes was very good, details of which are shown in table 3.5.

3.4.4. Energy Sector

The GoU approved budget for Energy and Mineral Development Sector for the FY 2017/18 is Ug shs 391.698 bn, of which 96% (Ug shs 374.812bn) was for development and 4%(Ug shs 16.885 bn) for wage and non-wage activities.

The sector has two Votes- 017 Ministry of Energy and Minerals Development (MEMD) and 123 Rural Electrification Agency (REA), of which 79% (Ug shs 309.722bn) is under MEMD. Overall the sector budget was revised to Ug shs 512.679 bn (32% increase) through a supplementary budget of Ug shs 125.213bn which was entirely under Vote-17 MEMD. 15% (Ug shs 18.337bn) was for development under- Project 1355 Strengthening the Development and Production Phases of Oil and Gas Sector and Isimba Hydro Power Project. 85% (Ug shs 106.875bn) was for recurrent activities that involved transfers to Uganda Electricity Transmission Company Limited to cover thermal generation and hydro power costs.

The sector realized 65% (Ug shs 254.048bn) of the budget, and spent 96% (Ug shs 244.919bn) of the funds released.
The sector registered a slight increase in the budget of 11.27% (Ug shs 58bn) over FY 2016/17, although this increase was on account of the supplementary budget of Ug shs 125.213bn Overall the sector had very good GoU financial performance as at 31.12.2017, detailed budget performance of the sector votes is shown in table 3.6

3.4.5 Health Sector

The Health sector has 24 votes (excluding the LGs and KCCA) all of which have their releases and expenditures on IFMS.
The GoU approved budget for the Health Sector for the FY 2017/18 is Ug shs 581.931bn, of which 16% (Ug shs 92bn) is development and 84% (Ug shs 490.355bn) for wage and non-wage activities. The highest sector budget is to Vote: 116- National Medical Stores[11] (NMS) - 44% (Ug shs 258.074 bn) followed by Vote:14- Ministry of Health (MoH)-14% (Ug shs 94bn).

The sector budget was revised to Ug shs 622.931bn on account of a supplementary budget of Ug shs 41bn to Vote:116 NMS. The supplementary budget was for medical supplies to health centre-IIs, IIIs, IVs and reproductive health items.

Overall, 67% of the Health Sector revised budget (excluding LGs and KCCA) was released and 85% (Ug shs 356.824bn) was spent by the votes by 31st December 2017. Vote 116-NMS whose budget is 100% (Ug shs 299.074bn) recurrent realized 76% (Ug shs 227.9bn) and spent 100% of the funds released, registering the best absorption performance in the sector. Vote 14-MoH had 54% (Ug shs 51bn) of its development budget released, of which 79% (Ug shs 40.5bn) was expended.

[11] NMS budget is attributable to both central and local governments.

The sector budget remained averagely the same over the two FYs 2016/17- 2017/18, although there is a higher release performance and absorption for all sector votes in FY 2017/18 than for the same period in the FY 2016/17. The detailed budget performance of the sector votes as at 31.12. 2017 is shown in table 3.7.

3.4.6 Water and Environment Sector

The Water and Environment sector has four votes, all of which have their releases and expenditures on IFMS.
The GoU approved budget for the Water and Environment Sector for the FY 2017/18 is Ug shs 347.389bn, of which 84% (Ug shs 291.300bn) is for development and 16% (Ug shs 56.089bn) for wage and non-wage activities. Vote: 19 Ministry of Water and Environment (MWE) had the highest share of the sector budget at 85% (Ug shs 233.61bn).
The sector budget was revised to Ug shs 351.02bn through a supplementary of Ug shs 3.627bn (1% of sector budget) under Vote 19 MWE. This was in respect of Cultivated Assets under project 1301-The National REDD plus project.

The overall GoU release performance was Ug shs 194.955bn (56% of the approved budget) of which 95% (Ug shs 185.501bn) was spent on development, wage and non-wage recurrent activities. The overall budget performance of the sector votes is shown in table 3.8

3.4.7 Information and Communications Technology

The Information and Communications sector has two votes all of which have their releases and expenditures on IFMS.

The GoU approved budget for the Information and Communications Sector for the FY 2017/18 is Ug shs 73.008bn, of which 24% (Ug shs 17.486bn) is for development and 76%(Ug shs 55.521bn) for wage and non-wage activities.

The sector budget increased by 118% to Ug shs 73.008bn from FY 2016/17 on account of the Innovations Fund (Ug shs 15bn), transfers to Uganda Broadcasting Corporation (UBC) Ug shs 7bn for revamping of UBC, and counterpart funding to the World Bank Regional Communication and Infrastructure programme. Other causes were inclusion of the national guidance budget previously under the Office of the Prime Minister (OPM) and Uganda Media Centre.

The overall sector release performance was 44% (Ug Shs 32.385bn) of the approved budget, which was below the average release performance of 53%. The overall sector expenditure was 84% (Ug shs 27.197bn) of the funds released by 31st December, 2017. The detailed budget performance of the sector votes is shown in table 3.9

3.4.8 Works and Transport Sector

The Works and Transport sector has three votes, all of which have their releases and expenditures on IFMS. The GoU approved budget for the Works and Transport Sector for the FY 2017/18 is Ug shs 2,291.366 trillion, of which 73% (Ug shs 1,674 trillion) is for development and 27% (Ug shs 616.796bn) for wage and non-wage activities.

The sector budget was revised to Ug shs 2,306trillion through a supplementary budget of Ug shs 15bn. The supplementary was under Vote 113-Uganda National Roads Authority

(UNRA), and was for land compensation under project 1312-Upgrading Mbale-Bubolo-Lwakhakha road.

The overall GoU release performance was 45% (Ug shs 1,040 trillion), of which 74 % (Ug shs 944bn) was absorbed by 31st December, 2017. 88% (Ug shs 657bn) of the release was spent on development projects and 12% (Ug shs 286.986bn) on wage and non-wage activities. The financial performance of the sector was good as detailed in table 3.10.

3.4.9 Public Sector Management

The Public Sector Management has seven votes, all of which have their releases and expenditures on IFMS. The GoU approved budget for the Public Sector Management for the FY 2017/18 is Ug shs 285.089bn, of which 28% (Ug shs 79.719bn) is for development and 72% (Ug shs 205.369bn) for wage and non-wage activities.

The sector obtained a supplementary budget of Ug shs 7.05bn, in respect of Votes; 3-Office of Prime Minister, 21-East African Community Affairs and 108-National Planning Authority. The supplementary was specifically for transfers to other government units, subscriptions and workshops and seminars.

The sector budget increased by 7% from Ug shs 273bn in the FY 2016/17. The overall GoU release performance for the sector (excluding LGs and KCCA) was 52% (Ug shs 148.157bn), of which 74% (Ug shs 109.433bn) was spent on development, wage and non-wage activities. Although the overall sector release was good, the development budget release was only 27% (Ug shs 21.784bn). The overall detailed budget performance of the sector votes as at 31st December, 2017 is shown in table 3.11.

3.4.10 Tourism Trade and Industry

The Tourism, Trade and Industry sector has five votes (excluding LGs and KCCA trade grants) all of which have their releases and expenditures on IFMS.

The GoU approved budget for the Tourism, Trade and Industry Sector for the FY 2017/18 is Ug shs 107.912bn, of which Ug shs 52.955bn (49%) is for development and 51% (Ug shs 54.957bn) for wage and non-wage activities.

The sector budget was revised to Ug shs 113.832bn through a supplementary of Ug shs 6.832bn.This was in respect of Vote 117-Uganda Tourism Board for activities of tourism promotion and marketing. The sector budget grew by 10.9% from Ug shs 102bn in the FY 2016/17.

The overall release performance was Ug shs 39.069bn (36%) of the approved budget, of which Ug shs 30.846bn (79%) was spent. The detailed budget performance of the sector votes is shown in table 3.12.

3.5 Overall Conclusion

The approved GoU sector budgets for 80% of the ten priority sectors analyzed were revised as at 31st December, 2017. The highest revision of Ug shs 125bn was under the Energy sector- MEMD in respect of thermal generation and hydro power costs as well as Isimba Hydro Power Project. This was followed by Health sector-Ug shs 41billion towards-Vote: 116 NMS for medical supplies and reproductive health supplies to HCIIs, HCIIs and HC IVs.

Other sectors with revised budgets included; accountability, works and transport, public sector management, tourism trade and industry, education and water and environment.

The overall release performance was 57% of the approved sector budgets, the highest release performance registered was under the health sector at 72%, and the least release of 36% under the Tourism Trade and Industry Sector.

Overall absorption of funds released was 90% with the highest absorption of 95% registered under the Water and Environment Sector, and the least recorded under the Tourism, Trade and Industry Sector.

Although the respective sector supplementary budgets were less than 10% of the FY 2016/17 budgets as well as 2017/18 budgets for the affected votes, the three way criteria provided in section 25-(6 and(7a-c) of the PFM Act 2015 that the expenditure should be, 'unabsorbable', "unavoidable", and "unforeseeable" was not met.

The suppression of releases to the sectors of education (40% development budget released), energy (46% development budget released), tourism, trade and industry (36% overall budget release) and works and transport (45% overall budget release). Others include, public sector management (23% development release), ICT (44.36% overall budget release) and accountability (49% development release) points to limited funds amidst growing/expanded sector budgets.

Sector recurrent expenditures are growing faster than the development, this could slow sustainable inclusive growth. Overall supplementary budgets across sectors point to poor planning and budgeting by the sectors.

Key Challenges

- Reallocations, and foreseeable and avoidable supplementary budgets for the sector votes pointed to poor planning and budgeting for wage, non-wage and development expenditures.
- The sector budgets slightly expanded compared to the FY 2016/17 pointing to a requirement for more resources allocated to sectors.
- Releases in 70% of the analyzed sectors were suppressed, i.e. less than 50% at half year, this pointed to the need for more resource mobilization.

Recommendations

- Sector votes should review the budget process to ensure inclusion of all possible areas of expenditure for the subsequent year.
- The MFPED through the Tax Policy Department should mobilize more resources to fund the budget. This could include taxing of money transfers, and online forex traders, as well continued curbing of the informal sector for tax purposes.
- The MFPED Budget Directorate should strengthen the scrutiny of sector budget submissions (BFPs, and Budgets) for any lapses in the estimates made.
- The MFPED Budget Directorate should enforce finalization of warrants by sector votes and observation of release schedules to enable the timely availability of funds.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

Financial Performance of the Ten Priority Sectors (excluding; respective LGs and KCCA budgets, AIA and external funding and votes with expenditure off IFMS) as at 31st December 2017.

Table 3.4: Agriculture Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug Shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Recurrent(Wage Nonwage)	Devt	Recurrent(Wage Nonwage)	Devt	Recurrent(Wage Nonwage)	Devt	Rec	Dev	Rec	Dev
010	Ministry of Agriculture, Animal, Industry & Fisheries	81,082,357,619	91,806,168,636	33,107,051,597	42,375,687,045	28,487,934,211	33,649,913,666	41	46	86	79
121	Dairy Development Authority	3,835,925,135	2,130,045,788	1,691,410,054	1,572,921,735	1,680,870,291	1,540,335,342	44	74	99	98
125	National Animal Genetic Res. Centre and Data Bank	3,694,608,286	7,464,216,573	1,857,316,098	5,374,951,601	1,713,737,551	934,370,164	50	72	92	17
142	National Agricultural Research Organization	29,791,202,385	8,780,493,562	14,779,930,753	2,243,205,204	14,772,045,100	934,370,164	50	26	100	100
152	NAADS Secretariat	5,410,189,673	274,294,648,469	2,417,271,618	151,772,914,936	1,827,231,683	136,990,330,660	45	55	76	90

Vote	Vote Description	Approved Budget (Ug Shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Recurrent(Wage Nonwage)	Devt	Recurrent(Wage Nonwage)	Devt	Recurrent(Wage Nonwage)	Devt	Rec	Dev	Rec	Dev
155	Cotton Development Organization	1,825,056,097	4,411,000,000	6,298,074,443	1,671,486,000	1,204,639,958	951,493,985	345	38	19	57
160	Uganda Coffee Development Authority	53,589,400,455	-	35,746,796,880	-	35,559,058,930	-	67	-	99	-
	Total	**179,228,739,650**	**388,886,573,028**	**95,897,851,444**	**205,011,166,521**	**85,245,517,724**	**176,309,649,021**	**54**	**53**	**89**	**86**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3.5: Education Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
013	Ministry of Education, Science Technology and Sports	162,487,479,203	75,931,448,236	86,190,383,399	31,486,489,442	75,378,194,626	23,767,050,557	53	41	87	75
128	UNEB	38,293,169,693	-	30,541,759,447	-	30,541,759,446	-	80		100	
303	NCDC	6,720,909,657	-	3,974,504,280	-	3,564,608,648	-	59		90	
132	Education Service Commission	6,560,258,291	351,530,251	3,182,231,508	351,530,251	2,705,410,677	258,180,349	49	100	85	73
111	Busitema University	25,655,296,958	1,077,520,811	14,865,584,505	260,752,100	14,825,868,498	260,619,961	58	24	100	100
127	Muni University	8,274,101,867	4,550,000,000	4,040,506,632	1,037,334,900	3,490,931,921	627,741,158	49	23	86	61
136	Makerere University	146,620,421,773	10,159,340,686	74,590,502,061	2,360,890,043	71,551,472,360	1,960,890,043	51	23	96	83
137	Mbarara										

Vote	Vote Description	Approved Budget (Ug shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
	University	29,205,575,624	3,598,768,714	14,474,006,410	793,986,438	14,196,509,136	648,641,176	50	22	98	82
138	Makerere University Business School	26,060,456,745	2,800,000,000	12,920,032,979	910,000,000	12,899,698,643	788,772,596	50	33	100	87
139	Kyambogo University	47,336,161,684	722,845,106	23,791,036,676	131,712,330	22,992,769,459	118,845,000	50	18	97	90
140	Uganda Management Institute	4,881,146,880	1,500,000,000	2,430,786,151	243,750,000	2,163,156,732	21,343,018	50	16	89	9
149	Gulu University	28,697,698,105	2,500,053,381	14,245,144,625	390,512,560	13,098,981,737	132,628,342	50	16	92	34
301	Lira Univesity	7,344,918,041	1,500,000,000	5,909,439,837	393,750,000	3,658,562,164	93,750,000	80	26	62	24
307	Kabale Univesity	8,902,554,042	600,000,000	6,011,826,021	247,500,000	5,643,024,305	16,852,030	68	41	94	7
308	Soroti Univesity	5,900,021,079	6,000,000,000	2,913,444,444	6,000,000,000	1,699,245,005	6,000,000,000	49	100	58	100
	Total	**552,940,169,642**	**111,291,507,185**	**300,081,188,975**	**44,608,208,063**	**278,410,193,357**	**34,695,314,230**	**54**	**40**	**93**	**78**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3.6: Energy Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug shs)		Release ((Ug shs)) Performance		Expenditure ((Ug shs)) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
017	Ministry of Energy and Mineral Development	16,885,526,808	292,836,856,961	80,416,914,046	151,769,615,854	79,408,749,493.00	145,579,671,412	476	52	99	96
123	Rural Electrification Agency (REA)	-	81,976,000,000	-	21,862,009,331	-	19,930,783,878	-	27	-	91
	Total	**56,089,474,159**	**291,300,317,232**	**29,088,588,914**	**165,866,512,134**	**26,008,086,842**	**159,493,375,554**	**476**	**46**	**99**	**95**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT 2017/18

Table 3.7: Health Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
014	Ministry of Health	65,795,620,263	28,839,513,827	31,598,521,464	19,609,396,271	23,968,472,872	16,554,546,720	48	68	76	84
107	Uganda AIDS Commission-Statutory	7,112,700,572	127,809,000	3,459,635,739	6,000,000	-	6,000,000	49	5	-	100
114	Uganda Cancer Institute	6,500,311,728	11,929,264,972	3,234,168,975	8,657,132,867	2,339,384,459	6,888,527,657	50	73	72	80
115	Uganda Heart Institute	7,595,195,138	4,500,000,000	3,928,875,220	3,733,200,000	1,108,216,021	647,636,226.00	52	83	28	17
116	National Medical Stores	258,074,897,442	-	227,929,917,077	-	218,687,249,063	-	88	-	96	-
134	Health Service Commission	5,157,163,351	263,399,681	2,561,949,026	263,399,681	2,194,558,858	263,399,681	50	100	86	100
151	Uganda Blood	9,351,347,860	370,000,000	5,330,854,887	253,600,000	4,433,915,313	33,320,786				

Vote	Vote Description	Approved Budget (Ug shs)		Release (Ug shs) Performance		Expenditure (Ug shs) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
	Transfusion Service (UBTS)							57	69	83	13
161	Mulago Hospital Complex	46,452,958,665	22,020,000,000	24,206,074,247	22,020,000,000	22,023,875,792	11,981,834,021	52	100	91	54
162	Butabika Hospital	9,451,149,251	1,808,140,579	4,660,001,044	909,800,000	4,206,973,982	617,211,833	49	50	90	68
304	UVRI	1,463,929,834	400,000,000	771,206,967	400,000,000	629,917,981	400,000,000	53	100	82	100
163-176	Regional Referrals Hospitals	73,400,240,136	21,317,562,169	38,071,349,461	17,511,117,185	29,452,101,493	10,387,532,156	52	81	77	59
	Total	**490,355,514,240**	**91,575,690,228**	**345,752,554,106**	**73,363,646,004**	**309,044,665,834**	**47,780,009,080**	**54**	**66**	**71**	**61**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3.8: Water and Environment Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug Shs)		Release (Ug Shs) Performance		Expenditure (Ug Shs) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
019	Ministry of Water and Environment	25,851,531,324	268,819,289,264	15,053,631,477	160,692,742,584	14,590,380,729	156,431,559,771	58	60	97	97
150	National Environment Management Authority	12,046,809,092	1,047,852,994	5,430,321,092	429,750,000	4,249,991,481	314,235,587	45	41	78	73
157	National Forestry Authority	6,344,511,356	5,925,197,000	3,574,047,051	1,889,790,292	3,204,663,737	28,769,709	56	32	90	2
302	UNMA	11,846,622,387	15,507,977,974	5,030,589,294	2,854,229,258	3,963,050,895	2,718,810,487	42	18	79	95
	Total	**56,089,474,159**	**291,300,317,232**	**29,088,588,914**	**165,866,512,134**	**26,008,086,842**	**159,493,375,554**	**52**	**57**	**89**	**96**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT 2017/18

Table 3.9: Information and Communications Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug shs) Ug shs		Release (Ug shs) Performance Ug shs		Expenditure (Ug shs) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
020	Ministry of Information & Communications Tech.	27,238,726,412	15,572,439,683	11,069,915,755	7,306,204,967	9,247,102,150	5,186,463,107	41	47	84	71
126	National Information Technology Authority	28,283,142,536	1,914,479,123	13,252,344,041	757,396,009	12,259,452,707	504,052,243	47	40	93	67
	Total	**55,521,868,948**	**17,486,918,806**	**24,322,259,797**	**8,063,600,975**	**21,506,554,857**	**5,690,515,350**	44	46	88	71

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3.10: Works and Transport Sector Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
016	Ministry of Works and Transport	70,247,693,622	154,299,326,576	33,017,284,493	58,992,189,247	31,267,599,554	54,497,886,763	47	38	95	92
113	Uganda National Road Authority	131,595,117,910	1,517,800,205,714	80,536,474,463	683,715,184,072	74,164,636,156	602,583,899,679	61	45	92	88
118	Road Fund	414,953,905,425	2,470,000,000	182,369,547,494	1,422,192,305	181,554,635,166	97,200,008	44	58	100	7
	Total	**616,796,716,957**	**1,674,569,532,290**	**295,923,306,450**	**744,129,565,625**	**286,986,870,876**	**657,178,986,450**	**48**	**44**	**97**	**88**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3.11: Public Sector Management Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (Ug shs) Ug shs		Release (Ug shs) Performance Ug shs		Expenditure (Ug shs) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
003	Office of the Prime Minister	64,437,235,583	55,865,291,906	31,805,402,403	11,101,549,137	27,626,632,581	10,713,423,248	49	20	87	97
005	Ministry of Public Service	19,037,903,129	5,382,758,977	8,638,547,648	2,497,476,278	6,157,965,942	730,279,035	45	46	71	29
011	Ministry of Local Government	29,999,762,968	15,833,249,286	12,689,673,199	6,615,914,065	11,656,059,736	4,077,836,243	42	42	92	62
021	East African Community Affairs	60,280,002,078	538,000,000	56,335,888,987	129,900,000	31,901,656,118	125,122,100	93	24	57	96
108	National Planning Authority Statutory	20,607,281,491	1,044,167,988	11,245,566,975	383,917,195	11,153,565,903	251,106,805	55	37	99	65
146	Public Service Commission	5,979,288,833	484,222,142	3,077,856,712	484,222,142	2,515,815,232	33,329,400	51	100	82	7
147	Local Government Finance Comm	5,028,423,189	571,699,840	2,580,048,440	571,699,840	2,400,591,019	90,021,727	51	100	93	16
	Total	**205,369,897,271**	**79,719,390,139**	**126,372,984,363**	**21,784,678,657**	**93,412,286,531**	**16,021,118,558**	62	27	74	74

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT2017/18

Table 3:12 Tourism Trade and Industry Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
015	Ministry of Trade, Industry and Cooperatives	19,631,916,230	36,186,545,032	8,063,734,817	9,365,576,491	7,228,161,529	8,883,075,553	41	26	90	95
022	Ministry of Tourism, Wildlife and Antiquities	9,867,147,894	6,239,247,744	4,852,152,812	1,171,509,210	3,531,320,865	748,345,042	49	19	73	64
117	Uganda Tourism Board	10,627,833,560	553,302,512	4,436,672,624	143,149,001	2,957,866,523	25,125,480	42	26	67	18
154	Uganda National Bureau of Standards	11,993,461,302	9,579,748,374	5,660,762,791	3,450,508,095	5,395,906,677	769,148,071	47	36	95	22
306	Uganda Export Promotion Board	2,836,761,450	396,280,720	1,552,105,718	373,140,360	934,837,327	373,140,360	55	94	60	100
	Total	**54,957,120,436**	**52,955,124,382**	**24,565,428,762**	**14,503,883,157**	**20,048,092,921**	**10,798,834,506**	**45**	**27**	**82**	**74**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT 2017/18

Table 3.3: Accountability Votes Budget Performance as at 31st December, 2017

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
008	Ministry of Finance, Planning & Economic Dev.	136,945,886,987	141,864,969,028	94,965,703,382	70,835,490,578	79,817,496,692	63,873,286,473	69	50	84	90
103	Inspectorate of Government (IG)-Statutory	40,007,920,319	3,925,369,852	22,890,138,137	872,941,833	22,481,027,128	417,378,426	57	22	98	48
112	Ethics and Integrity	5,792,176,373	210,596,691	2,757,141,976	210,596,691	2,310,804,775	-	48	100	84	-
129	Financial Intelligence Authority	7,709,743,777	465,000,000	4,316,631,370	420,000,000	3,771,796,191	390,000,000	56	90	87	93
131	Auditor General-Statutory	51,044,691,555	3,975,509,736	32,029,679,532	1,355,790,664	26,463,762,092	83,611,850	63	34	83	6
141	Uganda Revenue Authority	310,832,741,716	52,639,695,827	150,308,023,652	26,319,847,914	150,308,023,652	26,319,847,914	48	50	100	100
143	Uganda Bureau of Statistics	34,411,205,070	18,660,808,740	15,632,469,427	8,176,003,638	15,044,770,120	7,745,921,720	45	44	96	95

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
153	Public Procurement and Disposal of Assets	11,082,960,644	2,320,000,000	5,557,996,147	2,320,000,000	4,914,107,561	2,320,000,000	50	100	88	100
	Total	**597,827,326,441**	**224,061,949,874**	**328,457,783,624**	**110,510,671,317**	**305,111,788,211**	**101,150,046,383**	55	49	93	92

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2017/18 and BOT 2017/18

CHAPTER 4: FINANCIAL PERFORMANCE OF LOCAL GOVERNMENTS

4.1 Introduction

Financial performance of Local Governments (LGs) development grants was reviewed and monitored to track the annual performance for FY 2017/18. The focus was on the development grants of departments that feed into the broader social service sectors. The departments whose grants were reviewed and monitored included; Health, Education, Agriculture, Water and Environment and Works and Technical Services. The Discretionary Development Equalization Grant-(DDEG) that was rolled out to support underfunded departments/sectors was considered because of its cross-cutting roll. Uganda Road Fund (URF) though recurrent in nature was considered as it is transferred to all LGs for road maintenance.

4.2 Objectives

The objectives of the visits and review were to;

- Confirm receipt of grants by the LGs and sub-counties as service delivery centers.
- Confirm timeliness and efficiencies in the transfer of funds by MFPED to the LGs.
- Review the performance of the Public Finance Management reforms[12] in LGs.

4.3 Scope

The districts visited were purposively selected to reflect regional representation alongside the Microfinance Support Center zonal/regional offices that form part of the broader Public Finance Management monitoring. Districts that were not monitored in the Semi-annual monitoring for FY 2016/17 and the previous financial year were given first priority.

A total of 25 districts were monitored from three regions of the country. These included; Alebtong, Apac, Budaka, Bukedea, Bushenyi, Busia, Gulu, Iganga, Kaberamaido, Kalangala, Katakwi, Kiryandongo, Kisoro, Kitgum, Lira, Luweero, Luuka, Mbarara, Mitooma, Nakasongola, Ntungamo, Rakai, Rubanda, Sironko, and Tororo.

4.4 Development Grants Monitored

4.4.1 Discretionary Development Equalization Grant (DDEG)

The overall objectives of the Discretionary Development Equalization Grant are to;

- Enable LGs to allocate funds to priority local development needs that are within their mandate and are consistent with national priorities.
- Provide LGs with equitable access to development financing, ensuring that more disadvantaged LGs receive additional funding to enable them catch up. In doing so, the grant acts as the (i) equalization grant provided for in the Constitution Article 193(4); and (ii) primary financing for regional development programmes including the Peace, Recovery and Development Programme (PRDP), and Luwero-Rwenzori Development

[12] Public Finance Management Reforms recently rolled out include IFMS, treasury single account, operations of the Public Finance Management Act 2015

Plan (LRDP). Sectoral budget requirements will help ensure that allocations are focused on areas where LGs lag behind national average standards for a service.

- Provide development financing which caters for the differing development needs of rural and urban areas
- Improve LG capacities and systems for provision of services.

4.4.2 Production and Marketing-Grant

The overall strategic thrust of the agriculture sector is to ensure sustainable and market oriented production, food security and household incomes in the country (second National Development Plan - NDP II pg.157). The purpose of transfers to LGs for agricultural services is to support services that increase the level of production and productivity of priority agricultural commodities, promote bulk marketing and trade wage allocations for extension services provided to all districts.

4.4.3 Works and Transport

Works and Transport is identified as a key enabler of structural transformation in the National Development Plan (NDP) II. The NDP Objective 2 is to increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.

The overall objective of transfers to this sector is to promote cheaper, more efficient and reliable transport services through the development and maintenance of district, urban and community access roads.

Transfers from the Uganda Road Fund (URF) are provided to ensure that public roads are well maintained. Both are earmarked to the vote function for districts, Urban and Community Access Roads (DUCAR). Development transfers are done for roads rehabilitation funded under the Rural Transport Infrastructure Programmers (RTI). In addition, LGs may choose to spend funding from the Discretionary Development Equalization Grant for these purposes.

4.4.4 Education Sector

The overall sector objective is to provide for, support, guide, coordinate, regulate and promote quality in delivery of Education and Sports to all persons in Uganda for national integration, individual and national development.

The purpose of the sector grants are to:

- Pay salaries of education staff in pre-primary, primary, secondary and tertiary vocational institutions.
- Find operation costs of running pre-primary, primary, secondary and tertiary vocational institutions.
- To facilitate inspection, monitoring and support supervision of all institutions.
- Finance capital development works of pre-primary, primary and secondary schools.

4.4.5 Health sector

Health sector grants are provided to LGs and health facilities to provide health services, in order to achieve universal health coverage with emphasis on access, quality and affordability aspects. The structure and purpose of the LG health sector grants is shown in table 4.1.

Table 4.1: Local Government Health Department Grant

Grant	Purpose
Development Grant	To construct and rehabilitate general hospitals and health facilities, carry out maintenance of health infrastructure, procure medical equipment, service delivery vehicles and IT equipment.
Transitional Development-Sanitation	Funds software activities such as community sensitizations and advocacy work that contribute to the reduction of morbidity and mortality rates from sanitation-related diseases.
Transitional Development – Ad Hoc	Funds for hospital rehabilitation will be integrated into the development Grant from 2017/18 onwards.

Source: Field Finding

4.4.6 Water and Environment Sector

In the Water sub-sector, districts have primary responsibility for the construction of water facilities/points in rural areas, and to support the operation and maintenance of water services by community-based organizations such as Water User Committees.

Mandates for sanitation and hygiene are shared between the Water, Education and Health sectors. Under the Water sub-sector, districts are responsible for hygiene and sanitation interventions around water points. The structure and purpose of the LG Water sector grant is shown in table 4.2:

Table 4.2: Local Government Water Department Grant

Grant	Purpose
Development Conditional Grant	
Water and Environment	Provision and rehabilitation of rural water infrastructure that enables access to clean and safe water.
Transitional and Support Services Grant	
o/w Support Services Non-Wage Recurrent – Urban Water	Funds the operation and maintenance of piped water systems in towns within a district, bridging the gap between local revenue collection and operation costs.
o/w Transitional Development-Sanitation	This funds sanitation activities in a limited number of districts

Source: Field Finding

4.4.7 Rural Roads Rehabilitation Grant

The Rural Roads Rehabilitation Grant comprises of GoU's funding (PRDP and URF) and Danish support through Rural Transport Infrastructure (RTI). The RTI focuses on northern districts where the civil war lasted for two decades. The RTI grant is currently supporting 18 districts[13] selected by the Ministry of Works and Transport (MoWT).

Under URF, the funds are used for routine maintenance (manual and mechanized), periodic maintenance (manual and mechanized) for district roads, bridges and culverts in all districts. This is implemented by the local governments under the force account mechanism.

The objectives of the RTI and PRDP rural roads grant are to;

- Maintain and rehabilitate district and community access roads to support agricultural production in the area.
- Ensure sustainability and capacity building of the districts.

4.4.8 Uganda Road Fund (URF)

The objective of URF is to enable steady and reliable funding for routine and periodic maintenance of public roads mainly from road user charges.

The public roads network is managed by 135 Designated Agencies (DAs) comprising of 111 districts, two authorities (KCCA and UNRA) and 22 municipalities. The DAs apply the force account method to deliver planned works. This was buttressed by the distribution of a fleet of new road equipment, mainly comprising of pickups, a grader and a tipper for each local government DA.

4.5 Overall Financial Performance for DLGs

Overall, 51% of the LGs approved budget of Ug shs 2.558 trillion was released by 31st December 2017. The average absorption of funds released was 81%, of which wages absorbed 90%, non-wage- 75%, Development and DDEG 45%. Absorption of the development grants was low due to the procurement processes which were at various stages to completion.

The overall financial performance of the LGs as at 31.12.2017 is shown in Table 4.3.

Table 4.3: Local Government financial performance as at 31st December, 2017

Category	Approved Budget FY 2017/18(Ug Shs)	Release (Ug Shs) by 31.12.2017	Expenditure (Ug Shs)	%age release	%age of release spent
Wage	1,704,000,000,000	859,861,904,854	773,875,714,369	50	90

Non-wage	564,380,000,000	282,190,000,000	211,642,500,000	50	75
Development	148,130,000,000	86,794,611,724	39,057,575,276	59	45
DDEG	141,770,000,000	82,313,632,769	37,041,134,746	58	45
Total	**2,558,280,000,000**	**1,311,160,149,347**	**1,061,616,924,391**	**51**	**81**

Source: IFMS July 2017, Approved Estimates of Revenue and Expenditure FY 2016/17 and BOT

Release performance to the Local Governments

The release performance to the LGs monitored was good as 57% of the budget was released. The absorption was poor and this was attributed to the procurement processes. A number of districts like Alebtong, Budaka, Kaberamaido, Lira, Luweero had not spent the funds they had so far received. Most of the DLGs did not have a development budget for the health sector. The sector was financed under the DDEG. The DDEG analysis indicates that 58% of its budget was received and 60% absorbed. New districts were also part of the monitored DLGs and it was noted that there are big capacity gaps e.g in Rubanda DLG. The release and absorption performance of the monitored districts is shown in Table 4.4.

Table 4.4: Release performance of the Development Grants to the DLGs by 31st December, 2017

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
Alebtong						
	Education	216,297,000	126,173,455	0	58	0
	Health	0	0	0	0	0
	Production	44,813,000	25,966,167	0	58	0
	Roads	409,125,000	238,656,250	72,141,234	58	30
	URF	511,229,000	279,787,508	273,800,305	55	98
	Water	326,388,000	190,392,893	84,606,200	58	44
Alebtong Total		**1,507,852,000**	**860,976,273**	**430,547,739**	**57**	**50**
Budaka						
	Education	194,529,000	113,475,519	0	58	0
	Health	0	0	0	0	0
	Production	38,316,000	22,594,670	0	59	0
	Roads	0	0	0	0	0
	URF	457,764,000	226,759,891	0	50	0
	Water	305,902,000	206,936,273	0	68	0

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
Budaka Total		**996,511,000**	**569,766,353**	**0**	**57**	**0**
Bushenyi						
	Education	188,704,529	110,077,642	8,604,983	58	8
	Health	0	0	0	0	0
	Production	33,931,338	19,793,281	18,710,000	58	95
	Roads	0	296,078,302	268,691,105	0	91
	URF	0	0	0	0	0
	Water	290,128,643	169,241,709	71,600,043	58	42
Bushenyi Total		**512,764,510**	**595,190,934**	**367,606,131**	**116**	**62**
Busia						
	Education	245,507,000	726,545,687	268,595,904	296	37
	Health	0	0	0	0	0
	Production	53,583,000	31,256,575	7,311,705	58	23
	Roads	0	0	0	0	0
	URF	256,045,000	228,813,631	228,813,631	89	100
	Water	468,447,000	285,299,622	30,461,144	61	11
Busia Total		**1,023,582,000**	**1,271,915,515**	**535,182,384**	**124**	**42**
Iganga						
	Education	396,539,473	231,314,692	94,381,215	58	41
	Health	0	0	0	0	0
	Production	77,201,660	45,034,302	0	58	0
	Roads	0	0	0	0	0
	URF	814,351,120	414,963,569	303,736,163	51	73
	Water	581,793,107	339,379,314	65,910,604	58	19
Iganga Total		**1,869,885,360**	**1,030,691,877**	**464,027,982**	**55**	**45**
Kaberamaido						
	Education	196,786,545	114,792,151	0	58	0
	Health	71,077,441	0	0	0	0
	Production	42,314,391	24,829,886	0	59	0
	Roads	509,133,333	296,994,444	0	58	0
	URF	462,448,565	241,295,912	0	52	0

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
	Water	375,547,433	219,069,024	0	58	0
Kaberamaido Total		**1,657,307,708**	**896,981,417**	**0**	**54**	**0**
Kalangala						
	Education	72,948,930	54,711,811	25,919,400	75	47
	Health	72,949,000	58,372,621	0	80	0
	Production	34,875,000	8,718,258	8,718,000	25	100
	Roads	0	0	0	0	0
	URF	0	0	0	0	0
	Water	277,818,000	155,595,228	155,595,228	56	100
Kalangala Total		**458,590,930**	**277,397,918**	**190,232,628**	**60**	**69**
Katakwi						
	Education	161,766,127	94,363,576	70,176,363	58	74
	Health	364,475,160	175,000,000	0	48	0
	Production	37,232,621	9,308,155	27,743,007	25	298
	Roads	509,133,333	296,994,444	33,616,195	58	11
	URF	445,000,572	239,180,745	234,542,992	54	98
	Water	271,403,947	135,701,987	234,542,992	50	173
Katakwi Total		**1,789,011,760**	**950,548,907**	**600,621,549**	**53**	**63**
Kiryandongo						
	Education	594,532,000	346,345,696	285,346,208	58	82
	Health	0	0	0	0	0
	Production	45,061,000	26,285,632	11,265,271	58	43
	Roads	0	0	0	0	0
	URF	1,127,460,000	550,883,534	550,883,534	49	100
	Water	497,967,000	277,244,314	28,539,854	56	10
Kiryandongo Total		**2,265,020,000**	**1,200,759,176**	**876,034,867**	**53**	**73**
Kisoro						
	Education	309,991,413	180,828,324	60,050,674	58	33
	Health	0	0	0	0	0
	Production	48,816,170	28,476,099	0	58	0

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
	Roads	0	0	0	0	0
	URF	442,467,622	252,942,199	192,312,398	57	76
	Water	465,853,563	271,747,916	107,854,036	58	40
Kisoro Total		**1,267,128,768**	**733,994,538**	**360,217,108**	**58**	**49**
Lira						
	Education	277,936,455	162,129,599	0	58	0
	Health	96,451,034	41,600,759	0	43	0
	Production	69,674,780	40,643,621	0	58	0
	Roads	509,133,333	296,994,444	0	58	0
	URF	481,725,626	283,895,803	0	59	0
	Water	494,809,730	288,639,010	0	58	0
Lira Total		**1,929,730,958**	**1,113,903,236**	**0**	**58**	**0**
Luuka						
	Education	235,511,000	137,381,491	91,448,329	58	67
	Health	0	0	0	0	0
	Production	35,278,000	20,579,086	0	58	0
	Roads	0	0	0	0	0
	URF	498,995,000	260,119,672	187,164,845	52	72
	Water	452,784,000	134,402,257	242,376,782	30	180
Luuka Total		**1,222,568,000**	**552,482,506**	**520,989,956**	**45**	**94**
Luwero						
	Education	598,244,259	348,975,818	0	58	0
	Health	300,000,000	175,000,000	0	58	0
	Production	67,013,116	22,337,705	0	33	0
	Roads	0	0	0	0	0
	URF	1,104,345,000	584,787,138	0	53	0
	Water	604,721,997	357,913,973	0	59	0
Luwero Total		**2,674,324,372**	**1,489,014,634**	**0**	**56**	**0**
Mbarara						
	Education	239,448,240	139,678,141	0	58	0
	Health	0	0	0	0	0

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
	Production	57,040,946	33,291,884	0	58	0
	Roads	0	0	0	0	0
	URF	677,236,000	299,666,762	98,440,591	44	33
	Water	528,806,040	308,470,190	30,827,600	58	10
Mbarara Total		**1,502,531,226**	**781,106,977**	**129,268,191**	**52**	**17**
Mitooma						
	Education	193,347,487	112,786,034	0	58	0
	Health	0	0	0	0	0
	Production	23,857,910	13,917,115	6,759,887	58	49
	Roads	0	0	0	0	0
	URF	501,743,962	296,394,784	203,394,119	59	69
	Water	170,296,363	99,339,545	32,267,023	58	32
Mitooma Total		**889,245,722**	**522,437,478**	**242,421,029**	**59**	**46**
Nakasongola						
	Education	884,397,957	515,898,808	70,914,596	58	14
	Health	0	0	0	0	0
	Production	35,982,735	20,989,927	0	58	0
	Roads	0	0	0	0	0
	URF	877,635,409	390,819,499	372,660,517	45	95
	Water	363,461,454	211,962,182	65,013,000	58	31
Nakasongola Total		**2,161,477,555**	**1,139,670,416**	**508,588,113**	**53**	**45**
Ntungamo						
	Education	959,886,824	559,933,980	60,236,371	58	11
	Health	0	0	0	0	0
	Production	68,972,681	40,234,064	602,000	58	1
	Roads	0	0	0	0	0
	URF	1,044,747,180	544,850,335	510,793,307	52	94
	Water	641,412,148	374,157,078	206,326,888	58	55
Ntungamo Total		**2,715,018,833**	**1,519,175,457**	**777,958,566**	**56**	**51**
Rubanda						

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
	Education	227,560,000	0	95,736,949	0	0
	Health	0	0	0	0	0
	Production	22,187,000	0	12,942,250	0	0
	Roads	0	0	222,717,427	0	0
	URF	440,772,000	0	0	0	0
	Water	470,119,000	0	274,236,346	0	0
Rubanda Total		**1,160,638,000**	**0**	**605,632,972**	**0**	**0**
Sironko						
	Education	220,924,000	128,872,000	0	58	0
	Health	0	0	0	0	0
	Production	33,262,000	19,403,000	0	58	0
	Roads	0	0	0	0	0
	URF	0	0	0	0	0
	Water	458,292,000	267,337,000	0	58	0
Sironko Total		**712,478,000**	**415,612,000**	**0**	**58**	**0**
Kitgum						
	Education	497,702,000	306,801,060	0	62	0
	Health	0	0	0	0	0
	Production	55,062,000	36,708,282	32,875,041	67	90
	Roads	509,133,000	339,422,224	229,459,341	67	68
	URF	685,428,000	358,717,515	338,442,525	52	94
	Water	303,356,000	256,617,301	48,313,182	85	19
Kitgum Total		**2,050,681,000**	**1,298,266,382**	**649,090,089**	**63**	**50**
Tororo						
	Education	396,671,649	174,061,302	11,294,436	44	6
	Health	500,000,000	288,232,367	43,575,776	58	15
	Production	82,260,414	47,420,229	2,880,000	58	6
	Roads	0	0	0	0	0
	URF	849,419,112	464,286,405	438,294,304	55	94
	Water	682,061,211	687,409,437	20,706,224	101	3
Tororo Total		**2,510,412,386**	**1,661,409,740**	**516,750,740**	**66**	**31**

District	Department	Approved Budget 2017/18	Amount Received	Amount spent	%ge Released	%ge Absorbed
Grand Total		**32,876,760,088**	**18,881,301,734**	**7,775,170,044**	**57**	**41**

Source: Field Findings

The average release from the sampled districts was 57% including the URF component. Overall semi-annual release performance of the development was excellent as it was above the 50% target.

Table 4.5: Timeliness of the flow of funds to the DLGs

District	Quarter	Date of Release Announcement	Date of Receipt of Funds	No. of Days Taken to Receive
Alebtong	**Q1**	11/07/2017	07/08/2017	27
	Q2	05/10/2017	27/10/2017	22
Budaka	**Q1**	11/07/2017	16/08/2017	36
	Q2	05/10/2017	04/12/2017	60
Bukedea	**Q1**	11/07/2017	30/08/2017	50
	Q2	05/10/2017	25/10/2017	20
Bushenyi	**Q1**	11/07/2017	03/08/2017	23
	Q2	05/10/2017	11/10/2017	6
Busia	**Q1**	11/07/2017	11/08/2017	31
	Q2	05/10/2017	01/11/2017	27
Iganga	**Q1**	11/07/2017	30/08/2017	50
	Q2	05/10/2017	27/10/2017	22
Kaberamaido	**Q1**	11/07/2017	06/09/2017	57
	Q2	05/10/2017	30/10/2017	25
Kalangala	**Q1**	11/07/2017	09/08/2017	29
	Q2	05/10/2017	01/11/2017	27

District	Quarter	Date of Release Announcement	Date of Receipt of Funds	No. of Days Taken to Receive
Katakwi	**Q1**	11/07/2017	07/08/2017	27
	Q2	05/10/2017	24/10/2017	19
Kiryandongo	**Q1**	11/07/2017	18/08/2017	38
	Q2	05/10/2017	27/10/2017	22
Kisoro	**Q1**	11/07/2017	08/08/2017	28
	Q2	05/10/2017	01/11/2017	27
Lira	**Q1**	11/07/2017	20/08/2017	40
	Q2	05/10/2017	16/10/2017	11
Luuka	**Q1**	11/07/2017	29/08/2017	49
	Q2	05/10/2017	27/10/2017	22
Luwero	**Q1**	11/07/2017	14/08/2017	34
	Q2	05/10/2017	01/11/2017	27
Mbarara	**Q1**	11/07/2017	11/08/2017	31
	Q2	05/10/2017	01/11/2017	27
Mitooma	**Q1**	11/07/2017	16/08/2017	36
	Q2	05/10/2017	02/11/2017	28
Nakasongola	**Q1**	11/07/2017	09/08/2017	29
	Q2	05/10/2017	31/10/2017	26
Ntungamo	**Q1**	11/07/2017	11/08/2017	31
	Q2	05/10/2017	31/10/2017	26
Rubanda	**Q1**	11/07/2017	16/08/2017	36
	Q2	05/10/2017	02/11/2017	28

District	Quarter	Date of Release Announcement	Date of Receipt of Funds	No. of Days Taken to Receive
Kitgum	**Q1**	11/07/2017	06/09/2017	57
	Q2	05/10/2017	25/10/2017	20
Tororo	**Q1**	11/07/2017	19/07/2017	8
	Q2	05/10/2017	10/12/2017	66

Source: Field Findings

A general improvement in the timeliness of releases was noted across the board, save for Q1 where a number of DLGs received late. Q1 releases took an average of 32 days for the DLGs monitored to receive the funds on the accounts while in Q2 it took an average of 22days from the date of the release circular.

Release of Unconditional Grant – Non-wage 2017/18 for the selected Districts

The release of the unconditional grant non-wage for the sampled districts was good as 54% of the budget was released by 31st December 2017. A high release (100%) of the grant was realized in Bukedea DLG and a low one of 25% realized in Bushenyi District. Table 4.6 shows details of release for each district monitored.

Table 4.6: Release performance for the Unconditional Grant Non-Wage

District	Approved Budget 2017/18	Release as at 31.12.2017	Expenditure as at 31.12.2017	%age release	%age expenditure
Budaka	497,908,592	248,594,296	248,594,296	50	100
Bukedea	973,522,725	973,522,725	973,522,725	100	100
Bushenyi	275,532,486	68,883,122	51,662,342	25	75
Busia	702,899,000	402,571,000	402,571,000	57	100
Iganga	6,834,361,350	2,582,113,514	2,501,020,950	38	97
Kiryandongo	281,826,869	179,212,920	179,212,920	64	100
Lira	850,212,078	425,106,040		50	0
Luwero	394,995,000	209,702,121	209,702,121	53	100
Mitooma	412,453,532	291,123,836		71	0
Nakasongola	581,212,229	293,254,494		50	0

District	Approved Budget 2017/18	Release as at 31.12.2017	Expenditure as at 31.12.2017	%age release	%age expenditure
Ntungamo	1,278,067,592	510,993,198	441,910,414	40	86
Rubanda	513,631,000	256,815,424		50	0
Average				**54**	**63**

Source: Field Findings

Operations and use of PFM Reforms in DLGs

The Integrated Financial Management System (IFMS) system was appreciated by the DLGs, however it was noted that it's affected by the poor network. The link goes off for about three to five days. This was raised by districts in all the regions monitored e.g. Kisoro, Gulu, Lira, Iganga, Rakai, Mbarara etc. Therefore the delays cut across the regions. It was also noted that the service providers (telecom companies) who are based in Kampala District are difficult to be reached and also unable to offer immediate assistance.

Additionally, there were capacity concerns raised in the use of the IFMS in the DLGs which are connected on the system. In cases where a new Chief Administrative Officers (CAO) is posted to a new district using a different Tier of the IFMS, it is assumed that the accounting officers know how to operate the system whereas that may not be the case.

The operational cost implications are high since electric power goes off very often, sometimes for a week or a month yet they have to keep operational - this was noted in Kitgum district.
It was noted from 75% (17) of the monitored DLGs that the design and roll-out of the Programme Based Budgeting System (PBS) was not given enough time. One day training was not adequate and this was noted in Alebtong, Kitgum, Gulu etc. An improvement was noted in the PBS reporting as they were working on the Q2 reports. All monitored DLGs did the Q1 reporting and finalizing Q2. Internet support for the PBS was a general challenge in Alebtong, Busia, Mbarara, Ntungamo, and Rakai.

The Treasury Single Account (TSA) system was appreciated by the DLGs but the site has recently become slow. When a payment is made, it takes a week or two for the beneficiaries to receive funds. The slow pace made it costly in the long run costly as the DLGs had to keep loading data, as noted in Luuka DLG.

It was also noted that it takes a shorter time to receive the funds after the completion of the warranting process. The DLGs were glad that by the time they receive the funds, they know exactly what to expect, and this helps in planning and implementation.

The management of project funds like the Youth Livelihood Programme (YLP), Uganda Women Empowerment Project (UWEP) and Northern Uganda Social Action Fund (NUSAF) has become challenging. These funds are directly transferred from various sectors to the LGs, this then requires the DLGs to start process of introducing them onto the TSA and then warranting them. This takes quite some time before the funds can be utilized. There is need for some flexibility of some controls so that they operate normally. This was noted in Gulu.

Conclusion

All districts monitored received funds for the first half of FY 2017/18. Government released 57% of the development grants to the DLGs by Q2, although there were major delays in the Q1 release. It took an average of 32 days for the districts monitored to receive Q1 releases on their accounts, while in Q2 it took an average of 22days.These were fewer days compared to 49days spent by the first half of last FY 2016/17. For the non-IFMS DLGs, it takes an extra 7-14days before they received the funds. Absorption of development funds by the DLGs was poor as 41% of the funds released were absorbed.

Overall, the 25 DLGs monitored, appreciated the IFMS, TSA, PBS and the warranting processes because they had all simplified the work. The warrants took averagely three working days to complete and access funds on the TSA given availability of power and internet. The introduction of the IFMS for warranting purposes has speeded up the release of quarterly government grants, and the introduction of the TSA has resulted in the effective and efficient management of public funds.

Challenges

- The PFM systems are good but have become slow, for example in Tororo and Katakwi. A payment is processed and it takes a week or two for the beneficiaries to receive the payments.
- The downtime of the system has become a common occurrence. It takes between 3 to 5 days thus delaying payment processes. This was noted in about 70% of the districts monitored.
- Long procurement processes have continuously affected project implementation. Additionally, some contractors wish to complete works so that they submit a single certificate and receive payment. This portrays a low absorption rate of funds by the institution.
- Operational cost implications are high as warranting processes for some DLGs has to be done in Kampala or nearby districts. Many times the internet is off or too slow, or electricity goes off for a number of days, thus causing delays. In some areas, the power goes off for almost a month for example in Kitgum.
- There is need for capacity building for new staff. The one day PBS training was inadequate, and there are also cases where a new CAO is taken to a new district using a different Tier of the IFMS that they are not familiar with.

Recommendations

- The MFPED and MoLG should ensure reliable internet connections to LGs which are connected on the systems to facilitate the full use of the PFM reforms, and to improve timely implementation of government programmes.

- The Public Procurement and Disposal of Assets (PPDA) should implement improvements in the procurements processes through capacity building. There is need to further further shorten the process to increase efficiency of the entire procurement process in government.
- The MFPED Budget Directorate and Accountant General should engage in continuous capacity building of staff in the LGs in the use of PFM reforms especially the PBS. The Accounting Officers should be a high priority since they are frequently changed from one DLG to another.
- The Government together with MFPED should fast-track the roll out of oracle based IFMS tier 1 system to all LGs in order to effectively support the use of the PFM reforms.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 5: AGRICULTURE

5.1 Introduction

5.1.1 Sector objectives and priorities

The agricultural sector interventions are core to the achievement of the National Development Plan (NDP II) 2015/16-2019/20[14]of enhancing rural incomes, household food and nutrition security, exports and employment. The sector priorities in FY 2017/18 include: increasing access to critical farm inputs; strengthening agricultural research and the single spine extension system; value addition; controlling pests, vectors and diseases; agricultural mechanization; water for production; fertilizer provision; regulation and certification; and promotion of sustainable fisheries[15].

Financing of these priorities is undertaken through nine votes, namely: i) Vote 010: Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) ii) Vote 121: Dairy Development Authority (DDA) iii) Vote 125: National Animal Genetic Resource Centre and Data Bank (NAGRC&DB) iv) Vote 142: National Agricultural Research Organisation (NARO) v) Vote 152: National Agricultural Advisory Services (NAADS) Secretariat vi) Vote 155: Cotton Development Organisation (CDO) vii) Vote 160: Uganda Coffee Development Authority UCDA viii) Vote 122: Kampala Capital City Authority (KCCA) and ix) Vote 501-850 Local Governments (LGs) - District Production Services.

5.1.2 Overall agricultural sector financial performance

The approved budget for the agriculture sector for FY 2017/18 is Ug shs 843.68 billion, of which Ug shs 412.22 billion (48.9%) was released and 354.4 billion (86%) spent by 31st December 2017 (Table 5.1). This was very good release and good expenditure performance. The releases to MAAIF and CDO were low, while poor funds absorption was observed in NAGRC&DB and CDO.

Table 5.1: Agricultural sector semi-annual financial performance by 31st December 2017 (billions including Arrears and Taxes and Donor funds)

Vote/ grant	Approved budget (Ug shs billion)	Releases (Ug shs billion)	Expenditure (Ug shs billion)	% budget released	% release spent
MAAIF	330.94	126.65	112.78	38.2	89
DDA	5.97	3.26	3.22	54.7	98.6
NAGRC & DB	11.16	7.03	2.65	63.0	37.7
NARO	84.10	45.24	44.29	53.8	97.9

[14] GoU, 2014.

[15] MAAIF, 2017.

NAADS Secretariat	279.70	154.19	121.69	55.1	78.9
CDO	20.24	7.97	2.16	39.4	27.1
UCDA	53.59	35.75	35.66	66.7	99.7
LGs**	51.62	26.26	26.26	50.87	100
KCCA	6.36	5.87	5.69	92.3	97.1
Total	**843.68**	**412.22**	**354.4**	**48.9**	**86**

There is no system to capture the expenditures by Local Governments. It is assumed that all releases are spent or committed
Source: Budget Directorate, MFPED

5.1.3 Scope

The semi-annual monitoring for FY 2017/18 focused on ten programmes/projects in six out of nine votes in the agricultural sector and one agricultural financing project managed by Ministry of Finance, Planning and Economic Development (MFPED) and Bank of Uganda (BoU) – Table 5.2.

Table 5.2: Agriculture programmes monitored during semi-annual FY 2017/18

	Vote/project	Sampled districts/institutions/regions
	Agricultural Credit Facility	
1	Agricultural Credit Facility	Bank of Uganda, Jinja, Luwero, Mbarara, Mukono, Nakaseke, Soroti, Wakiso
	Vote 121: Dairy Development Authority	
2	Dairy Development Authority (including Project 1268)	DDA headquarters, North Eastern region (22 districts), South Western region (27 districts), Wakiso
	Vote 010: Ministry of Agriculture, Animal Industry and Fisheries	
3	Meat Export Support Services (1358)	MAAIF, Kyankwanzi
4	Multisectoral Food Safety and Nutrition Project (1425)	MAAIF, Bushenyi, Iganga, Isingiro, Kyaryandongo, Namutumba
5	Northern Uganda Farmers Livelihood Improvement Project (1324)	Gulu, Kitgum, Pader
6	Regional Pastoral Livelihood Improvement Project (1363)	MAAIF, Kween, Nakapiripirit, Moroto, Napak, Katakwi, Kumi
7	Support to Sustainable Fisheries Development Project (1365)	MAAIF, Bushenyi, Gulu
	Vote 142 National Agricultural Research Organisation	
8	National Agricultural Research Organisation (including Project 0382)	NARO HeadQuarters, Nabuin Zonal Agricultural Research Development Institute (ZARDI) Nakapiripirit, National

		Livestock Resources Research Institute (NALIRRI) Tororo, National Semi-Arid Resources Research Institute (NASARRI), Bulindi ZARDI Hoima, Rwebitaba ZARDI Kabarole, National Coffee Research Institute (NACORI) Mukono, National Crop Resources Research Institute (NACRRI)
	Vote 152: National Agricultural Advisory Services/Operation Wealth Creation	
9	National Agricultural Advisory Services (including Project 0903)	NAADS Secretariat, Bushenyi, Gulu, Hoima, Isingiro, Jinja, Kabarole, Katakwi, Kiryandongo, Kitgum, Kumi, Kween, Kyankwanzi, Luwero, Moroto, Nakapiripirit, Namutumba, Napak, Pader, Soroti
	Vote 155: Cotton Development Organisation	
10	Cotton Development Organisation (including Project 1219)	CDO Headquarters, East Acholi & Karamoja, West Acholi & East Madi, North Eastern, South Eastern/Busoga, Tororo/Butaleja regions
	Vote 501 – 850 Local Government Services and Marketing	
11	Production and Marketing Grant	Kween, Isingiro, Moroto, Napak, Kitgum, Pader, Soroti, Kumi, Luwero, Kyankwanzi, Hoima, Kabarole, Bushenyi, Mukono, Jinja

Source: Authors' Compilation

5.1.4 Limitations

i) Under the Programme Based Budgeting (PBB) approach, the sectors and LGs are no longer producing detailed workplans, outputs and targets which makes assessment of linkages between resources and outputs/outcomes difficult.

ii) Denial of access to Atiak Sugar Cane Growing Project premises and documentation by the proprietor who required specific notification from MFPED about the monitoring visit. The letters of introduction were considered inadequate. The project had benefitted from OWC funds.

iii) Partial information accessed for centrally implemented MAAIF projects in LGs and donor funded projects due to weak monitoring and evaluation capacity in the districts.

5.2 Agricultural Credit Facility

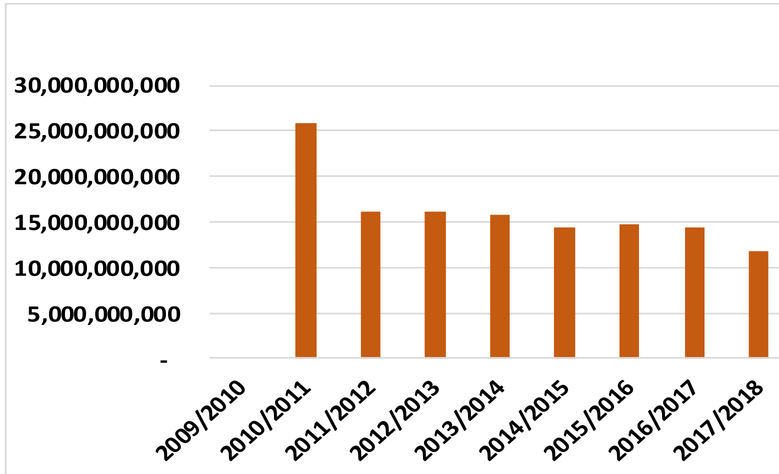
5.2.1 Introduction

The Agricultural Credit Facility (ACF) is a Government of Uganda (GoU) loaning revolving scheme that commenced in 2009 to facilitate provision of subsidized credits to farmers/firms engaged in agriculture and agro-processing for commercializing the sector. The implementing agencies are MFPED, Bank of Uganda (BoU) and Participating Financial Institutions (PFIs). The ACF is implemented in phases with varying terms as follows: ACF I: October 2009-June 2010 (10% interest rate); ACF II: July 2010-June 2011 (12% interest rate); ACF III: July 2011-

February 2013 (10% interest rate); ACF IV: March 2013- date (12% interest rate) and ACFV: November 2015 to date (12% interest rate) and includes the Grain Facility (15% interest rate)[16].

Cumulatively between FY 2009/10 and FY 2017/18 semi-annual, the GoU disbursed a total of Ug shs 141.114 billion to BoU, of which Ug shs 50.586 billion was earmarked in FY 2015/16 for marketing the scheme. Repayments from PFIs over the same period amounted to Ug shs 67.573 billion; the total funds available for projects (disbursements from GoU and repayments from PFIs) amounted to Ug shs 158.101 billion, of which Ug shs 129.081 billion was disbursed as GoU contribution by 31st December 2017. The GoU contribution to the ACF has been on a declining trend (Figure 5.1).

Fig 5.1: Trend of GoU disbursements to ACF (Ug shs)



Source: Bank of Uganda data, December 2017

During the same period, the PFIs cumulatively contributed Ug shs 130.098 billion; combined with the GoU contribution, the PFIs disbursed a total of Ug shs 259.180 billion by 31st December 2017. A total of 403 farmers/firms had benefitted from the ACF since project inception: ACFI (95); ACFII (17); ACFIII (58); ACFIV (160); and ACFV/Grain Facility (73); 16 (4%) farmers/firms had received the ACF more than once.

During FY 2017/18, Ug shs 11.696 billion was disbursed to 34 farmers/firms by 31st December 2017. A total of 12 beneficiary farmers/firms with multi-year ACF financed projects were monitored.

5.2.2 Performance

The physical performance of the ACF during FY 2017/18 was good rated at 71.1% (Table 5.3). All the sampled farmers/firms had accessed the ACF and at the terms as stipulated by BoU.

[16] BoU/MFPED Addendum to the Memorandum of Understanding for ACFV November 2015.

Table 5.3: Performance of the Agricultural Credit Facility by 31st December 2017

Output	Annual Planned Quantity/ Target	Annual Budget Ouput (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Mr. Kataha farm restocked with 40 heifers; land cleared and maize planted for silage; structure for feeding cows constructed; and spray race established (number of sub outputs)	4	250,000,000	2	0.808	40 heifers were procured and bush was cleared and pasture planted; two of the sub outputs were not achieved due to inadequate funds.
Arise and Shine Maize Millers- acquisition of post harvest facilities - 3,000 MT Storage, Cleaner, dryer, rebagging machine, weigh bridge (number of facilities)	5	2,500,000,000	5	10.985	The equipment was in storage awaiting completion of the stands for the storage bins and housing for the machines.
Sabra & Sons Company Ltd- acquisition of a feed production machine	1	638,750,000	1	2.807	Machines were imported and were being assembled. Proprietor topped with $175,000.
Two poultry structures of 50,000 birds constructed on Katadde Poultry Farm	2	500,000,000	2	2.197	Challenge of pests and diseases that killed about 25,000 birds.
Four warehouses for cleaning and storage of produce constructed at AFRICOT Trading Company Ltd	4	1,440,000,000	2.5	3.955	Construction of two warehouses was completed, and the third warehouse was still under construction.
Saramugo Investments Limited - procurement of 300 poultry battery cages and 8,000 poultry layers	8,300	577,500,000	8,276	2.530	The firm accessed two loans (Ug shs 277.500 million and Ug shs 300 million) 8,000 layers and 276 cages were procured; a key challenge was the delay in accessing the first loan by one year from application date.

Mr. Kangye's farm improved - one animal feeding shed, one spray race, two dams and fencing established (number of outputs)	5	350,000,000	4.2	1.538	All facilities were established except for the second dam that was still under construction; the key challenge was difficulty in accessing the loan due to limited information and lengthy bureacractic access processes; and delayed disbursement of funds.
Acila Enterprises procurement of grains - 90 tonnes of maize and 90 tonnes sorghum	180	150,000,000	176	0.644	The delayed processing and disbursement of the loan led to less sorghum being procured.
Asiima Agri Concerns Ltd Poultry farm - storage/warehouse/mill shelter constructed; workers unit constructed and power supply improved (number of outputs)	3	236,000,000	1.8	0.734	The storage/warehouse was constructed and a three phase power line with a transformer installed; the workers unit was not constructed due to insufficient funds.
Mr. Nuwamanya farm improved - three water installed, store for feeds constructed, 15 cows procured, dam expanded, permanent crush established; spray race established and water reticulation system installed (number of outputs)	23	167,000,000	21.5	0.686	All facilities were established apart from the dam; construction of the permanent crash was 50% complete.
Kazire Health Products Ltd procurement and installation of an automatic juice extractor, automatic septic drum pulp packing unit and a tube pulp sterilizer (number of machines)	3	1,500,000,000	3	6.591	Challenge of inadequate collateral to access more funds to make the project profitable and self sustaining.

Sorghum grains procured by Agroways (U) Ltd (tonnes)	18000	10,000,000,000	7400	18.064	The cap on the grain facility of not exceeding Ug shs 10 billion constrained the beneficiary from achieving the planned output.
Maize Degermer procured 2 Silos constructed by Agroways (U) Ltd (Number of facilities)	3	2,605,000,000	3	11.446	There was a discrepacy (Ug shs 143,887,909) in the amount recorded in BoU data as having been received by the beneficary (Ug shs 2,483,802,006) compared to what was received by the beneficiary (Ug shs 2,339,914,097).
1 Westbin procured and installed by Agroways	1	1,843,832,498	1	8.102	There was a discrepacy (Ug shs 550,817,047) in the amount recorded in BoU data as having been received by the beneficary (Ug shs 2,394,649,545) compared to what was received by the beneficiary (Ug shs 1,843,832,498).
Total		**22,758,082,498**		**71.088**	

Source: Field Findings

Beneficiaries

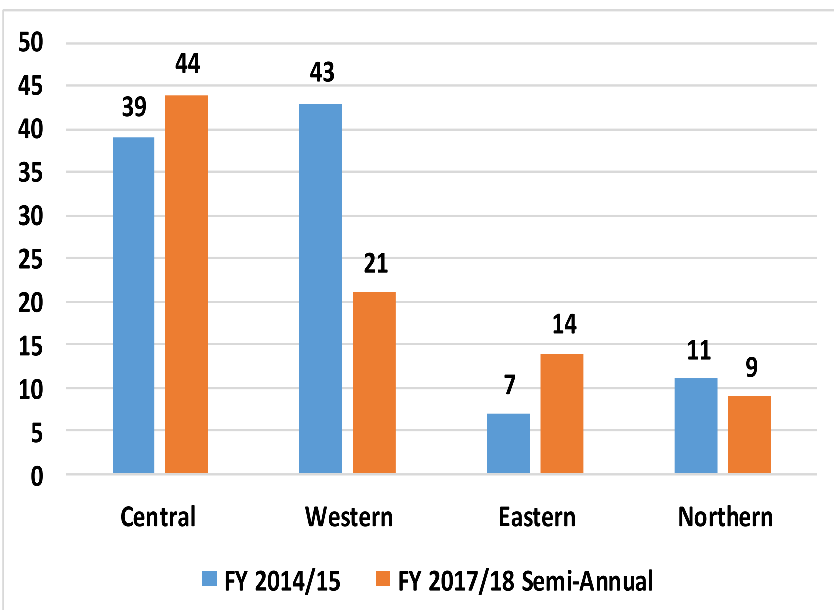
Arise and Shine Maize Millers in Ttula Lukadde village, Ttula parish, Nansana Municipality, Wakiso District accessed Ug shs 2.1 billion (84% of loan amount applied for) and acquired post harvest handling facilities. The loan terms were 12% interest rate, one-year grace period and five-year loan period. The machinery was imported from Denmark and installations were ongoing by 4th January 2018. The firm did not face any challenges in accessing and utilizing the ACF.

Acila Enterprises in Soroti Municipality, Soroti District benefitted from Ug shs 150 million in FY 2017/18 under the grain facility as was applied for. The firm procured 176 tonnes of grain against the planned 180 tonnes. The delayed disbursement of loan funds led to a shortfall in commodity volumes as prices had risen from the time when the application was lodged. The loan terms were: 15% interest rate, two-year loan period and no grace period.

Kazire Health Products Ltd in Hirehe Cell Ruti parish, Nyamitanga sub-county, Mbarara District was implementing the 3rd ACF loan amounting to Ug shs 1.5 billion accessed in November 2017. The loan was used to procure an automatic juice extractor, pulp packing unit and a sterilizer as planned. The loan terms were 12% interest rate, five years loan period and 6 months grace period. Previously, the firm had benefitted from two ACF loans: Ug shs 1 billion in January 2013 and Ug shs 1 billion in June 2014 that were used to establish cold storage, steam boilers and juice production line.

Mr. Kataha of Nakaseta village, Nakedde parish, Namayunga sub-in county Wakiso District received Ug shs 170 million (68% of loan amount applied for) at a 12% interest rate, loan period of 84 months and no grace period. He established silage and procured 40 improved incalf heifers, adding to the existing 200 local dairy cows. Milk production from the entire herd increased from 200 litres per day in FY 2016/17 to 450 litres per day by 31st December 2018. With the increased milk production, the farmer started producing 750 units (each unit weighing 400ml) of yorghut per week. The enhanced farm income was channeled into commercialising the farm, value addition and fees for students at university level. The firm faced no challenges.

Figure 5.2: Location of ACF beneficiaries by region for FY 2014/15 and FY 2017/18 Semi-Annual



Source: Author's analysis of BoU data

Regional Access to ACF

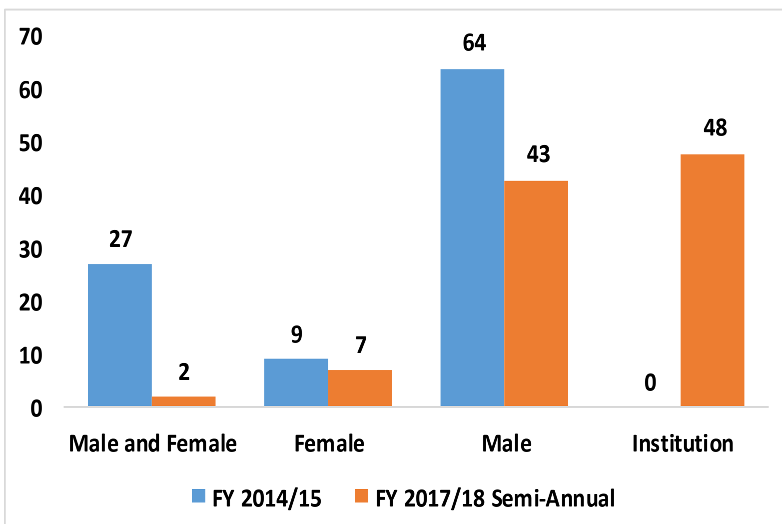
Regional inequality in access to the ACF persists with the Central region benefitting most, followed by the Western region. The North continues to lag behind the other regions in access to the ACF (Figure 5.2).

The increased awareness and access to information about the ACF and easy access to the banking sector are the primary reasons for the observed trends. In addition, access to ACF in the North is constrained by lack of collateral as land is communally owned and high levels of poverty.

Gendered Access

Both male and female proprietors have accessed the ACF, with male dominating (41%) compared to females (6%) by 31st December 2017. Comparing trends for the last four years reveals that there have been changes in the dynamics of access with institutions (private sector firms) taking a central role in implementing the ACF.

Fig 5.3: Percentage of Proprietors accessing ACF by Gender for FY 2014/15 and FY 2017/18 (%)



Source: Author's analysis of BoU data

Low access among females was associated with limited information, lack of collateral, lack of working capital to support capital investments, and few women being currently engaged in commercial farming and value addition. On the other hand, the private sector institutions had become more aware of the ACF, and are less constrained by the factors that hinder women from accessing the loan. The introduction of the grain facility, expansion of working capital and capping the interest rate at either 12% or 15% compared to the high commercial interest rates attracted more firms to access the ACF.

5.2.3 Challenges

1) Low access to ACF by farmers/firms due to limited publicity of the scheme, non-disclosure by PFIs of availability of funds, and stringent expensive access procedures in the commercial banks.
2) Lower outputs and project profitability due to delayed processing and disbursement of funds to loan applicants. Loan processing took between four to twelve months from the date of submission of applications to PFIs, to receipt of funds by beneficiaries by which time, the prices of key inputs have risen.
3) Cases of anomalies in the amounts received by the beneficiary when compared to what is reported in BoU records.

5.2.4 Recommendations

1) The BoU and PFIs should enhance publicity of the ACF.
2) The BoU and PFIs should increase efficiency in loan processing so that funds are received by the beneficiaries not later than one month from date of submission of applications.
3) The Office of the Auditor General (OAG) should verify all the anomalies in disbursements of the ACF.

5.3 Cotton Development Organisation

5.2.3 Introduction

The Cotton Development Organization (CDO) is mandated to monitor the production, processing and marketing of high value cotton and its by-products. The CDO collaborates with the Uganda Ginners and Cotton Exports Association (UGCEA) to procure, process and distribute cotton seeds and inputs (pesticides, herbicides, spray pumps, tractor hire services) to farmers. The CDO under the recurrent Programme 01 provides services to 55 cotton growing districts through 10 regions namely: Busoga/South Eastern, Tororo/Busia, Bugisu, Pallisa/North Eastern, Teso, Acholi, South Western, Lango, Western and West Nile.

In 2012, the CDO commenced a development Project 1219: Cotton Improvement to establish the first government seed processing plant in Pader District. In FY 2013/14, the CDO acquired 16 acres of land in Pajule sub-county, Pader District; finalized designing of structures; compiled bills of quantities for seed processing facility and construction services were procured in preparation for commencement of contraction. In FY 2014/15, the CDO contracted M/s China Jiangxi Corporation for International Economic and Technical Cooperation Limited in association with Bikandema and Partners, at a sum of Ug shs 11,130,218,624 to undertake civil works for construction of a cotton seed processing plant, which contract was later terminated, following guidance from the Solicitor General.

On 18th June 2015, the Solicitor General cleared another contractor; M/s Bajaj Steel Industry Limited to resume construction of this facility, at sum of Ug shs 14,546,453,414 (VAT inclusive). The contract was to run for a period of twelve months starting on 9th September 2015 with the expected completion date set on 8th September 2016. In FY 2017/18, the CDO planned to complete Phase 1 of the project and commission the second phase that covers construction of two seed cotton stores, four cotton seed stores, one bale shed, weighbridge, electrical and mechanical installations and a front office.

The approved budget for CDO in FY 2017/18 is Ug shs 20.24 billion (including a supplementary of Ug shs 14 billion) of which Ug shs 7.97 billion (39.4%) was released and Ug shs 2.16billion (27.1%) was spent by 31st December 2017. This was a poor half year release and expenditure performance. Monitoring was undertaken of the CDO headquarters and the regions of East Acholi & Karamoja, West Acholi & East Madi, North Eastern, South Eastern/Busoga and Tororo/Butaleja. The detailed findings are presented hereafter.

5.3.2 Performance

The performance of the CDO in FY 2017/18 semi-annual was very good at 95.20% (Table 5.4). A total of 3,000 bales of cotton buffer stocks were delivered to Fine Spinners and an additional 7,500 bales were still under procurement. The machinery that was set up during Phase 1 was tested and found in excellent operation mode. Works on phase II of constructing the cotton seed processing plant commenced on 15th December 2017 including excavation of the foundation for the unprocessed cotton seed store (8% work done); putting up the office block and weigh bridge (5%), pit latrine and showers (3%) and setting up the site for the raw cotton stores (1%).

Table 5.4: Performance of the Cotton Development Organisation by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Cotton seeds provided to farmers - (MT)	1,700	87,740,000	2,647	0.336	
Cotton seed growers trained for seed multiplication (Number)	6,000	303,357,654	6,000	1.164	
Demonstrations set up for farmer mobilisation and sensitisation (Number of Demos)	3,800	258,500,000	3,965	0.992	
Mechanisation of land opening (Acres)	0	15,000,000	131,157	0	There were no targets for this output; services are provided on demand.

Two seed cotton stores, one bale shed, weighbridge, electrical and mechanical installations and a front office established at Pader seed dressing station (number of structures/items)	7	4,710,377,922	7	18.080	
Fertilizers procured and disseminated (bags)	3,027	181,620,000	5195	0.697	
Motorised pumps procured and disseminated (number)	50	139,958,000	33	0.354	
Spray pumps procured and disseminated (number)	1,972	109,900,000	1710	0.407	
Pesticides procured and distributed (units)	939,214	2,924,642,000	692446	8.276	
Herbicides procured and distributed (litres)	3,417	42,255,000	2453	0.116	
Motor cycles procured (number)	13	45,500,000	10	0.124	
Seeds distributed (bags)	555,656	1,389,140,000	498979	4.788	
Fertilizer demonstrations established (number)	7	840,000	7	0.003	
Agronomy demonstrations established (number)	11,150	189,550,000	13651	0.727	
Bales of Cotton Buffer Stocks supplied and delivered (bales)	10,500	15,206,179,140	3000	58.369	3,000 bales were delivered to Fine Spinners; the contracts were awarded for the remaining bales for NYTIL (4,500) and Fine Spinners (3,000)
Collateral management services for CDO buffer stocks in Bugolobi and Jinja procured (units)	1	248,900,000	0.2	0	The procurement process was ongoing
Decommissioning stripping, transport, transport and commissioning of installations (activity)	1	198,240,000	0.5	0.760	
Total	**0**	**26,051,699,716**		**95.201%**	

Source: Field findings

CDO Phase I cotton seed dressing plant was tested and ready for operation (left) and ongoing excavation of structures for Phase II (right) in Pajule sub-county, Pader District

The farmers in West Acholi and East Madi region received the inputs; however, the seeds were delivered late resulting in delayed planting and low production due to either drought and heavy rains. For example, Mr. Oyemu John of Paicho village, Kalalii parish, Paicho sub-county, Gulu District harvested 4,500kg out of four acres instead of the expected 6,400kg of seed cotton despite having sprayed and weeded the crop in time.

In the South Eastern region, farmers received the inputs in time at the onset of the rain season. However, production was lower due to the high prevalence of pests and diseases and inadequate spray pumps to deal with the problem in time. There was a challenge of recovering loans for inputs given on credit as some farmers had cleared their cotton gardens before maturity and instead planted sugarcane. The radio talk shows were effective in attracting more farmers into cotton production.

For example, Ibaako Cotton Growers Association in Ibako village, Ibulanku sub-county, Iganga District planted 80 acres of cotton after procuring three 100kg bags of seed, tractor hire services and pesticides. They received two motorised spray pumps, four hand pumps and a plough for free from CDO. About 50% of the crop was destroyed by pests and diseases, drought and use of low drought resistant seeds.

5.3.3 Challenges

i) High crop losses due to late planting as a result of delayed delivery of seeds, drought, excess rains and outbreak of pests and diseases.
ii) Poor loan recovery from farmers for seeds and chemicals that were distributed on credit.

5.3.4 Recommendations

i) The MAAIF and LGs should promote appropriate irrigation and water harvesting technologies at farm level.
ii) The NARO should scale up generation and dissemination of disease and drought tolerant cotton seeds.

5.4. Dairy Development Authority

5.2.4 Introduction

The Government has prioritized dairy among the strategic commodities for enhancing household production, incomes, and food and nutrition security and national exports. The dairy industry is regulated by the Dairy Development Authority (DDA) whose mandate is *"to provide development and regulatory services that will ensure increased production and consumption of milk, and a sustainable and profitable dairy industry sector that will contribute to economic development and improved nutritional standards in Uganda"*[17].

The DDA delivers its interventions through its Head office, National Dairy Analytical Laboratory, regional offices based on milk sheds, Entebbe Dairy Training School and three border posts. Two regional offices were fully operation for some years – North Eastern regional office in Soroti, and South Western regional office in Mbarara; the Northern regional office in Gulu was recently opened and was in process of full establishment.

In addition to the recurrent budget that focuses on dairy development, quality assurance and regulation, market access and value addition, the DDA is implementing a GoU funded Project 1268 - Dairy Market Access and Value Addition for rehabilitating/equipping Entebbe Dairy Training School, milk collection centres and national laboratory, and establishment of the Gulu regional office. Multi-year investments are made under project 1268 since its inception in FY 2013/14.

The total approved budget for DDA for FY 2017/18 is Ug shs 5.965 billion, of which Ug shs 3.264 billion (54.71%) was released and Ug shs 3.183 billion (97.60%) spent. This was a very good half year release and expenditure performance. Monitoring was undertaken at DDA Headquarters, North Eastern and South Western regions, and Entebbe Dairy Training School to access project performance. The detailed findings are presented hereafter.

5.2.5 Performance

The performance of the DDA during FY 2017/18 semi-annual was good rated at 82.30% (Table 5.5). Good progress was noted on the following outputs; rehabilitation and equipping of Entebbe Dairy Training School, stakeholder training, inspection and registration of dairy

[17] Dairy Industry Act 1998

premises and equipment, provision of inputs to farmers and enforcement of standards and regulations. Assorted dairy equipment was procured for Entebbe Dairy Training School to skill dairy stakeholders in value addition. These included: boiler, chilling system, piping and electrical panels, batch pasteurizer yorghut, ice cream and cheese production lines, plate heat exchanger and homogenizer and milk packing machines. Electrical works were ongoing and a generator was installed.

In the South Western and North Eastern regions, more than 800 stakeholders were trained by DDA in good dairy farming practices and 305 cooler and freezer premises were inspected in the districts of Mbale, Soroti, Kumi, Kaberamido, Amuria, Soroti, Sironko, Manafwa, Serere, Kazo, Ibanda, Kasese, Ntungamo, Rukungiri, Kanungu and Kiruhura.

Table 5.5: Performance of the Dairy Development Authority by 31st December 2017

Output	Annual Planned Qty or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Accreditation of National Diary Analytical Laboratory	1	56,000,000	1	3.642	Accreditation status was at about 70%.
An 80KVA generator procured and installed	1	79,920,151	0.85	4.418	Due to limited funds, a 60KVA generator was procured. Installation was done awaiting test running.
Dairy plant and machinery for the manufacture of butter and ghee procured (Units)	2	499,517,168	1	32.489	Procurement process was concluded and the two units were expected by 15th June 2018.
Fencing of Entebbe Dairy Training school established (metres)	1,000	95,836,326	800	6.233	Activity was constrained by land encroachment.
Windows, doors /Furniture and burglar proofing installed In 8 blocks in the school	8	91,000,000	4	5.919	
Office equipment/materials and Laboratory equipment and reagents procured	1	154,902,861	1	10.075	All procured as required

Soroti office block constructed (block)	1	328,343,956	0.45	9.610	Works were at 45% performance. Funds were received in Q2 and would be paid in Q3.
Soroti Milk Collection Centre fenced	1	124,960,622	0.4	3.251	Works were at 40% progress
Stakeholders trained along the value chain (number)	1,300	29,248,000	834	1.902	The activity was underfunded
Survelliance visits undertaken (number)	5	4,649,000	3	0.302	Inadequate funds
Dairy premises/equipment/consignment inspected (number inspected)	561	16,517,000	305	1.074	Inadequate funds and staffing in regional offices
Number of dairy premises registered (number of licenses)	50	450,000	27	0.029	
Number of milk and milk product samples analysed	1,000	4,400,000	496	0.286	This activity was not funded
Enforcement exercises carried out (number)	16	16,684,000	8	0.857	
Public sensitization campaigns carried out	2	1,000,000	0	0.000	
Inputs procured for farmers - pasture seeds, milk cans, motorised chaff cutters, dairy heifers (number of items)	1409	34,060,000	1409	2.215	851Kgs of pasture seeds, 552 milk cans, 3 motorised chuff cutters and three dairy heifers were procured; distributions had commenced
Masindi milk collection centre paved	1	48,858,571	0.1	0.636	Works were at 10% progress
Total		**1,537,489,084**		**82.305%**	

Source: Field findings

L-R: Part of the milk cans consignment at DDA Head office awaiting distribution and a 60KVA generator procured and installed at Entebbe Dairy Training School in Entebbe Municipality, Wakiso District

In order to promote increased production, the DDA distributed pasture seeds to farmers as follows: 22 farmers/cooperative societies in 10 districts within the South Western region received Chrolis Gayana (120kg), Bracharia (150 bags), Lablab (100kg), Centroseme (100kg) and Calliandra (40kg). Ten farmer cooperative societies and three farms in the North Eastern region received 50 bags of Napier grass, 100kg Mucuna, 50kg lablab and 30kg Calliandra pasture seeds.

There was increased non-compliance to dairy sector standards and regulations by the operators in terms of premise suitability and hygiene, use of protective gear and health fitness certificates. For example in the South Western region, 21 dairy outlets were closed due to these challenges and 5 suspects were arrested and charged by 31st December 2017. Adulteration practices were reported especially in Kampala, Masaka and Entebbe where formalin was used for milk preservation.

In the North Eastern region, out of 134 raw milk samples analysed, 92 (68.70%) raw milk samples passed the test with 0% added water and 42 (31.3%) failed the test with 5% to 20% added water. Four traders were arrested trading milk without a registration certificate and with adulterated milk in Jericans in Soroti, Mbale and Kumi districts.

5.4.3 Challenges

i) Increasing cases of non-compliance to dairy standards and regulations by the operators due to low outreach of DDA inspections associated with inadequate operational funds and staffing. For example, in the South Western region, only 30% of the dairy facilities in the region were inspected; the regional staff worked comprehensively in 15 out of the 27 districts.

ii) Partial implementation of some outputs (especially training, rehabilitation works) due to inadequate funding, budget cuts and staffing and inaccessibility to farmers as the road network in some areas was poor.

   a. Due to inadequate funding, every year, only one or two milk collection centres are rehabilitated out of the 40 that were handed to DDA by the National Dairy Corporation.

   b. The Authority has 66 (49%) staff countrywide against the approved structure of 134 personnel.

iii) Land encroachment at Entebbe Dairy Training School by private companies constrained fencing of the school.

5.4.4 Recommendations

i) The MoPS, MFPED and DDA should review and improve the staffing levels for DDA.
ii) The MFPED should minimise or eliminate budget cuts for DDA as the funding level is far below the requirement for rehabilitation works, inspection and monitoring of key activities.

5.5 Ministry of Agriculture, Animal Industry and Fisheries

5.5.1 Background

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is mandated to create an enabling policy environment in the agricultural sector for the private sector to prosper. The ministry's mission is to transform subsistence farming to commercial agriculture. The intended outcomes are: i) enhanced agricultural production and productivity ii) increased household incomes, nutrition and food security iii) improved exports. The ministry coordinates sector interventions both at the central and local government level. Five projects were monitored to assess MAAIF annual performance as presented as follows.

5.5.2 Performance

i. **Meat Export Support Services**

Introduction

The Meat Export Support Services Project aims to fasttrack production of export grade slaughter animals for abattoirs through establishment of a credible national veterinary meat export support services; including export infrastructure and an enabling regulatory environment. The project's four key objectives are to: a) construct, equip and operate veterinary export holding grounds and quarantine stations b) provide startup capital the National Enterprise Corporation (NEC) and National Animal Genetic Resource Centre and Data Bank (NAGRC&DB) to facilitate purchase of beef animals for quarantining and sale to abattoirs c) establish a livestock identification and traceability system d) establish adequate meat export technical capacity in the meat export value chain.

During the three-year implementation period FY 2016/17 to FY 2018/19, the key expected outputs are: six quarantine stations and holding grounds established; 4,000 beef animals purchased for each holding station; about 1,000 farmers organized in 33 cooperative organisations with a total of at least 100 ranches; and infrastructure development in six Government stock farms to build capacity to supply 250 ready to slaughter export grade cattle to the Egypt Uganda Food Security Company (EUFS) at Bombo, Luwero District. Project financing is channeled through the NAADS/OWC, with the NEC tendering the services, and MAAIF offering mobilization and technical backstopping services.

The farms selected to participate in the project are: Nshaara Ranch and Ruhengyere Stock Farm in Kiruhura District; Kasolwe Farm in Kamuli District; Maruzi Ranch in Apac District; Lusenke Ranch in Kayunga District; National Leadership Institute (NLI) Ranch in Kyankwanzi District and NEC Ranch in Gomba District. It was planned to fast-track establishment of two holding grounds at NEC and NLI, and procure 4,000 animals for each farm in FY 2016/17. By 30th June 2017, 2,850 animals were procured for NEC and none for NLI (35.7% achievement); the NAADS Secretariat disbursed Ug shs 10.210 billion that was used for infrastructure development at the NEC Ranch. The pending targets were rolled to FY 2017/18 whereby it is planned that 4,000 animals shall be procured for the NLI Kyankwanzi.

The approved budget for the Meat Export Support Services Project in FY 2017/18 is Ug shs 22.353 billion, of which Ug shs 5.134 billion (23%) was released and Ug shs 3.053 billion (59.5%) was spent by 31st December 2017. This was poor release and fair expenditure performance for the half year.

Performance

The performance of the Meat Export Support Services project during the half year was poor (11.62%) due to inadequate releases and delayed disbursements to NEC resulting in low funds absorption. The main activities undertaken were opening of boundary and farm access roads, bush clearing and establishment of fences (Table 5.6).

Table 5.6: Performance of the Meat Export Support Services Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Bush cleared for the two holding grounds at the NLI (square miles)	9	2,983,309,821	0.7	1.927	Less work done as project funds were disbursed to NEC by MAAIF in December 2017

Boundary and farm roads opened and graded and parking established (km)	50	466,397,100	38.5	1.607	Delayed funds disbursement
Boundary fencing and gates established (km)	50	1,869,104,790	2	0.704	All materials were procured; but fencing started in January 2018
Spray race systems established	2	155,300,000	0	0.000	Inadequate release
Water reticulation system established	1	3,340,541,825	0	0.000	Inadequate release
Tyre wash established	1	33,465,367	0	0.000	Inadequate release
Stainless steel water troughs established	6	37,238,160	0	0.000	Inadequate release
Treatment crushes established	2	30,240,000	0	0.000	Inadequate release
Assorted infrastructures built - veterinary offices, Junior quarters, Labour quarters, VIP Latrine, Senior Staff quarters, Security House (structures)	6	6,167,802,937	0	0.000	Inadequate release
Policies, laws, guidelines, plans and strategies established (number of deliverables)	5	1,226,600,000	2	5.487	Initial work done on plans and strategies
Animal and Animal products promoted (activity)	1	423,750,000	0.3	1.896	
Vector and disease control measures implemented (activity)	1	2,070,000,000	0	0.000	No releases, awaiting procurement of animals
Machinery and equipment procured (activity)	1	1,600,000,000	0	0.000	No releases on this item
Other infrastructures established (activity)	1	1,950,000,000	0	0.000	
Total		**22,353,750,000**		**11.620%**	

Source: Field findings

Access roads opened and fences established (left) and bush clearing undertaken at the Kyankwanzi National Leadership Institute in Kyankwanzi District

The project was behind schedule as the outputs planned for FY2016/17 and rolled over to FY 2017/18 were partially achieved. At the current implementation pace, the MAAIF is unlikely to achieve the annual outputs for this project by 30th June 2018.

Implementation challenges

1) Slow project implementation and low output performance due to inadequate releases (24%) and slow absorption of funds (67%); the latter associated with lengthy procurement processes for animals.

Recommendations

1) The MFPED and MAAIF should fast track timely disbursement of funds to the project

ii. **Northern Uganda Farmers Livelihood Improvement Project**

Introduction

The Northern Uganda Farmers Livelihood Improvement (NUFLIP) Project is a five year (November 2015 – November 2020) intervention that is primarily financed with a grant from Japanese International Cooperation Agency (JICA) amounting Ug shs 13.250 billion. The GoU is expected to contribute Ug shs 3.975 billion over the five-year period. The project objective is to establish an effective agriculture extension system based on a market oriented approach to improve farmers' livelihoods in the Acholi sub-region. The key purpose is that livelihoods of target farmer groups are improved through establishment of the Livelihood Improvement Approach.

The intervention focuses on enhancing knowledge and skills of farmers and extension service providers in vegetable production for the market. The stakeholders undertake market surveys to select commercially viable vegetables after which they are trained on the agronomy of the selected commodities by GoU and JICA experts. The project started with three districts in 2017 namely Gulu, Kitgum and Pader. It was planned that the programme would be rolled out to five additional districts (Amuru, Nwoya, Omoro, Agago, and Lamwo) in 2019.

The project is implemented in four sub-counties within each district and targets two to four groups in each sub-county. The implementing sub-counties were: Paicho, Unyama, Bungatira and Awach in Gulu District; Labong Amida, Labong Akwanga, Kitgum Matidi and Lagoro in Kitgum; and Atanga, Puranga, Pader Town Council and Pajule in Pader District. The groups established demonstration gardens and benefitted from seeds, pesticides and farm equipment from the project.

The GoU approved budget for the NUFLIP for FY 2017/18 is Ug shs 256.750 million, of which Ug shs 55 million (21.5%) was released and Ug shs 33.794 million (61.5%) spent by 31st December 2017. This was very poor release and fair expenditure performance. During the period, US$ 87,480.64 was spent by JICA on operational expenses. Full information was not available on the capital expenses incurred from the donor grant.

Performance

The performance of the NUFLIP during FY 2017/18 semi-annual was very good (98.41%) due to the availability of donor funds and JICA experts who worked with the national counterparts to deliver the planned interventions on time. The main activities undertaken were training of national and district staff and farmers, baseline survey, markey surveys, setting up of vegetable and fruit demonstrations at farm level and undertaking participatory cost benefit analysis of the enterprises. Commercially viable enterprises were identified by farmers and project adoption and replication was at initial stage. Refer to Table 5.7.

Table 5.7: Performance of the Northern Uganda Farmers Livelihood Improvement Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Supervision, monitoring and evaluation conducted by MAAIF staff (number of activities)	5	256,750,000	2	36.544	Allowances for clearing 3 project vehicles paid; district and subcounty staff were trained

Staff and farmers of Gulu, Kitigum and Pader trained in market oriented agriculture (units/hours of training per group)	71	275,000,000	74	39.141	The training was delivered by six international experts and LG District Agricultural Officers and extension workers. Thirty nine training of trainees (TOT) in Acholi subregion were trained and equipped.
Farmer groups mobilised for market oriented production and provided inputs for demonstration (number of farmer groups)	20	75,000,000	30	10.675	Demonstrations of tomatoes, onions, eggplants, cabbages, green pepper, water melons were set up using improved technologies, harvested and cost benefit analysis undertaken to identify profitable enterprises for scaling up
Staff from MAAIF headquarters and 7 districts in Acholi sub-region mobilized and assigned project duties (number of staff)	20	95,836,326	10	12.056	The MAAIF assigned seven staff which each of the 3 participating districts appointed the District Production officers; the remaining five districts had not come on board and hence had not assigned staff by 31st December 2017
Total		**702,586,326**		**98.416%**	

Source: Field findings

Gulu District: Farmers received farm inputs, set up demonstration sites and harvested the produce. Inputs included seeds, fertilizers, pesticides, water cans, spray pumps, wheel barrows, hoes, rakes and jerricans. The production was low due to drought and high prevalence of pests and diseases. It was thus difficult to assess the most viable enterprises. The beneficiary groups planned to replicate the project over other seasons to derive conclusive evidence on the most market oriented commodities. The project was constrained by low turn up of members for training and poor time keeping at training sessions due to lack of incentives/allowances for participation, interruption of community activities (clan meetings and burials) and long distances to training venues.

Kitgum District: The demonstration kits were received early by the district which enabled timely implementation of the project. However, the seeds distributed to farmers were noted to be of poor quality (especially mixed varieties). The pesticides distributed were reported to be ineffective in addressing the emerging pests and diseases. The district received four motorcycles, three laptops, a desk top and accessories from MAAIF. The demonstrations of half an acre per group were noted to be very small to provide proper guidance on commercial viability of the enterprises. Data management for the project was poor as the assigned staff in the district lacked technical competence. Dry seasons affected the production levels of the demonstrations.

Pader District: All groups were trained and given inputs by the project. Baseline and market surveys were undertaken to ascertain the livelihood and market conditions at the beginning of the project. The project was still in few sub-counties such that lessons had low outreach in the district.

Implementation challenges

i) Low viability and production of some seed varieties that were of poor quality.
ii) Difficulty in assessing project performance due to non-availability of comprehensive donor numbers and poor data management in the implementing districts.

Recommendations

i) The MAAIF should strengthen inspection and regulation of the inputs procured under the JICA project before they are disseminated to farmers.
ii) The MAAIF and districts should support the project officers to enhance technical capacity in monitoring and evaluation, and proper data management and storage.
iii) The MAAIF and MFPED should improve systems for data capture of donor funds.

iii. Regional Pastoral Livelihood Improvement Project

Introduction

The Regional Pastoral Livelihood Improvement Project (RPLRP) aims to enhance livelihood resilience of pastoral communities in cross border prone areas (Uganda, Kenya and Ethiopia) and build capacity of the Government to respond promptly and effectively to emergencies such as drought and animal disease epidemics. The project is funded through an International Development Association (IDA) loan amounting to US$ 40 million for Uganda for the period 30th June 2014 to 31st December 2019[18].

The project interventions are in four areas: a) Natural resource management focusing on water, land, pastures and conflict management; b) market access and trade focusing on development of market infrastructure, information dissemination and harmonising tariffs and policies across the participating countries c) Livelihood support involving vaccinations, equipping of veterinary offices, disease surveillance, dissemination of high yielding drought resistant crops and promotion of alternative livelihoods d) Early warning and disaster response involving supporting districts to prepare disaster contingency plans and dissemination of early warning messages.

[18] World Bank, 2014.

Project implementation started two years later in 2016 due to: delayed loan approval by Parliament and Cabinet; protracted approval processes for the bid and contract documents by the World Bank and GoU; death of the Procurement Specialist and the Project Accountant was involved in an accident; and failure to recruit a Project Engineer in time. The project is operational in 12 districts namely Kabong, Kotido, Abim, Moroto, Nakapiripirit, Napak, Amadat, Kween, Bukedea, Kumi, Amuria and Katakwi.

In FY 2017/18, the GoU approved budget is Ug shs 400 million, of which Ug shs 20 million was released and fully spent by 31st December 2017. This was poor release and very good expenditure performance for GoU funds. The approved budget for donor financing is Ug shs 49.632 billion, of which Ug shs 26.070 billion (52.95%) was released and Ug shs 4.140 billion (15.88%) was spent by 31st December 2017. This was very good release and poor expenditure performance. Low donor fund absorption was due to late release and disbursement of funds to spending entity, which was done on 8th December 2017.

The MAAIF and six (Kween, Nakapiripirit, Moroto, Napak, Katakwi and Kumi) out of 12 districts benefiting from the Regional Pastoral Livelihood Improvement Project were monitored for semi-annual performance. The detailed performance is presented below.

Performance

The performance of the Regional Pastoral Livelihood Improvement Project in FY 2017/18 semi-annual was poor rated at 14.43 (Table 5.8). Whereas the project performed well in terms of establishing conflict migration platforms, stakeholder trainings and meetings, and field visits, it performed poorly in terms of constructing key infrastructures that were the main planned milestone.

Table 5.8: Performance of the Regional Pastoral Livelihood Improvement Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Officers trained in Management Information systems by MAAIF	132	34,400,000	0	0.000	Delayed disbursements
Designs developed for water facilities	12	502,040,000	8.4	3.230	Designs developed awaiting approvals.
Valley dams/tanks constructed	12	12,485,454,031	0	0.000	Bid documents were prepared awaiting WB/IDA approval
Trainers of Trainers course for pastoral field trainers by MAAIF	1	90,000,000	0	0.000	Differed to Q3

Degraded rangeland rehabilitated on selected sites	24	823,254,000	4	5.297	Pasture demonstrations done on 4 sites in Kumi and Amudat districts
Conflict mitigation platforms developed	120	51,000,000	125	0.328	12 district and 113 sub-county platforms were formed
Stakeholders trained in MIS, standards, market access (workshops)	2	90,369,000	1	0.436	
Market information for animal products collected (activity)	1	801,000	2	0.000	
Designs developed for 12 markets, 12 slaughter slabs, 4 qurantine stations and 3 border check points (number of structures)	31	300,000,000	31	0.952	Designs were awaiting clearance by the World Bank
Field visits conducted on participatory mapping by districts	64	39,420,000	33	0.131	Late funds disbursement
Participatory planning conducted at community level for watershed management (communities)	152	43,936,000	77	0.143	Funds were reallocated in some districts
Community trainings conducted on rangeland rehabilitation (communities)	31	149,703,200	19	0.590	Trainings were not fully conducted as districts were waiting for training modules from MAAIF.
District sensitisation sessions held	9	10,944,000	6	0.047	Funds disbursed late
Community awareness conducted on alternative livelihoods (meetings)	23	128,120,000	23	0.824	
Monitoring and assessment of selected herds conducted (number of herds)	258	26,980,000	223	0.150	
Early warning systems strengthened (workshops/reports)	17	35,817,000	8	0.108	MAAIF did not send the guidelines for this activity in time
Stakeholder dialogue meetings and trainings in Environmental and Social safeguards (workshops/meetings/exercises)	51	168,836,000	26	0.554	Late funds disbursement

Vaccination against FMD and CCPP diseases (animals)	10000	9,928,641	9164	0.059	
Construction supervision (activity)	1	250,000,000	0	0.000	Awaiting commencement of construction works
Adaptive research promoted by NARO (activity)	1	246,000,000	0.5	1.583	
Printers, computers and motorcycles supplied (activity)	1	-	1	0.000	These items were not in the approved budget
Total	**0**	**15,487,002,872**		**14.433**	

Source: Field findings

Project implementation was slow as districts were implementing workplans of FY 2016/17 (March to May 2017) in FY 2017/18. The delayed training of key stakeholders, setting up relevant institutions and releases, led to slow implementation of the project. The LGs' readiness to implement the project was low. For example, in Moroto District, the accountant was absent since October 2017 and only salaries were released; activity funds were not spent. The monitoring and evaluation (M&E) officers in the implementing districts lacked technical capacity to ensure proper data collection, analysis and storage for the project.

For Nakapiripirit District, whereas the funds were received in May 2017, project implementation started in August 2017. The key reason for the delayed implementation was lack of approving authorities in the district for expenditure, as the Chief Administrative Officer (CAO) was transferred and the new one was still acclimatizing to the district operations.

In Kween District, whereas funds were received early in FY 2016/17 (April 2016), spending and implementation was undertaken in FY 2017/18. The district re-allocated funds from the activity budget to salary arrears for five months as MAAIF had provided for three months whereas the project staff had worked for eight months. Consequently, many activities were differed to Q3 and Q4 while others were not implemented. Similarly, Ug shs 33 million was reallocated from the activity budget to cover salary arrears for seven months in Nakapiripirit District.

Napak District received the funds earmarked to the approved work plan of FY 2016/17 in August 2017 (Ug shs 160.876 million) and November 2017 (Ug shs 40million). Program implementation started late due to delayed disbursement of funds and inadequate staff in the Production Department. Some sub-counties including Lopeei, Lotome and Nabwal were unreachable due to floods. The district had salary arrears for five months that led to reallocation of funds from the activity budget to meet this need. The district lacked documentary evidence from MAAIF authorizing the re-allocations. The implementing department re-prioritised the approved budget that was passed by the District Council and lowered the agreed targets to suit the remaining activity funds.

In Katakwi District, some planned activities that were handed down by MAAIF were not implemented as they were not relevant to the local context. For example, the district did not have indigenous people or tsetse flies yet funds were attached to these items. Funds were reallocated from these items to other expenditure areas without authorization from MAAIF. The MAAIF detailed guidelines for the program were disseminated late when some activities that were considered ineligible were already implemented such as travel to MAAIF that had not been budgeted for. Activity funds were reallocated to clear salary arrears.

Implementation challenges

i) Slow project implementation and low achievement of outputs due to:
    a. Delayed set up of relevant community institutions.
    b. Delayed disbursements from MAAIF to districts (four months after submission of work plans) and the district collection accounts to the implementing departments (up five months since funds were received in the district).
    c. Lengthy processes of approvals of infrastructure designs by the World Bank.
    d. Understaffing in the District Production Departments. Staff were engaged in other activities and had limited time for this project.
    e. IFMS related challenges: system breakdown, absence of signatories and difficulty in accessing support staff to address emerging problems on the system.
    f. Lack of common understanding among district officers on the project milestones and performance indicators and targets.

ii) Non-compliance with the Public Financial Management (PFM) Act through unauthorised reallocation of activity budgets to cover salary arrears for the project staff at the district level. There was no written evidence of authorisation by MAAIF to do these budget reallocations.
iii) The development of water for production infrastructure stalled due to inability by districts to meet the prior condition of providing land titles for the sites. Land in Karamoja is communally owned without land titles.
iv) Poor financial and technical data analysis and storage by project Monitoring and Evaluation Officers, and Accounts Assistants due to inadequate professional capacity.

Recommendations

i) The MFPED and MAAIF should increase supervision of budget execution to curb re-allocations and salary arrears and hasten funds disbursement.
ii) The MAAIF should ensure timely disbursement of salaries for the project staff.
iii) The MAAIF and World Bank should revise the conditionality on land titles for infrastructure projects and instead use community agreements that are endorsed by the local councils.
iv) The MAAIF should provide refresher courses and hands on experience to the project Monitoring and Evaluation Officers and Accounts Assistants.

v) The MAAIF and LGs should have joint planning and budgeting meetings to develop common priorities and a unified approach to project execution.

iv. Support to Sustainable Fisheries Development Project

Introduction

The Support to Sustainable Fisheries Development Project is a merger of all fisheries interventions in MAAIF including the uncompleted works under previous donor funded projects. The five-year Government funded project started in FY 2015/16 and is scheduled to end in FY 2019/20. Its overall objective is to promote sustainable development of fisheries through improvement of infrastructure and environment for fish production, handling markets and good marketing strategies for improved livelihoods in fishing communities.

The project interventions are in five areas: restocking and strengthening management of restocked water bodies; strengthening monitoring on all water bodies; infrastructure development along the value chain; and control of the weeds and water hyacinth. Among the key expected outputs over the five-year period are: two aquaculture parks established; five public water bodies and 10 community dams restocked; two live fish marketing facilities established; 300 beach management units (BMUs) strengthened; equipment for weed control procured and maintained; and 14 patrol boats and two trucks maintained to undertake enforcement activities on all water bodies.

The approved budget for Support to Sustainable Fisheries Development Project for FY 2017/18 is Ug shs 4.492 billion, of which Ug shs 1.298 billion (28.91%) was released and Ug shs 0.868 billion (66.88%) spent by 31st December 2017. This was poor release performance and resource absorption. The monitoring work was undertaken at MAAIF Headquarters, Bushenyi and Gulu districts to assess project performance. The detailed findings are presented below.

Performance

The performance of the Support to Sustainable Fisheries Development Project during FY 2017/18 semi-annual was poor rated at 32.32% (Table 5.9). The poor performance was largely due to the low releases and absorption of funds, over-ambitious targets and changes in the work plan/reallocations by MAAIF to address UPDF interventions. For example, the MAAIF targeted to rehabilitate 15 infrastructures and operationalize 10 of them; the funds that were budgeted and released where sufficient for handling one infrastructure. The little allocated funds for infrastructure was distributed to plumbing works at the Bushenyi and Gulu Fry Centres.

Table 5.9: Performance of the Support to Sustainable Fisheries Development Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Vehicles procured for the Fisheries Protection Force (number)	4	630,500,000	0.5	2.688	Initiated the procurement of four vehicles; the process for two vehicles was at bidding level and the other two required fresh approval from Ministry of Public Service.
Agriculture supplies	1	350,000,000	0	0.000	Procurement process of supplies (equipment of manual removal of water weeds) is ongoing.
Fisheries Infrastructure rehabilitated and operationalised (number of centres)	15	150,000,000	1.5	2.435	Inadequate funds budgeted and released; Over ambitious targets; Plumbing works and bush clearing were undertaken in Bushenyi and Gulu Centres; a roof was repaired in Gulu Centre but it was leaking reflecting shoddy work.
Lake and inland patrols facilitated (litres of fuel)	182857	640,000,000	91428	10.388	
Enforcement vehicles and boats maintained (number)	30	60,000,000	6	0.584	
Lake and Inland patrols undertaken by the Uganda Peoples Defence Force UPDF (Number of patrols)	1,000	1,000,000,000	500	16.231	The operations of UPDF were facilitated
Fisheries staff trained (number)	1	20,000,000	1	0.000	
Workshops and Seminars on Fisheries Regulations held	1	200,000,000	1	0.000	
Computer supplies and information	4	29,999,999	0	0.000	Inadequate funds

technology equipment procured					
Total		**2,850,500,000**		**32.327%**	

Source: Field findings

Enforcement activities were undertaken in the waters of Lake Victoria in the areas of Dolwe, Jinja, Buikwe, Mukono, Wakiso, Mpigi, Masaka, Rakai, Kasese and Nakasongola. Some plumbing works were undertaken at Bushenyi Aquaculture Center and Gulu Aquaculture Centre and were completed. Two water pumps were installed, power was reconnected, bush cleared and ceiling repaired at Gulu Aquaculture Centre. The plan was to handover the Centres to the district by September 2018.

However, the monitoring team observed shoddy work at the Gulu Centre where the ceiling of the power house that was repaired in November 2017 was leaking. The ponds repaired in previous financial years were in poor condition with all the polythene covers torn. It was unlikely that this Centre would be ready for handover by September 2018.

Shoddy works of leaking roof of the power house (left) and dilapidated polythenes in the water ponds at Gulu Aquaculture Centre in Laliya Village, Loro Division in Gulu District

Implementation challenges

i) Low output achievement due to reallocation of funds from original project activities to facilitating inland and lake patrols by the UPDF. It is highly unlikely that the project will achieve its short term and long term objectives.
ii) Shoddy works noted at Gulu Aquaculture Centre.
iii) Low allocation and releases for fisheries infrastructure development.

Recommendations

i) The MAAIF should re-align the resources to ensure that they are focused on the primary objectives of this project
ii) The MAAIF should identify alternative funding mechanisms for the UPDF activities.
iii) The MAAIF should ensure that all the defects in the infrastructure works at Gulu Aquaculture Centre are rectified.

v. Uganda Multi-sectoral Food Safety and Nutrition Project

Introduction

The Uganda Multi-sectoral Food Safety and Nutrition Project (UMFSNP) aims to increase production and consumption of micronutrient-rich foods and utilization of community based nutrition services in smallholder households in project areas. The project activities focus on delivery of multi-sectoral nutrition services at primary school and community levels and strengthening of various stakeholders to deliver nutrition interventions. The MAAIF is the lead agency for project implementation responsible for food production, collaborating with Ministry of Health (M0H) that manages the nutrition supplements and Ministry of Education and Sports (MoES) for regulation of primary schools.

The project is funded by a US$ 27.64 million grant from the Global Agriculture and Food Security Program (GAFSP) Trust Fund supervised by the World Bank; it is to be implemented from 1st July 2015 to 31st December 2019[19]. Project implementation was phased starting with five districts in July 2016 (Bushenyi, Ntungamo, Maracha, Nebbi, Namutumba); five districts in February 2017 (Isingiro, Kasese, Kabarole, Kyenjojo, Kabale) and five districts in July 2017 (Bugiri, Iganga, Arua, Kiryandongo, Yumbe).

The primary beneficiaries of the project are pregnant and lactating women and children under two years who are expected to benefit from food supplements; and lead farmers (LFs) and Parent Groups (PGs) in the catchment areas of selected schools. Secondary beneficiaries include primary school teachers and school children, Village Heath Teams (VHTs), sector officers, extension workers and district coordination committees. The intervention involves establishment of fruit and vegetable demonstration gardens in 100 schools in the project areas; attachment of lead farmers to each school to replicate the garden at community level and provision of extension services by sub-county agricultural officers. By 31st December 2017, all project components were rolled out except for distribution of food supplements.

The GoU approved annual budget for the UMFSNP in FY 2017/18 is Ug shs 300 million, of which Ug shs 170.141 million (56.80%) was released and Ug shs 132.278 million (77.80%) spent by 31st December 2017. The approved annual budget for the donor funds for the project is Ug shs 14.565 billion, of which Ug shs 11.550 billion was released (79.30%) and Ug shs 8.626

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[19] World Bank, 2014.

billion (74.7%) spent by 31st December 2017. This was very good half year release and good expenditure performance for both GoU and donor funds. By the end of the review period, the MAAIF had disbursed Ug shs 11.024 billion (including Ug shs 3.755 billion opening balance at 1st July 2017) to the 15 districts.

Five districts were monitored for half year performance namely: Bushenyi, Iganga, Isingiro, Kyaryandongo and Namutumba. The detailed findings are presented below.

Performance

The performance of the UNFSNP during FY 2017/18 semi-annual was very good rated at 91.21% (Table 5.10). It should however be noted that overall, the project lags behind schedule as MAAIF and the districts were implementing the work plan of FY 2016/17 in FY 2017/18. The districts received two tranches of funds in May and September 2017 to implement the work plan for FY 2016/17.

Table 5.10: Performance of the Multisectoral Food Safety and Nutrition Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Community mobilisation and sensitization and information dissemination done (workshops/activities)	20	143,696,000	11	1.554	Delayed transfer of funds from commercial bank to Iganga District; PGs were not oriented as Ug shs 20m was reallocated to salary arrears in Bushenyi district
Radio talk shows and campaigns on nutrition held (talk shows/campaigns)	11	28,198,000	7	0.319	

Demonstrations implemented at 100 schools (number of demonstrations)	500	3,855,118,352	334	64.385	Delayed disbursement of funds; Isingiro: 4 schools did not receive their second release; Bushenyi: 15 schools had financial mismanagement issues; Namutumba: drought destroyed demos in 20 schools; Kiryandongo had only 73 Government aided primary schools
Schools and parent groups trained by Health Centres and VHTs (schools and groups)	600	134,104,800	400	1.589	
Communities and schools supported by extension workers (number of facilitators, staff)	74	143,860,830	65	2.556	delayed disbursements
Training conducted for Master Trainers, Training of Trainers, subcounty officials, community facilitators (workshops/trainings)	31	380,339,500	13.8	4.570	Training not fully accomplished in Bushenyi district as Ug shs 58.690 million was reallocated to salary arrears
Quarterly support to District Nutritional Committees (number of support activities)	8	3,300,000	3	0.048	
District Semi-annual and Annual Review meetings held (number)	6	21,145,500	2	0.164	
Districts, schools and communities supervised on a quarterly basis (visits)	13	10,818,000	4	0.092	
Project launched in the districts (number of launch events)	1	10,000,000	0	0.000	
Bicycles procured and distributed to Village Health Teams and	3450	896,955,995	3450	15.939	
Total	**0**	**5,627,536,977**		**91.217%**	

Source: Field findings

Bushenyi District: One hundred schools benefitted from the project; schools and lead farmers planted 180 agroforestry trees; demonstration gardens, nutrition assessments and education where undertaken in all schools; cookery demonstrations were implemented in 20 schools. A total of 235 bicycles were received by the district, five of which were rejected as they were not in good condition. Poor garden management was noted in many schools due to lack of operational fees and inadequate supervision. Financial and project mismanagement was noted in 15 schools where Head Teachers withdrew funds and did not implement such as Kakoni Primary School (PS), Kantonjo PS, Nyabutobo PS, Kyanyakatura PS, Kajungu PS, Bujaga PS, Kakamba PS, Nyamirama PS, Nyamitooma PS; action was taken by the CAO and all the funds were refunded. There was delayed payment of salaries for community facilitators (CF) as they lacked supplier numbers; these led to reallocations from activity funds to this item.

School demonstration garden (left) and energy saving stove demonstration (right) at Kyeizooba Primary School in Kyeizooba village, Kyeizooba sub-county, Bushenyi District

Isingiro District: 100 schools received Ug shs 4.7 million each in FY 2016/17. Ninety-four schools received a second release (each Ug shs 5,763,015) in September 2017; four schools did not receive their release and the matter was communicated to MFPED. Demonstration gardens of beans, orange flesh potatoes, pumpkins, egg plants, cabbages, and spinach were set up in the schools. Mango and guava trees were also planted. As direct results, the pupils' meals had improved; both the parents and pupils had improved knowledge of food security and nutrition; and parents had accessed seeds from the schools and established demonstration gardens in their communities. A major challenge was drought that reduced production in 70% of the demonstration gardens that were established in the district.

An example is St. Joseph Kyabirukwa Primary School in Kyabirukwa village, Magona Ward parish, Isingiro Town Council that benefitted from the project and established demonstration gardens of beans, amaranthus, egg plants and other vegetables. The vegetables complimented school meals for 300 out of 500 pupils in the school. During the year, the school benefitted from a nutrition project by an NGO SNV focused on dairy farming. The Multisectoral Food Safety and Nutrition Project and SNV projects had led to increased school enrolment from 300 students in 2016 to 500 in 2017 as parents appreciated the improved pupil feeding. Key challenges were: late releases when drought had started; no allocation for stationery for proper book keeping and financial management; and low productivity of beans due to provision of inappropriate variety (Roba 123).

Egg plants demonstration garden (left); and beans and amarnathus seeds stored after harvest for replanting in the next season (right) at St. Joseph Kyabirukwa Primary School, Isingiro District

Iganga District: Project implementation in the district started late in November 2017 despite the early transfer of funds to the district in May 2017. Centenary Bank declined to transfer funds to the district imprest account that had dual names of DFCU/Crane Bank. Centenary Bank insisted that it would transfer the funds only to a DFCU account. The matter was sorted by the district accounting officer in October 2017. The district was only able to form the relevant structures by 31st December 2017 and guided the schools not to spend the funds until proper preparations were made in January 2018. The district received 330 bicycles from MAAIF that were distributed to 100 Lead Farmers, 100 Village Health Teams (VHTs), 20 community facilitators (CFs) and 10 were in store for district competitions.

Kiryandongo District: The district had 73 government-aided primary schools and these were the project beneficiaries. Vegetable and fruit demonstrations were set up at each benefitting school; lead farmers received planting materials and set up demonstration gardens within the communities. Project implementation was partial due to delayed releases from MAAIF on account of late submission of accountabilities to the ministry by the district for previous releases. Head teachers and their staff lacked financial management capacity to prepare books of accounts and submit accountabilities to the district in time. Some of the planting materials in the school and community gardens were stolen which was viewed positively as a method of disseminating the technologies to other community members.

Namutumba District: The project was implemented in 100 schools; however 20 schools had issues of drought, pests and diseases that destroyed the gardens. The project was poorly implemented in some schools due to limited sharing of information by the head teachers and other teachers; poor coordination in the district between the three implementing sectors (health, education, agriculture); none-transparent methods of procuring supplies by the head teachers and procurement committees; and poor recording and reporting system for the project.

Implementation challenges

i) Slow project disbursements and implementation as planned activities for FY 2016/17 spilled over into FY 2017/18. The MoH component of delivering iron folic tablets, dewormers and other community health services was lagging behind schedule.
ii) Partial and/or non-implementation of planned activities due to:
    a. IFMS malfunctionality due to power outages, inadequate capacity of district staff to manage the system, and absence of signatories. On average it took three to four months to access funds from the time of submitting requisitions to the authorising officers.
    b. Mismanagement of resources in some schools.
    c. Reallocations from activity lines to salary arrears.
iii) Poor community mobilisation and participation, and project supervision due to inadequate allocations to sensitize lower level stakeholders and programme monitoring.

Recommendations

i) The MAAIF should fast-track its projects to ensure that planned activities for a FY are implemented in that year.
ii) The MAAIF and LGs should improve project monitoring and supervision to ensure that value for money is achieved in service delivery.
iii) The MAAIF should reallocate funds within the project from low priority activities to community mobilization and project monitoring.

5.6 National Agricultural Advisory Services/Operation Wealth Creation

5.6.1 Introduction

The Government has been implementing the National Agricultural Advisory Services (NAADS) since 2001 to increase food and nutrition security and incomes of farming households. The programme was restructured in FY 2014/15 to deliver the Operation Wealth Creation (OWC) intervention that focuses on: provision of strategic commodities to support multiplication of planting and stocking materials; management of agricultural input distribution chains; and value addition and agribusiness business development. With the exception of coffee inputs that are distributed directly by the Uganda Coffee Development Authority (UCDA), all other commodities are centrally procured and distributed by the NAADS Secretariat.

The approved budget for NAADS/OWC in FY 2017/18 is Ug shs 279.705 billion, of which Ug shs 154.190 billion (55.12%) was released and Ug shs 138.818 billion (90.03%) was spent. This was very good release and expenditure performance. The NAADS Secretariat reallocated and disbursed Ug shs 23.5 billion out of its budget to Atiak Sugarcane growing project to support sugar cane production intervention.

By 31st December 2017, the NAADS/OWC had supported farmers with a range of agricultural inputs, especially planting and stocking materials for strategic commodities and to a limited extent production and value addition machinery. These included maize (2,775tonnes); beans (1,467.39 tonnes); citrus/oranges (6.074 million seedlings); tea (57.495 million seedlings); mango (4.534 million seedlings); cassava (95,701 bags); pineapple (10.138 suckers); 948 heifer cattle; 2,918 beef cattle; and cocoa (3.91 million seedlings).

Nineteen districts were monitored to assess the performance of the programme. These included; Bushenyi, Gulu, Hoima, Isingiro, Jinja, Kabarole, Katakwi, Kiryandongo, Kitgum, Kumi, Kween, Kyankwanzi, Luwero, Moroto, Nakapiripirit, Namutumba, Napak, Pader and Soroti. The field findings are presented below.

5.5.3 Performance

The overall performance of the NAADS/OWC during FY 2017/18 semi-annual was good (87.45%) – Table 5.11. All the 19 districts sampled in the four regions received the inputs and distributed them to farmers. Whereas it would be expected that the semi-annual targets would be achieved fully by 31st December 2017 given the very good releases, this was not the case. Major variances in quantities supplied by NAADS Secretariat to the districts were noted: only 18% beans, 22% of tea seedlings, 16% of heifers, 19% goats and 56% of bananas were provided to farmers in the 19 sampled districts, against the half year planned targets.

The three main reasons explaining the large variances were a) the re-allocation of Ug shs 23.5 billion from provision of priority and strategic agricultural inputs to farmers to sugarcane production, b) lack of credible suppliers for large volumes of some inputs, c) lengthy procurement processes, whereby some were to be concluded in Q3 and Q4.

Table 5.11: Performance of the National Agricultural Advisory Services/Operation Wealth Creation by 31st December 2017

Output	Semi-annual Planned Quantity or Target**	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Variance in Quantity received
Beans	1,212,394	5,361,783,480	220,194	1.684	(992,200)
Citrus	829,597	2,727,777,118	1,166,117	4.818	336,520
Cassava	14,057	592,525,900	15,853	0.879	1,796
Maize	341,365	1,568,780,405	306,925	2.824	(34,440)

Cowpeas	-	-	20,750	0.000	20,750
Groundnuts	-	-	5,830	0.000	5,830
Mangoes	461,100	1,559,147,500	870,694	2.686	409,594
Poultry/Chicks	25,200	75,600,000	12,600	0.068	(12,600)
Feeds	60,480	211,680,000	36,960	0.210	(23,520)
Growers mash	50,400	72,777,600	-	0.000	(50,400)
Tea	17,800,000	36,360,000,000	4,000,000	65.442	(13,800,000)
Pineapple	385,370	99,611,320	1,389,850	0.179	1,004,480
Irish Potatoes	19,650	3,728,900,000	19,641	6.711	(9)
Passion fruits	114,170	237,933,200	128,540	0.102	14,370
Piglets	499	199,600,000	360	0.151	(139)
Heifers	869	1,976,975,000	135	0.546	(734)
Apples	25,000	250,000,000	25,000	0.450	-
Grapes	27,770	111,080,000	15,000	0.200	(12,770)
Banana	70,000	157,500,000	39,198	0.270	(30,802)
Cocoa	360,000	108,000,000	356,755	0.194	(3,245)
Ginger	-	-	73	0.000	73
Goats	620	124,000,000	120	0.043	(500)
Improved Semen -Doses	3,192	15,960,000	-	0.000	(3,192)
Liquid Nitrogen	2,983	20,881,000	-	0.000	(2,983)
Fish Fingerings	1	300	45,855	0.000	45,854
Total	-	55,560,512,823	-		
Performance				**87.455%**	

****Note: Information was not available regarding the inputs to be distributed from January to June 2018; the NAADS Secretariat was still waiting from policy guidance on which strategic commodities should be prioritized for the second season of FY 2017/18.**

Source: Field findings

Except in a few cases, the inputs delivered by the NAADS Secretariat to districts and farmers were of good quality. The main challenge was in regard to the late delivery of inputs when the rain season was coming to an end, leading to high crop mortality. In some cases, the district declined the deliveries or did not distribute the materials to farmers. For example, 300 bags of cassava planting materials were delivered to Napak District on 25th October 2017 when it was off-season. The district rejected the supplies but the supplier left the materials at the District Headquarters. The district did not distribute the planting materials and they were left at the production department offices.

Cassava planting materials abandoned at Napak District headquarters in Napak District

OWC fairly performing cassava garden at Laciyi village, Lukaci parish, Pader District

Similar concerns were noted in Pader District where the cassava planting materials supplied were of poor quality; about 20% of the materials were either dry on arrival or sticks of other shrubs. The district received 136 bags of cassava stems instead of 146 as quoted on the delivery invoice; the supplier explained that his truck was too full and could not accommodate the extra 10 bags. These bags were not replaced.

Pader District also received maize seeds packaged in 10kgs bags; some bags had 5kg of seed instead of the labelled 10kgs and this led to a deficit of 100kgs of seeds.

5.6.3 Challenges

i) Lower outputs than planned due to reallocation of Ug shs 23.5 billion from delivery of strategic commodities and value addition equipment to sugar cane production in Amuru District; and lack of credible suppliers for the inputs.
ii) High levels of wastage and mortality of plant seedlings delivered to farmers due to:

- Late delivery of materials by suppliers when the rain season is over.
- Delivery of poor quality planting materials especially cassava and citrus.
- Pest and disease epidemics especially the fall army worm that reduced yield by 40% to 80% in most districts. The maize crop was especially affected by the fall army worm in most districts leading to high mortality of up to 80%.
- Non-compliance by suppliers to deliver inputs to the destinations as per the call off order posing a challenge of transporting the inputs to the respective drop off points and also non delivery/under supply of some inputs that were planned (as observed in Nakapiripirit).
- Poor facilitation of supervision and monitoring activities for the programme.

5.6.4 Recommendations

i) The MAAIF should promote the development of crop nurseries and seed growers in each district so that planting materials are sourced locally to reduce damage during transportation over long distances.
ii) The MAAIF, NAADS Secretariat and LGs should step up inspection and quality assurance of inputs at the time of sourcing, loading and offloading by the suppliers. Punitive measures should be enforced for delivery of poor quality materials to farmers.
iii) The MAAIF and LGs should equip and facilitate the extension workers to improve monitoring and supervision of the NAADS/OWC programme.
iv) The MAAIF and LGs should promote appropriate irrigation and water harvesting technologies at farm level.

5.7 National Agricultural Research Organisation

5.7.1 Introduction

Established by an Act of Parliament in 2005, the mission statement of the National Agricultural Research Organisation (NARO) is *"To generate and disseminate appropriate, safe and cost effective agricultural technologies"*[20]. The NARO activities are implemented through seven research institutes and nine Zonal Agricultural Research and Development Institutes (ZARDIs). The NARO is implementing two development projects namely: Project 1139 Agricultural Technology and Agribusiness Advisory Services (ATAAS) and Project 0382 Support for NARO. Under the ATAAS, NARO, MAAIF and District Local Governments (DLGs) have partnered to pilot the extension-research linkages intervention where proven technologies are dessiminated through districts to farmers. The ATAAS project is ending on 28th June 2018.

[20] MAAIF, 2016.

The approved budget for NARO for FY 2017/18 is Ug shs 84.10 billion, of which Ug shs 45.24 billion (53.80%) was released and Ug shs 44.29 billion (97.90%) spent by 31st December 2017. This was very good release and expenditure performance.

Monitoring was undertaken at three ZARDIs and three NARO Institutes (Table 5.2). The detailed field findings of selected key performance indicators at these institutions are presented.

5.7.2 Performance

The performance of the NARO during FY 2017/18 semi-annual was fair rated at 52.619% (Table 5.12). research and technology generation was undertaken at the Institutes and ZARDIs and planting and breeding materials were distributed to farmers by 31st December 2017. Several infrastructures were at different stages of completion at the NARO institutes. All ZARDIs and Institutes were implementing the ATAAS funded MAAIF-NARO project for upscaling technology transfer on farm. The NARO under performed due to delayed release and disbursement of funds, late planting in drought leading to poor experiment performance, inadequate releases and slow procurements.

Table 5.12: Performance of the National Agricultural Research Organisation by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Food Bioscience Laboratory rehabilitated	1	500,000,000	1	4.073	
Cow shed constructed at Nakyesesa Satellite Station NALIRRI	1	4,552,535,436	1	37.089	
Nursery Shed constructed at Kiige	1	263,000,000	0.2	0.000	The contract was awarded and the site handed over to the Contractor
Milking Parlour constructed at Nakyesesa	1	3,000,000,000	0.2	0.000	Procurement was in advanced stages
Extra rehabilitation works at NARO Institutes (Lots)	7	1,580,308,746	0	0.000	At bidding stage
Coffee and cocoa improvement on farm and off farm trials conducted (number of activities)	32	517,672,000	21	0.000	Delayed release of funds

Research undertaken on Black Coffee twig Borer and other diseases (number of activities)	10	253,043,000	8	1.649	
Grazing paddocks and their troughs constructed/renovated (number)	12	54,629,000	12	0.445	
Diary Cattle maintained (number)	110	17,340,000	114	0.141	
Feeds produced for dairy cattle (tonnes of hay)	40	46,510,000	260	0.379	
Stakeholders trained in alternative feed resources (number)	120	123,084,000	0	0.000	Inadequate funds
Fungal based bioacaricide developed and efficacy tested (activity)	1	60,428,000	1	0.492	
Indigenous cattle breeds evaluated for beef production	15	239,736,000	15	1.953	
Research in apiculture undertaken (number of outputs)	3	35,525,000	3	0.289	
Protein and bi products produced and nutritional profiles determined (number of activities)	3	250,240,000	1	0.680	Delayed release of funds, implementation started in Q2; three green protein and 3 bi-product prototypes were produced
Foundation seed for priority commercial crops multiplied (bags of seed)	1000	31,150,000	386	0.248	
Breeder and foundation seed produced for maize, rice, amaranthus, cassava and sweet potatoes (kgs)	270	15,050,000	0	0.000	Delayed release of funds
Technicians trained on seed production for horticulture, oil palm, legumes, swettpotatoes, elite cassava (number)	125	15,719,000	68	0.128	Activity was not funded

One mango Variety developed and Workshop held on citrus management (number of activities)	2	67,869,200	1	0.553	The workshop was held
Citrus demonstrations established (number)	6	43,081,000	3	0.193	Inadequate funds
Cereals research undertaken (number of activities)	11	279,095,000	11	2.274	
Tissue culture plantlets and coffee wilt disease resistant clones produced for farmers	165,000	80,132,000	146001	0.653	
Screen house for Tissue Culture Laboratory constructed	1	49,722,962	0	0.000	The works at NACORI were behind schedule by over one year; shoddy work had been done
Cassava, sweet potato, sorghum and maize demonstrations undertaken (number)	17	144,772,000	11	1.088	
Piglets produced and availed to farmers (numbers)	600	18,225,000	0	0.000	All piglets died because of a disease outbreak at Nabuin ZARDI
Citrus seedlings produced (number)	1,500	35,789,000	720	0.292	Drought and water for production scarcity
		12,274,656,344		**52.619%**	

Source: Field findings

Bulindi ZARDI is located in Bulindi village, Bulindi parish, Bulindi sub-county Hoima District. Under coffee research, an acre of mother garden was maintained and 6,250 seedlings generated; 2,500 banana suckers were harvested and distributed to 40 farmers; 215kgs of bean seeds wee distributed to farmers; research was undertaken on other strategic commodities including the livestock sector. Drought reduced yields of trials by 30% rendering the experiments non-conclusive. Implementation started late due to delayed disbursement of funds from the ZARDI Finance Department to the implementing units. The officers lacked awareness of the approved budgets for their research activities.

Nabuin ZARDI is located in Nabuin village, Kamaturu parish, Lorengedwat sub-county, Nakapripirit District. The ZARDI operations at this site began in 2010; the World Bank supported infrastructure development that was handed over in 2015. Demonstration sites were set up for effective management of pests and diseases and for developing high yielding varities of sorghum, cassava, maize, oil crops, citrus and sweet potatoes. The survival rates of various fish types were determined through cage farming; pig production for farmers was undertaken. The performance of research experiments was low due to drought, pests and diseases, lack of laboratories and equipment, inadequate infrastructure and limited operational funds. For example, all the piglets produced died of diseases arising from lack of livestock structures and congestion in small spaces.

The screen house that was pulled down due to shoddy works at NACORI Mukono District

National Coffee Research Institute is located in Kituza village, Ssaayi parish, Ntenjeru sub-county, Mukono District. Research was undertaken to develop high yielding and disease resistant Robusta coffee and cocoa varieties, and associated agronomic practices that could enhance performance. In December 2016, a contract was signed with Balton (U) Ltd to construct a screen house for the Tissue Culture laboratory at a value of Ug shs 49.722 million. The works were to be completed in five weeks. Shoddy works was undertaken and the Institute rejected the structure which was pulled down. By 5th February 2018, the contractor had not resumed rebuilding the structure.

National Crop Resources Research Institute is located in Namulonge village, Busukuma sub-county, Nansana Municipality, Wakiso District. The Institute generated improved crop technologies for beans, cassava, sweet potatoes, maize, rice, horticulture and oil palm. The nutrition and bioanalytic laboratory was facilitated to undertake research and product development for glycerine, degradable bags, Ngule cassava beer and biosel fules. A biodiesel processor was procured for the laboratory under the ATAAS programme. A total of 68 technicians/participants were trained in research and data management for generation of foundation seed. The key challenges were understaffing and 60% of experiments destroyed by drought and emerging pests and diseases. The latter challenge led to limited production of breeder and foundation seed for the seed industry

ATAAS financed Biodiesel processor (left) and rice trials at NACRRI Wakiso District

National Livestock Resources Research Institute Nakyesesa Satellite Station: Located in Namulonge village, Busukuma sub-county Nansana Municipality, Wakiso District, the NALIRRI is in transition relocating from Tororo to four satellite sites as the Institute land was allocated to private investors. This has disrupted the research processes and increased operational costs. Among the achievements by 31st December 2018 were: 114 elite dairy cattle maintained at the station; 80 acres of maize established that yielded 164.5 tonnes of silage. In addition, 260 tonnes of hay were produced and this led to increased milk production from 150litres in FY 2016/17 to 200 litres per day by 31st December 2017.

A modern cow shed constructed at Nakyesesa Satellite Station in Namulonge village, Wakiso District

In the apiculture sub-sector, one bee shelter was constructed, 40 bee hives sited at the apiary and 1,100 bee forage seedlings procured and planted. A new modern cow shed with capacity to host 250 animals was construced. Acaricides and dewormers for handling tick reistance were developed. Cattle feeding packages for reducing the time from five to two years for cattle to attain market weight were developed.

National Semi-Arid Resources Research Institute is located in Iglo village, Iglo parish, Serere Town Council, Serere District. Research and technology development was ongoing on oil crops, creals, legumes, cotton and livestock (for NALIRRI). A biopesticide laboratory was commissioned in August 2017 for pathological research and soil analysis. The laboratory was however performing at 50% level due to missing reagents. Breeding work was constrained by inadequate screen houses and irrigation facilities. About 80% of research activities were negatively affected by changing climatic conditions that made the results unpredicatable and inconclusive.

Rwebitaba ZARDI is located in Kyembogo village, Rwengaju parish, Busoro sub-county in Kabarole District and had other research work in Rwebitaba Tea Research Station in Kyenjojo district. Under the MAAIF-NARO project, several varieties of cassava, pastures, maize, beans, livestock forages and rice were under field demonstration. On station evaluation trials were established for fruit tree cultivars. Pest and disease control experiments were conducted. Most research activities were not implemented due to delayed release of funds in inadequate amounts and long process of sourcing planting materials from other areas in the country; several research areas were not funded.

5.7.3 Challenges

i) Poor programme implementation due to delayed releases and disbursement of funds to NARO Institutes and ZARDIs, and implementing departments; this led to delayed procurements.
ii) Low performance of experiments due to drought and emerging pests and diseases.
iii) High cost of operations and limited research infrastructure at NALIRRI as a result of decentralizing/reallocating operations to four geographically separated stallite stations.
iv) Weak monitoring and evaluation system at some of the Institutes and ZARDIs that does not capture all the resources disbursed and expenditures incurred.

5.7.4 Recommendations

i) The NARO and MFPED should improve funds release and disbursement processes.

ii) The NARO should allocate funds for setting up irrigation facilities at its Institutes and ZARDIs.

iii) The MFPED and NARO should fast-track acquisition of land and research infrastructure for NALIRRI.

iv) The NARO should retool the monitoring and evaluation officers and improve on data capture and management for all its programmes.

5.8 Production and Marketing Grant

5.8.1 Background

The Production and Marketing Grant (PMG) supports implementation of MAAIF related functions in all Local Governments (LGs). Effective from FY2010/11, the PMG aims to: i) strengthen disease, pest and vector control and quality assurance services; and ii) strengthen the agricultural statistics and information system in LGs. Starting FY 2015/16, districts were guided to spend 55% of the grant on development (non-wage) activities particularly infrastructure and 45% on recurrent expenses, especially operational costs. In addition, 30% of the grant was to be spent on commercial related activities and each sub-county to be provided with Ug shs 860,000 per quarter for operational expenses.

The approved budget for PMG for FY 2017/18 is Ug shs 51.62 billion, of which Ug shs 26.26 billion (50.87%) was released and fully spent by 31st December 2017. Fifteen districts were monitored to assess programme performance namely: Kween, Isingiro, Moroto, Napak, Kitgum, Pader, Soroti, Kumi, Luwero, Kyankwanzi, Hoima, Kabarole, Bushenyi, Mukono, Jinja. The detailed findings are presented hereafter.

5.8.2 Performance

The performance of the PMG in FY 2017/18 semi-annual was good rated at 87% (Table 5.13). By 31st December 2017, various outputs were delivered by the LGs using the PMG grant including construction/rehabilitation of plant and animal clinics and laboratories, fish ponds and slaughter slabs; distribution of planting and stocking materials for demonstration; procurement of office furniture, equipment and motorcycles; servicing of vehicles; pest, vector and disease surveillance and control; establishment of trade related institutions; stakeholder mobilization and group formation and monitoring and evaluation.

Table 5.13: Performance of the Production and Marketing Grant by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)
Vehicles/motorcycles serviced (number)	29	29,149,000	12	3.256
Office equipment, laptops, cameras, furniture procured and maintained (items)	35	39,205,000	14	4.380
Animal disease surveillance/Inspections undertaken (visits)	270	45,053,206	135	5.033
Quarterly field visits/reports submitted to MAAIF (number)	112	40,560,083	37	3.666

Livestock and crop data collected and analysed (field visits)	288	33,506,547	98	2.248
Crop disease surveillance undertaken (visits)	317	18,729,000	186	1.898
Trade/market information disseminated to business community members (events)	80	21,192,500	45	2.368
Technical backstopping and supervisory visits undertaken (number)	951	113,900,382	453	12.725
Vermin control and pesticides procured (items)	173	22,345,810	96	2.496
Monitoring and inspections done (number of sub-counties/parishes)	259	45,139,440	157	5.043
Meetings and Workshops held (number)	379	23,816,961	200	2.661
Soil sampling /testing analysis (number of tests)	16	2,512,000	8	0.281
Demo ponds constructed and stocked (number)	69	31,581,833	35	0.000
Farmer trainings on various good practices undertaken (number)	2411	84,027,877	1807	9.387
Animals procured (number of pigs and poultry)	104	29,537,000	1	1.613
Plant clinics built (number)	49	117,863,215	18	8.500
Cassava demonstrations established (number)	11	25,069,143	6	2.801
Tsetse fly traps deployed (number)	1039	27,119,999	404	3.030
Fish catch assessments (visits)	152	10,062,546	118	1.124
District farm running costs (number of farms)	18	55,354,508	13	6.184
Slaughter slabs built (number)	4	34,983,294	2	3.908
Bee hives procured (number)	125	10,687,518	25	1.173
SACCOs audited/Cooperatives monitored (number)	78	16,232,880	48	1.813
Irrigation system established (number)	1	9,190,000	1	1.027

Sweet potatoes vines distributed to farmers (bags)	80	4,000,000	80	0.447
Market linkages established (number)	57	4,300,000	11	0.000
Total		**895,119,742**		**87.062%**

Source: Field findings

Examples of services delivered

Bushenyi District: A 6.1acre banana demonstration garden was maintained in Bushenyi Municipality; retention fee was paid on the crop mini-laboratory that was completed during FY 2016/17; 28 of the planned 96 campaign visits for banana bacterial wilt (BBW) disease were undertaken; 72 of the 380 planned trainings on pasture establishment were conducted; 954 out of the planned 1,500 herds of cattle were vaccinated; 32 out of 50 fish demonstration ponds were constructed awaiting materials from the NAADS/OWC programme; and 360 of the planned 240 trainings/demonstrations on good agricultural practices were conducted by sub-county extension workers.

Jinja District: Most planned development activities for FY 2017/18 semi-annual were differed to Q3 awaiting releases to realise the full amount to fund the procurements. Roofing and plastering works on a plant and animal clinic at the District Headquarters commenced in December 2017. Other outputs were maintenance of the two-acre banana demonstration garden and dairy goat demonstration unit at Nakabango District Farm, supervision of six Savings and Credit Cooperative Societies (SACCOs), three monitoring, and control and surveillance patrols on Lake Victoria to control illegal fishing activities.

Kween District: The allocation for development activities was too low for the planned activities, hence the district prioritized continuing the construction of a building for the plant clinic and animal laboratory whose construction started in FY 2015/16. The walls and roofing of the building started in FY 2016/17. In FY 2017/18 semi-annual, the works were on finishing level focusing on plastering, electricals and fixing ceilings, doors and windows.

 

Plant clinic and animal laboratory building under construction at Kween District Headquarters (left) and banana demonstration garden in Bushenyi Municipality (right)

Kumi District: Most planned outputs were not implemented in Q1 due to late disbursement of funds from the district collection account to the department account. Due to capacity challenges in handling the IFMS system that was recently introduced in the district, Q1 funds were accessed in October and Q2 funds in November leading to delays in programme implementation. In Q2, 230 farmers out of the annual target of 250 were trained on post harvest handling and food utilization; 14 of the 42 plant clinics were conducted; 40 youth leaders were trained in business and trade development; Ongino, Odelo, Akadot, Mukongoro and Atutur markets were monitored.

Kyankwanzi District continued with construction of a building for the veterinary mini-laboratory, plant clinic and production store at the District Headquarters. In FY 2016/17 the foundation was laid and the structure built up to wall plate level. By 31st December, 2017 the building was roofed and plastering of walls had commenced. A total of 49 agro-input dealers were trained and registered; 25 farmer fields were inspected and advisory services provided to farmers; 61,500 heads of cattle, 327 dogs, 53 cats, 19,242 poultry and 506 goats were vaccinated and 19 training sessions were held on modern bee keeping and fish farming. The main challenge was delayed release and access to funds.

5.8.3 Challenges

i) Poor programme implementation and supervision and partial achievement of targets due to:
   a. Piece meal releases whereby districts differ implementation to Q3 and Q4 when they have aggregated sufficient funds to undertake procurement.
   b. Low technical capacity of district and subcounty staff.
   c. Lack of transport means and equipment for extension workers.

d. Allocation of 30% of PMG funds to commercial activities leaves less for other planned activities.

ii) The survival rate of planting materials was low estimated at about 60% due to prolonged droughts, delayed procurement and dissemination of the inputs to farmers and high prevalence of pests and diseases (especially fall army worms and variegated grass hoppers).

iii) Low crop production and productivity due to depleted soils and resistance of farmers to adopt fertility enhancing materials.

5.8.4 Recommendations

i) The MFPED should release all development funds for PMG in Q1.
ii) The MAAIF and LGs should retool and equip all extension workers
iii) The MAAIF should collaborate with districts to promote simple irrigation and water harvesting technologies at farm level.
iv) The MAAIF and LGs should promote and mobilise farmers to adopt fertilizer use at farm level.

5.9 Overall Agricultural Sector Performance

The overall performance of the agriculture sector in FY 2017/18 semi-annual was fair rated at 62.07%. Highest performance was realized by the CDO, MAAIF projects NUFLIP and Uganda Multisectoral Food Safety and Nutrition project, NAADS/OWC, PMG and DDA. The worst performance was in MAAIF projects - Meat Export Support Services and Regional Pastoral Livelihood Improvement Project.

Table 5.14: Physical performance of the Agriculture Sector by 31st December 2017

Vote	% physical performance
Cotton Development Organisation	95.201
Dairy Development Authority	82.305
Meat Export Support Services	11.620
National Agricultural Advisory Services/Operation Wealth Creation	87.455
Northern Uganda Farmers Livelihood Improvement	98.41
National Agricultural Research Organisation	52.619
Production and Marketing Grant	87.062
Regional Pastoral Livelihood Improvement Project	14.433

Support to Sustainable Fisheries Development Project	32.327
Uganda Multisectoral Food Safety and Nutrition Project	91.217
Average	**65.264%**
Agricultural Credit Facility	71.088

Source: Field findings

Note: The ACF is managed by MFPED/BOU and hence not included in the sector average performance analysis

CHAPTER 6: EDUCATION

6.1 Introduction

The overall sector objective is to provide for, support, guide, coordinate, regulate and promote quality in delivery of Education and Sports to all Persons in Uganda for national integration, individual and national development (National Development Plan II).

6.1.1 Sector Outcomes and Priorities

The sector outcomes are: i) Improved quality and relevancy of education at all levels, ii) Improved equitable access to education and iii) Improved effectiveness and efficiency in delivery of the education services. The sector priorities over the next five years are aimed at enabling the country offer education as a basic human right with the main goal of equipping learners/students/trainees with relevant knowledge and skills necessary for socio-economic transformation and development by 2040.

6.1.2 Sector Programmes/Votes

The sector comprises of 15 Votes i.e. Ministry of Education and Sports (MoES, Vote 013), Education Service Commission (ESC, Vote 132), Makerere University (Vote 136), Mbarara University (Vote 137), Makerere University Business School (MUBS,Vote 138), Kyambogo University (KyU, Vote 139), Uganda Management Institute (UMI, Vote 140), Gulu University (GU,Vote 149), Busitema University (Vote 111), Muni University (Vote 127), Uganda National Examination Board (UNEB – Vote 128), Lira University (Vote 301), National Curriculum Development Centre (NCDC, Vote 303), Soroti University (Vote 308) and Kabale University (Vote 307).

In addition, the Sector has transfers to Local Governments (LGs) including Kampala Capital City Authority (501-580). The transfers include five LG grants comprising of the wage, non-wage (Universal Primary Education (UPE) and Universal Secondary Education (USE) capitation, Inspection Grant including the District Education Officers' (DEO) monitoring) and the two development programs (Consolidated development Grant and Secondary School Development/Transitional Grant).

6.1.3 Overall Sector Financial Performance

The total budget for the Education and Sports sector for FY2017/18 is Ug sh 2,551.005 billion (bn), of which Ug sh 2,001.426bn is recurrent and Ug shs 549.579bn development. Overall, the recurrent budget performed better than the development budget both in release and expenditure. By the end of December 2017, Ug shs 983.207bn (49%) of the recurrent sector budgets was released, of which Ug shs 966.512bn (98%) was spent. On the other hand Ug shs 208.437bn (38%) of the sector development budget was released, and Ug shs 153.93bn (74%) spent. Although the sector development release was good, the development projects in the public universities performed poorly (i.e. Gulu University 16%, Mbarara University 22%, Muni University 23%, Makerere University 23%, and Busitema University 24%.).Table 6.1 shows the details.

Table 6.1: Semi-Annual Financial Performance for Education and Sports Sector FY 2017/18

Vote		Budget In Ug shs billions	Release In Ug shs billions	Expenditure In Ug shs billions	% Released	% Expended
013:MoES	Recurrent	153.129	76.831	67.55	50	88
	Development	464.889	166.075	114.063	36	69
	Total	618.018	242.906	181.613	39.3	74.7
307:Kabale	Recurrent	8.963	6.007	5.664	67	94
	Development	0.600	0.248	0.017	41	7
	Total	9.563	6.255	5.681	65.4	90.8
136:Makerere University	Recurrent	192.767	70.737	70.737	37	100
	Development	10.159	2.361	1.989	23	84
	Total	202.926	73.098	72.726	36.02	99.4
138:Makerere University Business School	Recurrent	26.061	12.899	12.899	49	100
	Development	2.800	0.910	0.789	33	87
	Total	28.861	13.809	13.688	47.84	99.1
139:Kyambogo University	Recurrent	46.675	23.06	22.453	49	97
	Development	0.723	0.132	0.119	18	90
	Total	47.398	23.192	22.572	48.93	97.3
137:Mbarara University	Recurrent	29.026	14.474	14.196	50	98
	Development	3.599	0.794	0.649	22	82
	Total	32.625	15.268	14.845	46.7	97.22
127:Muni University	Recurrent	8.274	4.04	3.494	49	86
	Development	4.55	1.037	0.594	23	57
	Total	12.824	5.077	4.088	39.5	80.5
111:Busitema University	Recurrent	25.655	15.699	14.892	61	95
	Development	1.077	0.26	0.26	24	100
	Total	26.732	15.959	15.152	59.6	94.9
308:Soroti University	Recurrent	5.900	2.913	1.699	49	58
	Development	6	6	6	100	100
	Total	11.9	8.913	7.699	74.89	86
301:Lira University	Recurrent	7.345	5.561	4.202	76	76
	Development	1.5	0.394	0.3	26	76
	Total	8.845	5.955	4.502	67.3	75.60
149:Gulu University	Recurrent	28.697	14.245	13.098	50	92
	Development	2.5	0.39	0.132	16	34
	Total	31.197	14.635	13.23	46.91	90.3
140:Uganda Management Institute	Recurrent	4.881	2.430	2.163	50	89
	Development	1.5	0.937	0.213	62	23
	Total	6.381	3.367	2.376	52.7	70.56
132:Education Service Commission	Recurrent	6.56	3.183	2.705	49	85
	Development	0.352	0.352	0.258	100	73
	Total	6.912	3.535	2.963	51.0	75.3
303:National Curriculum		6.678	3.932	3.564	59	91

Vote		Budget In Ug shs billions	Release In Ug shs billions	Expenditure In Ug shs billions	% Released	% Expended
Development Centre						
128:Uganda National Examinations Board		31.775	24.024	24.024	76	100
Kampala Capital City Authority		34.8	17.42		50.05	100
500-850: Local Governments		1,434.53	687.092		53%	45
Total		**2,552**	**1,164.437**	**1093.235**	**53.47**	**81.53**

Sources: IFMS and Q2 FY 2017/18 Sector Performance Reports

6.1.4 Scope

The report presents progress on the implementation of selected projects/programmes in 11 out of 15 central votes and grants in 44 Local Governments in the Education and Sports Sector. Table 6.2 shows the sampled votes and projects for half year FY 2017/18.

Table 6.2: Education and Sports Sector Programmes/Projects Monitored

Vote/Vote Function	Programme/Project	Institution/District
013: Ministry of Education and Sports		
0701: Pre-Primary and Primary Education	01:Basic Education	MoES
	1296:Uganda Teacher and School Effectiveness Project	MoES,Butalejja,Kapchorwa,Namutumba,Oyam, Ibanda, Kalungu. Kyankwanzi, Kyotera, Lyantonde, Nakaseke, Ntungamo, Rukungiri
	1339:Emergency Construction of Primary Schools Phase II	MoES,Budaka,Bugiri,Buyende,Jinja,Kaliro,Kaberamaido,Mayuge
0702: Secondary Education	02: Secondary Education	MoES
	0897: Development of Secondary Education	MoES,Jinja,
0704: Higher Education	07:Higher Education	MoES
	1241:Development of Uganda Petroleum Institute Kigumba	MoES, Kigumba
	1273:Support to Higher Education, Science & Technology	MoES, Makerere University Business School, Kyambogo University, Gulu University. Muni University, Lira, Busitema University, Mbarara University of Science and Technology,Muni University
0705: Skills Development	05:BTVET	MoES
	10: National Health Services Training	MoES
	11:Dept.Training Institutions	MoES
0706:Quality and Standards	04:Teacher Education	MoES
	09:Education Standards Agency	MoES

Vote/Vote Function	Programme/Project	Institution/District
	1340: Development of PTCs Phase II	MoES, Kisoro, Rukungiri, Rakai, Masaka, Gulu, Moyo and Mityana, Kampala
0749:Policy, Planning and Support Services	01:Headquarters 02:Planning	MoES
	1369:Akii Bua Olympic Stadium	Lira
	1370: National High Altitude Training Center (NHATC)	Kapchorwa
Transfers to Local Governments including KCCA(501-580)		
0781:Pre-primary and Primary Education	321411:UPE capitation	Arua, Gulu, Lira, Agago, Budaka, Tororo,,Busia, Budaka, Bugiri, Buyende, Mayuge, Kaliro, Jinja, Kapchorwa, Kween, Kaberamaido, Namutumba, Soroti, Apac , Oyam,Kayunga, Buikwe, Kalungu, Mbarara, Bushenyi, Ibanda, Kabale, Ntungamo, Rukungiri, Masindi, Kigumba, Nakaseke, Luwero, Mubende, Wakiso, Mpigi, Gomba, Rakai, Kyotera, Lyantonde, Buliisa, Hoima, Kyankwanzi and Kiboga.
	0423: Schools' Facilities Grant	
	1383: Education Development	
0782:Secondary Education	321419: Secondary capitation grant-Non wage	
	1383:Education Development	
	321452: Construction of secondary schools	
0784:Education Inspection and Monitoring	321447: School Inspection Grant	
136: Makerere University		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Kampala
	1341: Food Technology Incubations 11	
	1342: Technology Innovations II	
137: Mbarara University of Science and Technology		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Mbarara
	0368: Development	
138:Makerere University Business		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Kampala
	0896: Support to MUBS Infrastructural Development	
139: Kyambogo University		
0751: Delivery of Tertiary Education and Research	01: Headquarters	Kampala
	0369:Development of Kyambogo University	
111: Busitema University		
0751: Delivery of Tertiary Education and Research	01: Headquarters	Tororo
	1057: Busitema University Infrastructure Development	
127: Muni University		
0751: Delivery of Tertiary Education and Research	01:Headquarters	Arua
	1298: Support to Muni Infrastructure Development	

Vote/Vote Function	Programme/Project	Institution/District
149: Gulu University		
0751:Delivery of Tertiary Education	01: Administration	Gulu
	0906:Gulu University	
301: Lira University		
0751:Delivery of Tertiary Education	01:Headquarters	Lira
	1414: Support to Lira University Infrastructure Development	
303: National Curriculum Development Center		
0712: Curriculum and instructional materials Development Orientation	01:Headquarters	Kampala
307: Kabale University		
0751:Delivery of Tertiary Education	01:Headquarters	Kabale
	1418: Support to Kabale Infrastructure Development	

Source: Authors' Compilation

6.1.5: Limitations

- Some project implementers did not have up-to-date information on donor releases, so information as reported in the progress reports for such projects was relied upon.
- A number of beneficiaries had little information on scope of works, project costs, contract periods particularly on projects contracted and implemented by the MoES. Many head teachers did not share information with their deputies/staff regarding the on-going civil works in schools. In such cases, the team interacted with the clerks of works, foremen/site engineers at the various sites and also endeavoured to talk to heads of institutions and project coordinators at the centre to corroborate information received.

6.2: Ministry of Education and Sports (Vote 013)

The Vote has nine Vote Functions (VF) which are; 0701- Pre-Primary and Primary Education, 0702- Secondary Education, 0704-Higher Education, 0705-Skills Development, 0706 Quality and Standards, 0707-Physical Education and Sports, 0711-Guidance and Counselling and 0749: Policy, Planning and Support services.

The approved budget for Vote 013 is Ug shs 627.377bn inclusive of external financing and arrears. Of this, Ug shs 252.266bn (40.2%) was released and Ug shs 189.661bn (75.2%) expended by 31st December 2017. Seven of the nine vote functions were monitored to assess the level of performance and findings are presented hereafter.

6.2.1 Pre-primary and Primary Education

The Vote Function has three development projects and one recurrent programme. The recurrent programme and two development projects were monitored.

a) Basic Education Programme

The programme objectives are to; (i) formulate appropriate policies and guidelines, and provide technical advice in relation to primary sub-sector, (ii) strengthen the capacities of Districts and Education Managers to improve equitable access to primary education to all school age going children, (iii) provide support supervision to education managers to ensure provision of quality primary education as well as increase learning achievement in Literacy and Numeracy and (iv) assist districts to improve the completion rate in primary education.

The programme outputs are to: i) provide technical guidance and initiate the development of Pre-Primary and Primary Education Policies; oversee the delivery of Education and Sports services in Pre-Primary and Primary Education; monitor and supervise the implementation of policies and programmes for the subsector to ensure quality and standards. Table 6.3 details the performance of Basic Education Programme by 31st December 2017.

Performance

The programme revised budget for FY 2017/18 is Ug shs 14.198bn, of which Ug shs 7.07bn (50%) was released and Ug shs 6.2bn (88%) expended by 31st December 2017. Performance was very good as over 90% of the half year targets were achieved. Table 6.3 details the performance of Basic Education Programme by 31st December 2017.

Table 6.3: Physical Performance of Basic Education Programme by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines, plans; i) Salaries, lunch and Kilometrage allowances paid, ii) fuel, maintenance services, stationery and telecommunication services procured, iii) Stakeholders engaged on Gender and Equity issues in Education, iv) Seeds procured and WFP operational costs	100	1,126,038,362	37.50	6.45	Salaries, lunch, Kilometrage allowances were paid for the first half of the FY. Procurement of stationery, fuel and maintenance of vehicles which are pooled activities were not undertaken. The Gender Unit disseminated key policy and programme documents on Menstrual Hygiene Management, Violence Against Children in Schools, Girls' Education and Gender in

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
funded.					Education. Procured tree seedlings and hoes for 70 schools in the Karamoja sub-region.
02:Instructional Materials for Primary Schools i) 318,131 copies of P.4 Integrated science pupils textbooks and 39,000 copies of Teachers guides procured, ii) Instructional materials delivered to schools monitored, iii) Operational costs of the unit funded, iv) Roll over contracts paid and v) Four regional consultation workshops on textbook policy review undertaken.	100	7,631,058,522	50	45.86	Contract was signed on 30th November 2017 with M/S Good Luck Publishers LTD to supply 318,131 copies of P.4 Social Studies Pupils Textbooks and 39,000 copies of Teachers' guides and 20% of the contract value was paid. Contract signed with St. Bernard Publishers Ltd on 30th November 2017, to supply 318,131 copies of P.4 Integrated Science Pupils Textbooks and 39,000 copies of Teachers' guides. Contract Number and 20% of the contract value was paid. The districts of Mubende, Kibaale, Soroti, Kotido, Kaliro, Bugiri, Kamwenge, Bundibugyo, Lamwo, Nwoya, Oyam, Dokolo, Amudat, Nakapiripirit, Hoima, Kiryandongo, Mitooma, Arua, Zombo and Wakiso were monitored to verify the distribution of books by the contracted firms and also ascertain the state of storage and management of instructional materials. Operational costs of the unit were funded, rolled over contracts paid and one consultative workshop was held in the central region.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
03:Monitoring and Supervision of Primary Schools Support supervision provided to primary schools, community engagement on provision of quality education undertaken and monitoring the delivery of food supplies and assorted seedlings under World Food Programme.	100	391,124,703	37.5	2.46	Monitoring carried out in Arua, Buyende, Gulu, Nwoya, Mpigi, Ntungamo, Mbarara, Hoima, Rukungiri on Early Childhood Development (ECD) and the DEO's dialogues were scheduled for Q4.
Primary Teacher Development -Funds transferred to Teacher's SACCO Support District Service Commission (DSC) to recruit teachers.	100	5,050,000,000	38	35.57	Funds (38% of the annual budget) were transferred to UNATU Apex SACCO. The District Service Commissions were supported in various districts to recruit teachers.
Total		**14,198,221,587**		**90.03**	**Very good performance**

Source: Approved Quarterly Work plan FY 2017/18, Field Findings

As shown in table 6.3, the Basic Education programme achieved 90.03% of the half year planned output targets. The programme is likely to achieve the annual targets if the remaining resources are released and utilised effectively.

b) Emergency Construction of Primary Schools Phase II

Background

The project started on 1st July 2015 with a projected end date of 30th June 2020. The strategic objectives are to: (i) rehabilitate and strengthen primary schools damaged during disasters; (ii) improve the pupils to classrooms ratio; and (iii) supplement and support local initiatives by parents in the rehabilitation and construction of schools in order to achieve Universal Primary Education (UPE).

In FY 2017/18, the project outputs are to construct and rehabilitate facilities in 52 primary schools of ; Ototong P/S-Oyam District, Mpumbu P/S-Fort Portal, Katarazza P/S-Kiruhura, Kyabahura–Kiruhura, Lelapala P/S-Oyam, Uganda Martyrs P/S-Mbabara, Muhindi P/S Kasese, Nyakatooma II P/S-Bushenyi, St. Mary's P/S, Malungu-Luwero, Nansololo P/S-Kaliro; Rugarama Central P/S-Ntungamo, Ngomanene P/S-Gomba, Sam Iga Memorial P/S- Wakiso, Lwala Boys P/S–Kaberamaido, Kiwumulo- Kabira P/S-Rakai, Kikunyu Mixed C/U P/S-Luwero, Kinyansi P/S- Sembabule, Ruharo P/S- Bushenyi, Kibibi C/U P/S- Butambala, Naama P/S-Kiruhura, Buyobo P/S -Sironko and St. Don Bosco P/S –Mityana, Ngoro Primary School – Rubirizi, Kireka Army Primary School–Wakiso, Ruzinga Primary School (Ruhaama)-Kiruhura, Bukonte CoU Primary School-Namutumba, Kawolo-C/U P/S – Lugazi MC, Nyakisoroza P/S Rukungiri; Kabaale P/S –Wakiso, Andibo Primary School-Nebbi; Budhabangula P/S – Luuka, Bulogo P/S-Jinja; Bugaya P/S-Buyende; St. Andrew Migadde P/S-Wakiso, Kyamugoran P/S-Mbarara, Kasaka CU P/S- Kalungu; Kitende P/S- Wakiso, Kidera P/S-Buyende, Oget Primary School-Otuke, Ngoma C/U P/S- Nakaseke & Jjungo C/U P/S -Wakiso, Butiru Dem P/S-Mbale, Namulikya P/S- Buyende, Butsibo P/S – Sheema, Syanyonja P/S- Namayingo, Idoome P/S-Jinja, Kinuuka P/S- Lyantonde, St. Matia Mulumba Naama RC P/S- Mityana, Murama P/S -Rukungiri; Gwase P/S-Buyende, Misanvu Dem. P/S-Bukomansimbi, Muterere P/S-Bugiri.

Out of the 52 schools, the planned target by half year was 18 primary schools, of which 13 were monitored to assess the progress of implementation of the project.

Performance

The approved budget FY 2017/18 is Ug shs 10.72 bn, of which Ug shs 4.459 bn (42%) was released and Ug shs 1.886 bn (42%) expended by 31st December 2017. Performance was poor as most civil works had not started in many schools. Schools reported that they were waiting for guidelines from the MoES to start implementation. Table 6.4 details the findings.

Table 6.4: Performance of Emergency Construction of Primary Schools by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies -Staff facilitated with welfare items -Printing, stationary and photocopying.	100	110,900,000	25	0	Staff were facilitated with welfare items however stationery was not provided.
Government Buildings and	100	9,889,100,000	15	33.6	Of the 18 schools planned for half year, 13[21] were monitored and

[21] Bugaya P/s-Buyende, Gwase P/S-Buyende,Kigandalo P/S-Mayuge, Nansololo P/s-Kaliro, Bulogo P/S-Jinja, Muterere P/S-Bugiri, Lwala Boys P/S-Kaberaimaido, Kasaka P/S-Kalungu, Rugarama P/S, Ntungamo, Murama P/S-Rukungiri, Nyakisoroza P/S-Rukungiri, Kimuli S.S-Kyotera and Rwamabara-Lyantonde

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Administrative Infrastructure -Construction and rehabilitation of 52 primary schools - Supervision of construction works conducted.					76% had received funds on their accounts. Two schools of Bulogo P/S-Jinja District, and Lwala Boys P/s-Kaberamaido had ongoing works; No works had started in Kasaka CU P/S; Kyamulibwa Town Council (TC), Murama P/S and Nyakisoroza P/S, Rukungiri district, Rugarama Central P/S, Ntungamo District, Rwamabara P/S, Lyantonde etc. Schools were waiting for guidelines from MoES.
Purchase of specialized Machinery and equipment -140 Lightening arresters purchased and installed.	100	726,400,000	5	0.68	All schools had not received lightening arresters by half year as the procurement process was ongoing.
Total		**10,726,400,000**		**34.3**	**Poor performance**

Source: Field Findings

Challenges

i. Delay by the moes to send guidelines to schools. A number of schools delayed to start implementation as they had no guidelines from moes on how to proceed after receiving part of the funds.

ii. Inadequate sharing of information between the moes and the districts about emergency projects that the ministry is undertaking. For instance the District Education Officer of Ntungamo district was not aware of the emergency construction project at Rugarama PS by the moes although it was in the moes work plan.

iii. Although the budget for Emergency Construction and Rehabilitation of Primary Schools was increased this financial year from Ug shs 1.8 bn to Ug shs 10 bn, the burden for emergencies remains huge. To date, there are over 700 primary schools that had applied to be assisted under the project. Many of them are very old with dilapidated structures that their districts cannot handle under their respective budgets.

iv. Sanitation in primary schools is big challenge. The current survey shows that to date, the pupil stance ratio stands at 70:1 against the recommended 40:1.

Conclusion

This project did not achieve the planned half year targets. Works were ongoing in two out of the 13 sampled schools against an annual target of 18 for rehabilitation. Despite the pronouncement of installation of lightening arrestors in 140 schools by the Honourable Minister of Finance, Planning and Economic Development during the budget speech; schools in these districts had not received the lightening arrestors.

In addition the project is likely not to achieve the planned annual targets because part of its funds amounting to Ug shs one billion, were diverted and used to buy off Kiwanga UMEA Moslem Primary School in Mukono district. This school is not in the work plan and was not budgeted for this FY. This will greatly impact on the implementation of the annual planned activities in the project work plan.

Recommendations

i. The MoES should send the implementation guidelines to all the beneficiary schools/institutions in their work plan in time.
ii. The MoES should always share information with the respective districts where it is making interventions to improve transparency and accountability.
iii. The MoES should devise a comprehensive plan to address all emergencies in primary schools around the country.

c) Uganda Teacher and School Effectiveness Project (1296)

Background

The project start date was 1st July 2014 and its expected end date is 30th June 2019. The overall project objective is to support the Government in improving teacher and school effectiveness in the public primary education system. The project is centred on improving education service delivery at teacher, school and system level to realize meaningful gains in pupil achievement in primary grades.

Performance

The approved budget FY 2017/18 is Ug shs 96.46 bn, of which Ug shs 1.52 bn is GoU contribution. A total of Ug shs 46.99 bn (39.7%) was released, and Ug shs 40.19 bn (85%) expended by 31st December 2017. Performance was good at 81.4% and table 6.5 details the findings.

Table 6.5: Performance of Uganda Teacher and School Effectiveness Project by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget[22] (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies i) Payment of staff salaries for 17 contract staff and allowances ii) Conducting monitoring in 2,000 schools on GPE intervention, iii) Conduct training of 1,000 caregivers in community child care, conduct training for 3,609 P.3 teachers in early grade reading methodology, iv) Consultancy firms to review ECD policy, to conduct situational analysis study, to conduct procurement audit and a consultancy firm to conduct formative evaluation of the project procured. iv) Reports produced. v)Office operational costs paid. vi) Press releases run 4	100	16,690,206,600	40	56.91	i) Contract staff (17) salaries and allowances were paid. ii) Monitoring for Early Grade Readers (EGR) and Early Childhood Development (ECD) conducted . iii) Trained care givers in close to 2,700 EGR and close to 2,000 ECD centers for care givers. Training was carried out in two phases with the first phase conducted during the May holiday (2017) and second phase in August 2017. Since project inception, 4,000 care givers have been trained. iv) The ECD policy was under review and completion date is planned for March 2018. An inception report on the situational analysis study was prepared and firms were shortlisted for the formative evaluation. The Procurement Audit was cleared by Solicitor General and contract was ready for signing. v) Office operational costs paid.

[22] Inclusive of External Financing

Output	Annual Planned Quantity or Target (%)	Annual Output Budget[22] (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
media adverts. vii) Carry out advocacy and awareness of the project activities.					vi) Procurement process was ongoing for the media adverts; a communication specialist was recruited and a communication strategy was in place. vii) The website for advocacy and awareness is up and running. Moved to 29 districts doing advocacy on teacher presence and time on task. Started with District Officials to school management committees.
Instructional materials for primary schools. 750,000 copies of P.3 primers to 2,670 government primary schools procured and distributed.	100	6,296,568,800			The contract for supply of early grade reading primers was awaiting the Solicitor General's approval.
Monitoring and supervision of primary schools i) Early Grade Reading Assessment (EGRA) for P1-P3 and National Assessment for Primary Education conducted. ii) Conduct quarterly monitoring visits to 2,000 schools.	100	14,017,377,000	30	15.34	The Early Grade Reading Assessment (EGRA) was conducted in October 2017 and data cleaning for the EGRA report was ongoing.
Purchase of Office and ICT Equipment including software ICT equipment Purchased.	100	1,436,308,000			The activity was dropped.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget[22] (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Classroom construction and rehabilitation (Primary) Learning facilities constructed in 147 schools, monitoring and supervision conducted.	100	58,019,249,700	23.75	9.14	Overall physical progress was at 47.5%. Implementation is phased into centralized and decentralized modality. The first 54 schools which were centrally procured and implemented in 6 districts were completed and handed over. Works commenced in November 2017 for the second batch of 83 decentralized schools implemented in 25 districts and expected completion date is 31st October 2018. Progress was at 17% completion against 33% of the contract period. Performance ranged between 10%-80% across the districts of Arua, Butaleja, Namutumba, Kyankwanzi, Rakai, Rukungiri, Kalungu and Ntungamo and Nakaseke. Progress of construction for Ibanda was at 80%; Rukungiri, Kalungu, and Ntungamo, at 50%. Other districts in Lyantonde, Kyankwanzi, Rakia, Kyotera and Nakaseke were on average at the slab level (20%). In Manafwa District however, sites were not handed over.
Total		**94,943,443,900**		**81.4**	**Good performance**

Source: Field Findings

This project achieved its semi-annual targets.

L-R: Construction of school facilities at Ishongororo P/S; Ishongororo Town Council in Ibanda District at plastering level; St. Charles Butawata P/S; Kyamulibwa SC; Kalungu District at window level

Kbisi Rusozi; Kaliro sub-county; Lyantonde District at ground excavation; Magoma Orthodox P/S; Kikamulo P/S in Nakaseke District at slub level

Challenges

i) Financing Modality: Payments by the donor are only made after independent verification of the reported outputs and in case of any variance Government loses money. As a result of this, the project cumulative disbursement level stands at 54% while expenditure is at 36%.
ii) The project suffered delays especially on the construction components which unfortunately had the bulk of the funds, however, an extension of up to June 2019 was granted.
iii) Procurement took a lot more time than anticipated.
iv) Errors in packaging; which have resulted in loss of money by Government.

Recommendation

i) For future projects, the MoES should take extra care particularly at design level so that issues such as independent verification triggering disbursements and payments of certificates are carefully thought through and handled.

Overall conclusion

Overall, the Pre-Primary and Primary Education (VF 0701) performed fairly (68.6%). This was, because the recurrent programme and the two development projects of Emergency Construction and Rehabilitation of Primary Schools Phase II and UTSEP had very good, poor and good performance respectively. While the UTSEP project performed well and achieved the semi-annual targets, it is largely behind schedule and is characterised by low absorptions particularly of the donor funds.

6.2.2 Secondary Education

Technical guidance and policy formulation for matters relating to promotion and development of secondary education in the country are provided under Secondary Education vote function. There are two recurrent programmes (Secondary Education and Private Schools Department) and one development project; Development of Secondary Education (0897).

a) Secondary Education Programme

Background

The programme objectives are to: formulate appropriate policies, plans, guidelines and give technical advice to the education sector on issues to do with secondary education; increase access and equity of secondary education; and improve quality of secondary education provision.

The planned outputs in FY 2017/18 are; technical guidance and policy formulation for matters relating to promotion and development of secondary education in the country provided; activities in secondary schools both government and private monitored; and secondary teachers trained.

Performance

The approved budget for FY 2017/18 is Ug shs 0.894bn, of which Ug shs 0.525 bn (59%) was released and Ug shs 0.465bn (88%) expended by 31st December 2017. Performance was good at 80% and table 6.6 details performance of the Secondary Education Programme.

Table 6.6: Performance of Secondary Education Programme by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Policies, Laws and Guidelines National sports competitions and MDD competitions facilitated. One Advert Run in the New Vision. Salaries, lunch and kilometrage allowance paid to 20 staff. Transfer and staff deployment conducted & appeals committee facilitated. Newly appointed Board of Governors and 299 newly appointed deputy head teacher inducted on their roles and responsibilities. Meetings with various stakeholders facilitated.	100	742,411,707	50	65.81	Facilitated National Sports competitions at St. Joseph's SS Layibi in Gulu and MDD competitions at Ntare School, MaryHill High School and Mbarara SS where 3,189 students from 46 schools participated. Paid salaries, kilometrage and consolidated lunch allowance to 16 secondary education department staff and four Directorate of Basic and Secondary Education staff in Q1 and Q2. Facilitated verification of secondary school teachers transfers of 2017 in the North and Western regions. Transferred 726 secondary school teachers, attended meetings with Irish Aid officials at Kololo SS on the construction of the SESEMAT Hostel. The induction of newly appointed deputy head teachers was not carried out as funds were used to conduct the head teachers' workshop at State House Entebbe.
Monitoring and Supervision of Secondary Schools One officer facilitated to travel abroad; Three motor vehicles repaired and fuel for town	100	111,482,433	33	10.83	Conducted 130 supervision visits to secondary schools and procured fuel for town running. Vehicle repair carried out and fuel for town running procured.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
running procured; 300 secondary schools supervised and supported; [250 USE schools and 50 Non USE schools]					
USE Tuition Support East African essay competitions carried out	100	40,350,000	50	4.51	Facilitated awards ceremony for winners of East African community essay writing competitions.
Total		**894,244,140**		**81.2**	**Good performance**

Source: Field Findings, IFMS

b) Development of Secondary Education Project (0897)

Background

The project started on 1st July 2015 with an end date of 30th June 2020. The project objectives are; (i) Increasing equitable access to Universal Post Primary Education and Training (UPPET), (ii) Ensuring achievement of the Sustainable Development Goals (MDGs) of gender parity (iii) Enhancing sustainability of Universal Primary Education (UPE) and (iv) Reducing high costs of UPPET.

Performance

The approved budget for FY 2017/18 is Ug shs 10.54 bn, of which Ug shs 3.601 bn (34%) was released and Ug shs 3.29 bn (91.3%) expended by 31st December 2017. Physical performance was poor because a number of outputs were not achieved. Table 6.7 details performance of Development of Secondary Education Project (0897).

Table 6.7: Performance of Development of Secondary Education Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines plans and strategies -Staff Salaries and	100	2,064,788,003	50	19.59	Paid SESEMAT Centre utility bills. Paid salaries to 21 SESEMAT staff for the months of July-December 2017.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
allowances paid. -Workshops, meetings and trainings conducted. -Advertising and media outreach conducted					
Instructional materials for secondary schools One science kit for 20 newly grant aided sec schools procured. Five compulsory subject text books (Maths, Eng, Bio, Chem & Phys) for the 20 newly grant aided text books procured. One science kit for 80 Sec Schools procured. Five compulsory subject text books (Maths, Eng, Bio, Chem & Phys) text books for 80 Secondary schools procured.	100	953,642,567	0	0	Funds meant for the procurement of instructional materials were transferred to the National Curriculum Development Centre (NCDC) to prepare for the implementation of the revised secondary school curriculum. So the instructional materials were not procured. Funds were disbursed to Butare S.S-Buhweju District following up on a presidential pledge of instructional materials (Science and Mathematics books).
Training of secondary Teachers Facilitated term three, 2017 and term one, 2018 National INSET training. Hold workshop for Regional Management Committees from all SESEMAT regions conducted; SESEMAT training in all the 30 training centres conducted SESEMAT centres and	100	471,503,735	12.5	1.53	In-service Training was carried out in term II. Utility bills for the SESEMAT centre were not paid. No regional training took place because National training had not been conducted. Instead the SESEMAT regional meeting held in the Bukedi sub region and administrative support visit to Manafwa district were facilitated Lesson study and observations by national trainers could not be held due to the national UNEB

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
facilitation of SESEMAT taskforce meetings and field visits. Supported National trainers to conduct lesson study and Observations.					examinations and this was planned for Term 1 of 2018.
Purchase of ICT equipment 300 schools provided with computer software and other assorted ICT equipment	100	71,472,447	0	0	The software for schools was not procured. Funds were re-allocated and used to procure a main switch at Legacy Towers to provide internet in the building as agreed upon by the Finance Committee of the Ministry.
Classroom construction and rehabilitation Construction of 2 classrooms and a girls toilets at Kimuli SS; Completion of classrooms and stances at Lapono Seed SS and St.Kizito Lorengedwat; Construction of a 2-latrine 5 stances at Lwamabara Seed SS and a Science laboratory at Bufunjo Seed SS; Construction of a classroom block at Bumasobo SS, rehabilitation of 3 classrooms at Kyayi Seed SS; Construction of a multipurpose science laboratory at St. Charles Lwanga SS Mulajje and completion of a	100	6,979,451,002	10	20.95	Over 50% of the institutions had not received funds for construction by January 2018. (Some of the schools included; Busoga College Mwiri, MM Wairaka College, St Mary's Ediofe in Arua, Kwosir Girls-Kween and Rock High in Tororo) Funds for Majanji Seed in Busia and Pawor seed in Arua District were on their respective district consolidated fund accounts and works had not started. Two schools however had received funds and were at various stages of implementation; Ntare school at 50% and Kimuli S.S- Kyotera at foundation level. Kyayi Seed school's (Gomba District) funds were on the School account.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
laboratory at Busiiro SS; Construction of a multipurpose science room at Kwosir Girls SS; 4 classrooms, 5-5 toilet stances and multipurpose science laboratory at Kihanga Public SS; Rehabilitation of school facilities at MM Wairaka College (phase1) Construction of metallic/chain link (school in a national park) at Katunguru SS; Completion of a multipurpose laboratory at Kikatsi SS, St Marys Ediofe Girls & St Paul Kagongi Seed School, Construction of staff houses at City High Sch: Completion of storeyd library and ICT centre at St Balikuddembe Mitala Maria SS: Reconstruction of the Administration block at Comboni College Continue with the construction of a storeyed multipurpose science laboratory at Ntare school; Construct 4 classrooms at Mt. St. Mary's College					

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Namagunga, Kings College Buddo, Gayaza High School and Kibuli SS. Renovation of classrooms at- Namilyango College, Trinity College Nabbingo and Busoga College Mwiri; Renovation & equipping a multipurpose science laboratory at Makerere College Start construction of science laboratory at Kasawo SS; Rehabilitation of science laboratory at Bukulula Girls Construction of 3 unit classrooms at Karungu Seed S.S & Busiiro S.S; Start construction of a girl's dormitory at Bulamu Seed. Support supervision and monitoring of construction works by Construction Management Unit					
Total		**10,540,857,754**		**42.1**	**Poor Performance**

Source: Field Findings, IFMS

From table 6.7, project performance was poor. This was attributed to non-receipt of funds as expected and reallocation of part of the received funds to other activities outside the work plan. Civil works had started in only two of the 11 schools monitored and despite the Minister's pronouncement in the budget speech of establishing 12 seed secondary schools in sub-counties which did not have; no construction had commenced by half year.

Challenges

i) Non-receipt of funds as planned. During the first two quarters, the MoES did not receive funds for activities as planned. In Q1, out of the Ug shs 2.4 bn expected, the project received Ug shs 229 m (10%) while by end of Q2 only Ug shs 3.2 bn was received out of the expected Ug shs 5.4 bn. This therefore impacted on the implementation of the project activities during the first half of the year.

ii) Under budgeting: Funds for a number of activities are allocated based on estimates from the affected schools and not from engineers' estimates. This has resulted in a lot of under budgeting for activities, and activities being rolled over into subsequent financial years.

iii) Lack of a budget to handle emergencies under the secondary school VF. In Q2, budget requirements for emergencies from six secondary schools totalled to Ug shs 416,000,000. One of these secondary schools was hit by a storm, while the pit latrines for other five schools collapsed. The project could not attend to these emergencies.

iv) Outstanding arrears leading to court litigation. The total outstanding arrears for all the 121 secondary schools under APL I are estimated at Ug shs 15.6 billion. A number of contractors are threatening to take government to court. For instance court litigations received by the MoES in only Q2 FY 2017/18 amounted to Ug shs 152 m (Ug shs 119 for Rwebale S.S, and Ug 32.4 shs for Bujubi S.S in Mityana).

v) Planning for construction of seed schools without consulting beneficiary districts. For instance MoES is planning to construct a seed school in Pawor sub-county in Arua District. The district however says that Pawor is a very small sub-county and is already served by St Francis of Assis Secondary School, constructed by the Catholic Church. It will be uneconomic to have two secondary schools in that small sub-county. The district council passed a resolution that St Francis of Assis be government aided (and the Catholic Church agreed) and the funds used to expand it instead of constructing a second school in the same sub-county.

Overall conclusion

The overall physical performance of project 0897 Development of Secondary Education was fair (61.7%). The recurrent programme performed better than the development project which had not started implementation of most planned outputs. Delays in implementation of planned activities was caused by delays in receipt of funds, as well as re-allocation of received funds to other activities.

Recommendation

i. The MFPED should release funds to projects as appropriated by Parliament so that they can implement their planned activities in time.

ii. The MoES should come up with a comprehensive budget for all un-funded priorities under secondary education to include all outstanding arrears, costs of court litigation, emergencies, requirements to complete the incomplete structures under APL I etc.

iii. The MoES should prioritise and concentrate resources on a manageable number of outputs to have an impact.

6.2.3 Higher Education

The vote function's objectives are to: i) Provide policy formulation, guidance and evaluation in Higher Education; facilitate and promote regional and international corporations in higher education; carry out activities associated with admissions to other tertiary institutions; ii) Solicit for and administer scholarships through Central Scholarship Committee; iii) Monitoring and supervision activities of tertiary institutions; iv) Accreditations of tertiary institutions and their programmes by the National Council of Higher Education (NCHE).

The vote function has one recurrent programme; Higher Education and two development projects: Development of Uganda Petroleum Institute Kigumba (UPIK, project 1241) and Support to Higher Education Science and Technology (HEST, project 1273). The recurrent programme and development projects were assessed to establish level of performance and below is detailed progress.

a) Higher Education Programme

Background

The programme's objectives are to; provide policy formulation, guidance and evaluation in Higher Education; facilitate and promote regional and international corporations in higher education; carry out activities associated with admissions to other tertiary institutions; solicit for and administer scholarships through Central Scholarship Committee; monitoring and supervision activities of tertiary institutions; and accreditations of tertiary institutions and their programmes by the NCHE.

Performance

The approved budget for FY 2017/18 is Ug shs 35.08 bn, of which Ug shs 15.81 bn (44%) was released and Ug shs 14.805 (94%) expended by 31st December 2017. Despite the budget cut on consumptive items at the beginning of the FY, performance was very good at 91.5% and table 6.8 details the findings.

Table 6.8: Performance of Higher Education Programme by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
070401: Policies, guidelines to universities and other tertiary institutions. Staff salaries and allowances paid Travel abroad facilitated Staff training supported Computer and IT supplies procured M&E visits to higher education institutions	100	401,745,586	40	0.84	Staff salaries and allowance were paid. Travel abroad and staff training were pooled and handled centrally. Computer and IT supplies were under procurement, books, periodicals and newspapers were purchased. At the start of the FY, there was a cut of 50% on consumptive items which affected performance.
070451: Support establishment of constituent colleges and public universities -Recurrent subvention to run Uganda Petroleum Institute Kigumba disbursed.	100	2,000,000,000	50	6.61	Funds are sent directly to UPIK and by half year, Ug shs 850 m was sent to the institute.
070452: Support to Research Institutions in Public Universities Top up allowances paid to 360 students on scholarship abroad (45 in China, 54 in India, 41 in Egypt, 9 in Turkey, 6 in Cuba & 205 in Algeria) Subscription to Commonwealth of Learning paid. Two research	100	1,720,100,000	40	4.35	-Top up allowances were paid to 42 students in India, 136 in Algeria, 34 in China, 6 in Cuba, 7 in Turkey, and 30 in Egypt. -Funds for subscription to commonwealth of learning were banked on a foreign currency account. -No research projects supported in public universities as the MoES was working on the modalities of the institution to benefit.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
conferences and four projects in public universities supported. - Research in public universities facilitated.					
070453: Sponsorship Scheme and Staff Development for Masters and Phds -Uganda's education Attache' in India and Algeria supported -Support to Uganda Education Students' Financing Board, Students returning home facilitated. Repatriation costs paid for. Students' expenses in Cuba facilitated.	100	24,214,312,000	40	60.73	-Administrative reviews were ongoing for the Sponsorship scheme for higher degrees. -Funds for Uganda's Education Attache in India (Ug shs 143m) and the Algerian Attache (Ug shs 90m) were sent. -A total of Ug shs 10 bn was sent to the Higher Education Students' Financing Board. -A student was evacuated from India and funds were committed to facilitate students' expenses in Cuba.
070454: Monitoring /supervision and quality assurance for Tertiary Institutions (African Institute for Capacity Development, NCHE,JAB) -African Institute for Capacity Development supported -Subvention to support NCHE programs disbursed -JAB intake capacities monitored	100	2,940,000,000	50	8.25	Monitoring and supervision was carried out. AICAD was paid 38% of annual budget; funds were transferred to NCHE subvention (38%) and JAB (85%).

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
070455: Operational Support for Public and Private Universities -Funds to support 150 science education students at Kisubi Brothers University provided - 5 selected private universities supported to expand infrastructure.	100	3,813,752,000	50	10.71	Operational support was provided to public and private universities. Kisubi Brothers received 28% (Ug shs 270m) of the annual requirement, and Ug shs 600m was shared out to Mountain of the Moon University-Fort Portal, Bishop Stuart, Kumi University, Ndejje University, Nkumba University.
070499: Arrears	100	527,556,219	0	0	
Total		**35,617,465,805**		**91.5**	**Very Good performance**

Source: Field findings, IFMS, MoES Annual Approved Work plan FY 2017/18

b) Support to Higher Education, Science and Technology Project (1273)

Background

This is a five year project that commenced on 1st July 2013 and its completion date is 30th June 2018. The objective is to improve equitable access, quality and relevance of skills training and research leading to job creation and self-employment. The specific objectives are; i) Increasing equitable access to science and technology course at university level; ii) Improving the relevance and quality of Science and Technology programs at the university level; and iii) Enhancing the human and institutional capacity of the National Council of Higher Education and the faculty at the various beneficiary institutions. The project cost is UA 74.4 million (1 UA=1.55 at appraisal) of which UA 67.00 is the ADF loan and UA 56.56 is GoU counterpart.

The main expected outputs are: i) Enhance access to HEST through rehabilitated and expanded learning facilities totalling 80,000m2 in six public universities and two degree awarding institutions; ii) Enhanced e-learning centres, virtualized libraries leading to increased enrolment through virtual learning; iii) Enhanced entrepreneurship training for university graduate through business incubator/production units and an estimated 2,000 students placed and supervised for internship/ industrial training; iv) Rehabilitated/expanded facilities equipped to optimum performance in their functions; v) Enrolment of additional 35,000 students in science and technology in the public universities through expanded facilities and virtual learning;

vi)Improved access to broadband internet accessibility for the public universities leading to lower costs for e-learning; vii) Improved utilities and networks through rehabilitation and expansion of new networks; viii) Gender and HIV-AIDS awareness mainstreaming in public universities; ix) 47 5 of 1 year Since, Technology and Innnovation (STI) scholarships provided to gifted and needy students; x) 80 university academic staff and 24 university management staff trained to Masters and PhD levels in their areas of specialization; xi) 5 university level STI programs designed and approved for teaching; xii) Linkages established between Uganda public universities and other centres of excellence regionally and worldwide; xiii) Higher Education Strategic Plan reviewed providing new national plan to year 2020 and proposals for 8-year work plans for each Target Institution.

Performance

The approved budget for FY 2017/18 is Ug shs 62,745,746,500, of which Ug shs 55,347,169,600 is donor funding and Ug shs 7,398,576,906 is GoU counterpart. By December 2017 the overall cumulative project disbursement was at about 43% and physical progress was at 72.2% against a time progress of 87%. This project is behind schedule both in terms of financial disbursements and physical development. Table 6.9 details performance of the project.

Table 6.9: Physical Performance of the Support to Higher Education, Science and Technology Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
070402 Operational Support for Public Universities -Payment of Salaries, office equipment and stationary procured, travel inland facilitated and staff training conducted.	100	15,558,448,100	30	60.03	Operational support for public universities provides, staff salaries paid and supervision mission conducted.
Support to the establishment of constituent colleges and public universities. Support to the task force created to oversee the establishment of the agricultural college of	100	500,000,000	50	12.07	Funds were sent to the task force (Ug shs 140m)

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Karamoja.					
Purchase of Office and ICT equipment including Software -ICT procured for the beneficiary institutions	100	210,000,000	50	0.07	The first phase of ICT was completed which includes laying foundation and installation of masts at Gulu, UMI, Muni and all the benefitting institutions. It was however noted that 70 computers supplied to Nagongera Campus-Busitema were lost in a fire.
Purchase of specialized machinery and equipment -Assorted equipment procured for beneficiary institutions to use in their laboratories and workshops	100	17,600,600,800			Eleven contracts for supply, installation and commissioning of equipment for science laboratories and workshops worth USD 16.2 million were signed in September 2017 and deliveries started in December 2017 and were expected to continue till June 2018.
Construction and Rehabilitation of facilities Completion of construction at 6 institutions (Makerere, Muni, MUST, Gulu, Busitema and Kyambogo.)	100	28,876,697,600			Overall civil works were at 85% against time progress of 87% and disbursement at 43%. Specifically Muni was at 85%, Gulu at 80%, Busitema at 96%, Lira 81.6%, Kyambogo 100%, Mbarara 94.5%, Makerere University 100%, Makerere Business School 100%, UMI site was handed over in September 2017 and progress is at 6%.
Total		**62,745,746,500**		**72.2**[23]	**Good performance**

Source: Field Findings, IFMS, MoES Approved Annual Work plan FY 2017/18

[23] Analysis was made using GoU financial data.

In line with skills development and enhancement, the project through Uganda Manufacturers Association has placed 3,183 interns out of 5,132 who had undergone induction against the project end target of placing 2,000 students. Many interns that are placed are retained for permanent employment in the firms where they undertake their internships.

Progress of civil works at the beneficiary institutions was as follows:

a) Kyambogo University

Construction works commenced in February 2016 with an expected completion date of July 2017. The scope of work included construction and renovation of eight sets of workshop blocks. Progress of initial construction works at the University was at 100%. All five of the newly constructed facilities were completed and handed over, four on 28th September 2017, and one on 30th November 2017. The renovated sites were all completed and handed over in October 2017. However furniture was not delivered. The university has some balances which they used to construct a business incubation centre at a cost of Ug shs 924,846,904. Progress of these work are at 90%.

L-R: Completed Incubation Centre, and the parking yard under construction at Kyambogo University

Department of Lands and Architectural Science block at foundation level

b) **Mbarara University of Science and Technology**

The project started in May 2016 with an expected completion date of November 2017. The contractors had since received an extension to 2nd February 2018. The scope of works includes; a) construction of a two storied multi-purpose laboratory and a three-storied library. M/s Excel Construction Limited was contracted at cost of USD 4.8 million. By January 2018, the multi-science laboratory was at 94%, and the library at 95%. The contractors reported frequent changes in designs as the major cause of the delays.


Multipurpose science laboratory at Mbarara University of Science and Technology in Mbarara

c) Makerere University

The contract start date was 2nd February, 2016 while the expected end date was 26th July, 2017. The scope of works included construction of two central teaching facilities, refurbishment of old laboratories in six colleges and a dairy value chain at Kabanyolo Lot. M/s Excel Construction, supervised by M/s Arch Design, was contracted at a sum of USD 12,880,109.97 (AfDB – Ug shs.10, 915,347.44 and GoU- Ug shs.1,964,762.54) inclusive of VAT. By 14th July, 2017 works on the central teaching facility I, the central teaching facility II and the laboratories was all completed (100%). Furniture was yet to be delivered.


L-R: Central Teaching Facility I, Central Teaching Facility II completed at Makerere University

d) Busitema University

The scope of works consisted of three new structures (a laboratory and lecture block, library block and workshop) and renovation of an existing old workshop block. The contract was executed by M/s Prisma at a sum of USD 5,421,207.05 By December 2017, overall progress for all the structures was 96%. Furniture was yet to be delivered.

Left: Inside the Engineering workshop that was renovated, Right: The completed lecture and laboratory block at Busitema University

The library block at Busitema University which was substantially completed

e) Gulu University

The scope of works included construction of an agricultural block, a multi-functional laboratory block, library block and healthy science block at a contruct sum of USD 6,853,315 for a period of 18 months. The contract start date was 3rd February, 2016 and the end date was 31st July 2017. By December 2017 the overall physical progress was at 80% and works were behind schedule. Progress of the respective blocks was as follows: The agricultural block at 88%, the library block at 90% and the laboratory block at 75%. The project had received an extension up to 28th February 2018.

L-R: The agricultural block at 88% and the library block at 90% progress at Gulu University

The laboratory block at 75%, Gulu University

f) Lira University

Health Sciences block was at 81.6% progress at Lira University

The scope of works included construction of a Public Health and the Health Sciences block. The start date was 3rd February 2016 with an end date of 31st July 2017 at a sum of USD 6,853,315.42 for 18 months. The Public Health block was completed and handed over on 19th December 2016. Progress on the three-storied health sciences block was at 81.6% against time progress of 87%, civil works were behind schedule.

Challenges

i. The contracts for the HEST project had cost overruns especially on external works. There was a lot of re-designing in Gulu and Lira. In Muni, the perimeter wall took a lot more money than budgeted for, especially the retainer wall on the lower side.

ii. The MFPED during the budget speech of FY2017/18 made policy changes in the VAT (Amendment) Act 2016 and the VAT (Amendment) Act 2017 regarding VAT treatment of taxable supplies under aid-funded projects. *There is therefore an outstanding VAT obligation amounting to* USD 1,488,430.34 (Ug shs 5.4bn) for the period prior to 1st July 2017.

iii. There were delays in procurement particularly caused by slow evaluation processes and other internal ministry approval procedural issues. Because of this, the procurement for furniture for all the universities is likely to delay as well as the supply, delivery and installation of equipment for ICT Infrastructure at all the beneficiary universities.

iv. The beneficiary universities had not yet developed comprehensive utilisation and maintenance plans for the facilities handed over, which was likely to lead to an early run-down of the facilities.

v. It was noted that 70 thin client computers, 2 servers, server rack, a network switch and a UPS-Inverter system supplied to Busitema University, Nagongera campus were totally burnt in a fire that broke out in an ICT laboratory on 8th October 2017.

Conclusion

The overall performance of the Higher Education VF was good (81.9%). The VF achieved its semi-annual output targets. Civil works were completed in three sites (MUK, Kyambogo and MUBS) and are substantially complete in Busitema and Mbarara universities sites. The HEST project is slightly behind schedule in Lira, Muni and Gulu and far behind schedule at UMI.

Recommendation

The MoES should give adequate time for needs assessments of new projects to thoroughly study their requirements and avoid re-designs after projects becoming effective.

6.2.4 Skills Development

The purpose of skills development is to empower individuals through provision of useful and employable skills for self-sustenance and for the benefit of the economy both in the formal and informal sectors. The objectives of the Vote Function are to develop occupational standards and job profiles, develop competency based vocational training modules and accredit institutions as assessment centers; assessment and certifying trainees.

The Vote Function has three recurrent programmes and five development projects. The recurrent programmes are 05 BTVET, 10 National Health Service Training Colleges (NHSTC) and 11: Departmental Training Institutions.

There are seven Development Projects: 0942 Development of BTVET, 1270 Support to National Health and Departmental Training Institutions, 1310 Albertine Region Sustainable Development Project, 1338 Skills Development Project, 1368 John Kale Institute of Science and Technology (JKIST), 1378 Support to the Implementation of Skills Uganda Strategy, 1412 Technical Vocational Education and Training-Lending 1. Three recurrent programmes and six development projects were monitored to assess the progress of implementation and achievement of annual targets.

a) Business Technical Vocation Education and Training (BTVET) Programme

The programme's objectives are to: i) attract the girl child towards vocational education and training, ii) provide craftsmen, technicians and other individuals with relevant skills, to meet the demands of industry, health, agriculture, commerce and related sectors, iii) stimulate intellectual technical and vocational growth of individuals and communities in order to make them productive members of society towards eradication of poverty, iv) improve staffing levels in BTVET, v) carry out construction, renovation and equipping of BTVET institutions, vi) sensitize BTVET staff in management and training issues, and vii) conduct non-formal training as required by the BTVET Act, 2008.

The expected outputs are skills development, empowered individuals, offer employable skills for self -sustenance and for the benefit of the economy both in the formal and informal sectors, improve the staffing levels in BTVET institutions and carry out construction renovation.

Performance

The programme's approved budget for FY 2017/18 is Ug shs 28,531,194,146, of which 17,042,290,402 (60%) was released and Ug shs 16,486,956,255 (97%) expended by 31st December 2017. Performance was good with over 30 % of the planned activities implemented. Table 6.10 details the findings.

Table 6.10: Physical Performance of the BTVET Programme by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Policies, laws, guidelines plans and strategies, -Staff salaries and allowances paid. -Education and sports sector review workshop conducted.	100	3,288,828,713	50	10.57	Staff salaries and allowance were paid. Education and Sports sector review workshop was conducted.
Monitoring and Supervision of BTVET Institutions Vehicle servicing and maintenance, fueling procured Facilitated travel abroad Facilitated travel inland	100	23,729,689	30	0.07	Monitoring and supervision of over 31 institutions was done. The Permanent Secretary together with the assistant commissioners visited institutions in North, West and Eastern region. These included; Dokolo T/I, UTC Lira, Lira School of Comprehensive Nursing, UTC Elgon, UCC Soroti, Jinja school of Nursing, Jinja Vocational, Kisomoro TI, UTC Kichwamba and Fort portal School of Clinical Officers. The Central and Southern regions were planned for the next half of the FY.
Assessment and Profiling of Industrial Skills (DIT, Industrial Training Council)	100	2,050,714,000	50	7.19	All funds released (50%) were transferred to DIT.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Facilitated the Directorate of Industrial Training (DIT) CBET assessment of instructors' managers and UVQF qualification awards.					
Operational Support to Government Technical Colleges Instructional materials for BTVET S.4 institutions provided. Examination Fee for technical institutions, technical schools and agriculture institutions paid. Capitation grants for UTCs and UCC's Paid	100	19,866,754,002	50	63.27	66% capitation grants for five Uganda Technical Colleges (UTCs) and the five Uganda Colleges of Commerce (UCCs) was paid. (The five UTCs are Lira, Elgon, Kichwamba, Bushenyi and, Kyema. The five UCCs are; Soroti, Kabale, Tororo, Packwach and Aduku). All the examination fees were remitted to Uganda Business and Technical Examination Board (UBTEB). The Competence Based Education and Training (CBET) was done and assessment fees remitted.
Arrears	100	3,301,167,742	50	5.79	Arrears were paid.
Total		**28,531,194,146**		**86.9**	**Good performance**

Source: Field Findings, IFMS, MoES Approved Annual Workplan

b) National Health Service Training Colleges Programme

The programme is intended to provide craftsmen, technicians and other related skilled individuals to meet the demands of the industry, health, agriculture and commerce, as well as the teaching of vocational subjects and other related skills.

The approved budget for FY 2017/18 is Ug shs 15.84 bn, of which Ug shs 8.4 bn (54%) was released and expended by 31st December 2017. Performance was very good and table 6.11 details the findings.

Table 6.11 Performance of National Health Service Training Colleges Programme by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines plans and strategies Registration of students facilitated. New examination centers approved and schools. Supervisory visits conducted.	100	25,309,405	50	0.16	Funds were transferred to the Uganda Allied Health Examination Board (50% of the annual budgets) and Uganda Nurses and Midwifery Board (UNMEB).
Assessment and Technical Support for Health Workers and Colleges Four sets of National Examinations in 75 Nursing and Midwifery schools conducted by UAHEB targeting an output of 9,856 skilled nurses and midwives. Continuous assessment of 22,000 student nurses and midwives conducted. 9,560 candidates for both semesters; 1 and 11 in 46 institutions for 24 academic programs examined by UNMEB	100	14,135,184,000	50	89.19	Set and developed test items in preparation for the Oct/Nov assessment. Examined 9,560 candidates for semesters 1 and 2 in 46 institutions by UNMEB.
Arrears	100	1,688,652,478	50	5.33	Arrears were paid.
Total		**15,849,145,883**		**94.7**	**Very good performance**

Source: Field Findings

c) Departmental Training Institutions Programme

The programme is aimed at providing craftsmen, technicians and other related skilled individuals to meet the demands of industry, health, agriculture and commerce, as well as the teaching of vocational subjects and other related skills. The approved budget for FY 2017/18 is Ug shs 3.8bn, of which Ug shs 2.47 bn (64%) was released and Ug shs 2.42bn (98%) expended by 31st December 2017. Table 6.12 details the performance of the programme.

Table 6.12: Performance of Departmental Training Institutions Programme by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Policies, laws, guidelines plans and strategies 167 BTVET staff in 07 Department Training institutions paid salaries. Seven departmental training institutions paid salaries.	100	646,592,649	50	16.67	Paid salaries and allowances for 167 staff under Departmental Training Institutions.
Operational Support to UPPET BTVET Institutions Capitation grants for industrial attachment and assessment fees paid for 1,510 students in UCC Kigumba, Nsamizi Social Devt Institute, Inst of Survey and land Management, Tororo Cooperative College, Jinja VTI, Lugogo VTI and Nakawa VTI. Training for 360 trainees conducted in various CBET activities in Nakawa VTI.	100	3,232,000,002	50	62.50	Paid capitation grants (66.6%) for 1,608 students (i.e. 186 students at Kigumba Cooperative College; 363 students at Nsamizi Institute of Social Development; 210 students at Institute of Land Survey; 187 students at Jinja VTI; 190 students at Lugogo VTI; 285 students at Nakawa VTI; and, 187 students at Tororo Cooperative College). Paid industrial attachment fees for 475 students (i.e. 190 students at Lugogo VTI; and, 285 students at Nakawa VTI). Conducted Nursing and midwifery interviews in 11 centres.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Interviews and verification of nurses conducted					Conducted interviews for extensors and direct certificate programmes in 11 centres (i.e. Mulago, Jinja, Mbale, Arua, Mbarara, Moroto, Kotido, Lira, Hoima and Kabale), each with five boards for a period of five days.
Total		**3,878,592,651**		**79.2**	**Good Performance**

Source: Field Findings

Conclusion: The overall performance of the three recurrent programmes under Skills Development was good (86.9%). [24]

6.2.5 Quality and Standards

The Vote Function supports development of professionally competent, motivated and ethical teachers for pre-primary and primary, secondary, and technical education; licensing and registering of teachers for primary, secondary and early childhood development; develop systematic approaches to inspection by developing, reviewing and evaluating standards; provide inspection and support supervision on the implementation of policies, build capacity and train inspectors and head teachers.

It has two recurrent programmes and two development projects. The recurrent programmes are: Teacher Education, and Education Standards Agency while the development projects are: Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda (1223) and Development of PTCs Phase III (1340).

a) **Teacher Education Programme (04)**

The programme objectives are to: i) Support the improvement of quality and relevance of teacher/instructor/tutor education curricula and programmes for pre-service, in-service and continuing professional development, ii) Enhance teacher/instructor/tutor education institutional planning, management, service and governance, iii) Ensure increased and equitable access to teacher/ instructor/tutor education programmes, iv) Improve quality of education and standards in schools and institutions through inspection, support supervision and monitoring, assessment and certification, and v) Initiate new syllabuses and revise existing ones, carry out curriculum

[24] Performance of Project 0942 was not rated as there was not enough information at half year on many of the activities.

reform, research, testing and evaluation, bring up to date and improve syllabuses for school and college courses.

The approved budget for FY 2017/18 is Ug shs 10.07 bn, of which Ug shs 5.67bn (48.3%) was released and Ug shs 4.86 bn (85.7%) expended by 31st December 2017. Performance by half year was good (74.4%). Table 6.13 details the findings.

Table 6.13: Performance of the Teacher Education Programme by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies Draft Government White paper in place. Monitoring and support supervision for TIET institutions undertaken. Staff salaries paid to 21TIET staff, 21 mulago health tutors, 51 Abilonino NIC and 422 NTC staff. Lunch allowance and kilometrage paid to TIET staff. Procurement of instruction materials for Primary and National Teachers colleges	100	5,406,690,406	35	39.64	Conducted one consultative workshop to validate the draft Issues Paper for review of the Government White Paper on Education. Paid salaries to 18 TIET staff, 21 Mulago Health tutors, 51 Abilonino NIC and 422 NTC staff paid. Paid lunch and Kilometrage allowances to 18 TIET staff. Reimbursed office imprest. Provided fuel for one vehicle and one motorcycle. However procurement of instructional materials was not concluded and monitoring of TIET institutions was not undertaken due to inadequate funds.
Teacher Training in Multi-Disciplinary Areas Teaching practice exams and living out allowances for 3,751 NTC students from the five NTCs, 200 students in Abilonino NIC, 120 students in	100	1,679,000,000	50	12.51	Funds were transferred for payment of teaching practice, exams and living out allowances for 3,751 NTC students from the five (05) NTCs (i.e. Kaliro, Kabale, Muni, Unyama and Mubende). 200 students in Abilonino NIC, 120 students in Health Tutors College and students in Nakawa

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Health Tutors College and students in Nakawa VTI and Jinja VTI paid.					VTI and Jinja VTI.
Training of Secondary Teachers and Instructors (NTCs) Industrial training paid for 200 students at Abilonino NIC; a subvention grant paid to Mulago Health tutors college and capitation grants to 5 NTCs paid.	100	2,981,510,000	50	22.21	Disbursed Capitation Grants for 3,751 students in the National Teachers Colleges of Kabale, Kaliro, Mubende, Muni, Unyama; 200 students of Abilonino CPIC Instructors College; and, 120 students Mulago Health Tutors College.
Total		**10,067,200,406**		**74.4**	**Good Performance**

Source: Field Findings, MoES Approved Annual Work plan FY 2017/18, IFMS

b) Development of Primary Teachers' Colleges Phase II (Project 1340)

Background

The project started on 1st July 2015 and its expected completion date is 30th June 2019. The objectives are: i) To rehabilitate the physical infrastructure in five (5) recently upgraded PTCs to core status; and 22 non-core PTCs, ii) To provide equipment, furniture and instructional materials to improve the quality of training.

The expected outputs are: i) certificates for ongoing works at 10 sites of Kisoro, Rukungiri, Rakai, Kabukunge, Christ the King, Erepi, Busuubizi, Kabale, Bukinda, Kabwangasi and Kaliro paid, ii) construction works at five sites of Kitgum, Busikho, Buhungiro, Jinja and Ibanda kick started and iii) 40 site meetings and monitoring visits at construction works paid.

Performance

The approved budget for FY 2017/18 is Ug shs 5,344,154,000, of which Ug shs 2,970,120,000 (56%) was released, and Ug shs 2,755,342,773 (93%) spent by 31st December 2017. Performance was poor (10.2%) and table 6.14 details the performance by half year.

Table 6.14: Performance of Development of Primary Teachers' Colleges Phase II by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Policies, laws, guidelines, plans and strategies Computers and furniture procured. Meeting held with the Board of Governors about priority facilities for each college. A seminar with the Principals from the proposed sites and their contractors held. Project documents and contracts photocopied and spiral bound.	100	79,153,000	**16.7**	**1.48**	Project documents and contracts were photocopied and spiral bound. Procurement process (at evaluation stage) was ongoing and the furniture to be supplied in subsequent quarters. The meeting with the Board of Governors was scheduled for Q3.
Government Buildings and Administrative Infrastructure Dormitory and Sanitation Facilities constructed at Ibanda, Kabwangasi, Ngora, Jinja, Kitugum and Bikungu PTCs and a semidetached tutors' house constructed at Ibanda,Kabwangasi, Ngora, Erepi and Bikungu PTCs. Fencing of Kitgum and Erepi PTCs.	100	5,265,001,000	**5**	**8.74**	Bids were evaluated for the construction of facilities at Ibanda, Kabwangasi, Ngora, Jinja, Kitgum, Bikungu and Erepi PTCs. Awaiting submission to the ministry's contracts committee.
Total		**5,344,154,000**		**10.2**	**Poor performance**

Source: Field Findings, IFMS and MoES Approved Annual Work plan FY 2017/18

Conclusion

The overall performance of the Quality and Standards VF was poor (42.3%). While there was good performance on the recurrent programme, the development project performed poorly. The VF did not achieve the semi-annual output targets.

6.2.6 Policy, Planning and Support Services (Vote Function: 0749)

The Vote Function's services are; ensuring efficient and effective deployment and utilisation of the human, material, and financial resources to achieve the Sector goals; accounting for resources allocated to the Sector; preparation of Sector Budget Framework Paper and Ministerial Policy Statement; preparation and appraisal of projects; monitoring and evaluation of programmes/projects; and providing independent, objective assurance and consulting services to the Accounting Officer on the internal controls with a view of adding value and improving the Ministry's operations.

The vote function has four recurrent programmes namely Headquarter (01), Planning (08), Internal Audit (13) and Human Resource Department (16).

a) Headquarter: Programme 01

The programme objectives are to; i) provide independent, objective assurance and consulting services to the Accounting Officer on the internal controls with a view of adding value and improving the Ministry's operations, ii) Manage Education Procurements and iii) Coordinate and manage Human Resource function.

The expected outcomes are ensuring efficient and effective deployment and utilization of the human, material, and financial resources to achieve the sector goals.

The approved budget for FY 2017/18 is Ug shs 37.81 bn, of which Ug shs 21.3 bn (55.9%) was released and Ug shs 15.90 bn (42.1%) expended by 31st December 2017. Performance was good as a number of outputs were achieved. Table 6.15 details the findings.

Table 6.15: Performance of Programme 01: Headquarters by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Policy, consultation, planning and monitoring services Retirees in Education Sector paid their	100	25,854,831,891	50	68.32	Retirees in Education Sector were paid their pension. New beneficiaries for gratuity were verified and paid.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
pension. New beneficiaries for gratuity verified and paid. Hold regional HRCB Cluster meeting and implement summit directives					
Ministry Support Services IT equipment maintained and serviced	100	2,997,821,184	50	7.83	IT equipment was maintained and serviced.
Ministry Support Services Enhance information dissemination to education stakeholders on key sector issues (policies and guidelines) IT Equipment maintained and serviced Finalize installation of LAN at Legacy Towers (Wing B) Second floor Monitoring and support of ICT for CSTS and EMIS in LGs Communication and information disseminated and operations facilitated Allowances, imprest, utility bills and rent paid	100	4,328,222,147	40	8.07	Radio talk shows were conducted, stakeholders meetings held and implementation of education programmes monitored. Assorted office stationery, toners and small office equipment procured. Procured newspapers for top management. Facilitated 41 security guards. Paid rent for Legacy Towers. Semi-current files from shelves retrieved and boxed. Monitoring of Cyber schools, ICT in schools and EMIS and DEMIS in Local Governments was planned for Q3 and Q4.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Office stationery, toner and office equipment procured. Implementation of education programmes Monitored Office equipment serviced and maintained. ICT Policy finalized Computers and accessories procured Books, Periodicals and Newspapers procured Welfare and Entertainment paid Utility bills, rent for Legacy Towers paid Guards and Security services paid Vehicle maintenance services, machinery and equipment procured Resource Centre de-congested Teachers files weeded Pension Registry established and records maintained					
Support to National Commission for UNESCO Secretariat	100	962,268,000	40	1.77	Two officials attended the UNESCO Biosphere and Geopark

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
and other organizations Funds paid to UNATCOM & UNSA. Teachers trained in competence based teaching and Assessment skills. Capacity Building workshops conducted to promote Human Rights, science education in 180 primary & secondary Schools. 50 journalists trained in freedom					Meetings in Rwanda held on 6th and 7th December, 2017; One Officer attended the 12th session of Intergovernmental Committee for Safeguarding Intangible Cultural heritage in Korea from 4th-9th December, 2017; facilitated officers to attend Global citizenship Education meetings in Paris in Mid November, 2017. Paid for administrative support services, establishment of 4 specialized Committees and ensured that all other UNATCOM programmes run smoothly e.g. telephone, fuel, newspapers, mileage and lunch allowance to seven established staff; taskforce meeting held to discuss the draft strategy. 60 Journalists were trained on radio programming and content development for sustainable development in Mbarara, western Uganda from 18th-19th December, 2017; and Primary School teachers from Kisoro District trained, retooled and equipped with skills to deliver a competence based Primary School curriculum.
Arrears	100	3,665,992,981			Information not provided
Total		**37,809,136,203**		**86.0**	**Good performance**

Source: Field Findings, IFMS, MoES Approved Annual Work plan FY 2017/18

b) Programme 08: Planning

Background

The program's objectives are to; i) plan and prepare budgets for the sector, and also research analysis and develop polices in addition to monitoring and evaluating activities. The expected outputs are: i) preparation of Sector Budget Framework Paper and Ministerial Policy Statement; ii) preparation and appraisal of projects; and iii) monitoring and evaluation of programmes/projects.

The approved budget for FY 2017/18 is Ug shs 3.610 bn, of which Ug shs 1.908 bn (53%) was released and Ug shs 1.59bn (83%) expended by 31st December 2017. Performance of the programme was good as a number of activities were implemented despite the budget cut at the start of the FY. Table 6.16 details the performance.

Table 6.16: Performance of Programme 08: Planning by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Policy, consultation, planning and monitoring services Three (3) policy studies undertaken for the proposed National Education Programs. Budget monitoring carried out Education sector activities monitored BFP & MPS for FY18/19 submitted Education policies tracked. Quarterly Policy Briefs prepared Community dialogues carried out. Office stationery procured, fuel for budget monitoring and tracking bought	100	804,803,471	50	19.13	Undertook a Regulatory Impact Assessment as a process leading to the amendment of the UNEB Act. Conducted one consultative workshop to validate the draft Issues Paper for review of the Government White Paper on Education. Undertook a study on the use of renewable energy in schools. Prepared 100 Policy Briefs. Prepared and submitted the BFP for FY 2018/19. Procured assorted office stationery. Provided fuel for budget

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
					monitoring and tracking.
Ministry Support Services Departmental Working Group meetings held Lunch and Kilometrage allowance for EPPAD staff Paid. Stationery for Working Groups procured. Printing facilities for MPS procured. Departmental staff to travel abroad facilitated. Vehicle repaired and serviced. Stationery for Working Groups procured. Printing facilities for MPS procured. Departmental staff to travel abroad facilitated. Vehicle repaired and serviced.	100	610,913,989	50	14.88	Facilitated 15 Departmental Working Group meetings. Lunch and kilometrage allowance was paid to 34 EPPAD staff in Q1 and Q2. Assorted stationery and printing servicing procured by the Finance and Administration department as this is a pooled output.
Education Data and Information Services Functional EMIS. Draft EMIS policy developed. Contract staff salaries paid, Education sector statistical abstract; USE/UPPET/UPOLET Headcount Report; Fact sheet 2018; CESS Monitoring Report; Dissemination workshop Report; 2018 Headcount dataset, validation/ verification exercise	100	1,587,833,800	40	43.98	Paid salary to one contract staff (EMIS IT Specialist), however contract staff lunch and kilometrage allowances were not paid due to unavailability of funds. Held and prepared minutes of the three inter-ministerial meetings on a Functional EMIS. Assorted stationery, small office equipment and photocopying requirements were submitted for procurement under

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
reports, minutes of inter-ministerial meeting Assorted stationery, small office equipment and photocopying services procured Up-to-date master list (frame) of schools and institutions. SACMEQ subscription fees paid					centralized procurement. Updating of master list (frame) of schools and institutions was not undertaken due to unavailability of funds. Paid for telephone services. Provided office imprest. Paid SACMEQ subscription fees to the SACMEQ coordinating centre.
Education Sector Co-ordination and Planning Education Sector projects formulated and monitored. ESSR and P&B 2017 workshop held and aide memoirs produced.			50	9.95	Projects were formulated and monitored.
Total		**606,743,883**		**87.9**	**Good performance**

Source: Field Findings, IFMS, MoES Approved Annual Work plan FY 2017/18

Implementation Challenge

i) Demand for consumptive items like fuel and travel abroad was high especially from the political leaders, this made it hard to keep expensitures to the limit set by Government.

Conclusion

The overall performance of the **Policy, Planning and Support Services (Vote Function: 0749)** was good (86.95%). The VF achieved its semi-annual output targets.

6.2.7 Physical Education and Sports

This Vote Function's aim is to initiate legislation and policy formulation, and provide guidelines for Physical Education Sports (PES) activities for both the community and education institutions, to empower individual citizens and communities through play, recreation, and competitive sports and games.

The core outputs for the FY included reviewing the National Physical Education and Sports (NPES) policy, continue with construction works for the National High Altitude Training Centre (NHATC) (athletics track, jogging track, artificial tuff/natural grass fields, practice field and athletes dormitory) and (hostel, pump house & water reservoir, 2.3km of site roads, gate house and fencing). It also planned to commence construction works at Akii Bua Stadium.

The Vote Function has two development projects; Akii Bua Olympic Stadium (1369) and National High Altitude Training Centre (1370), and one recurrent program, Sports and PE (12). The two development projects were monitored.

a) Akii Bua Olympic Stadium (1369)

In 2009 the President directed that this stadium be constructed in memory of the late John Akii Bua, the first Uganda to win an Olympic Gold Medal in 1972. The victory was a source of national pride let alone in his home district. Construction of another stadium will also ease pressure on the only national stadium at Namboole.

The stadium is to be constructed in Lira Municipality at Plot 5-21 along Okello Degree Road at Senior Quarters "A" Central Division. The land for the project measuring 18.455 hectares was secured. The project start date was 1st July, 2015 for a duration of four years and is estimated to cost Ug shs 47.9billion. The objective of this project is to promote physical activities and sports in the country.

In the FY 2017/18, the approved budget is Ug shs 800,000,000, of which Ug shs 327,469,920 (41%) was released and Ug shs 142,925,600 (44%) expended by 31st December 2017. This was performance was poor and detailes are provided in Table 6.17.

Table 6.17: Performance of Akii Bua Olympic Stadium by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Policies, Laws, Guidelines and Strategies One contract staff	100	69,945,000	**50**	**8.74**	Facilitated evaluation of bids for designs consultancy. Held two project team

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
salary paid, four Project Team Meetings held, two Bids Evaluation Committee Meetings conducted and Evaluation team facilitated. Two contract staff salaries paid. Eight Project Team Meetings held, two Technical Site Inspection Visits carried out. Expressions of interest to construct the stadium advertised, M&E and photocopying bids documents advertised and assorted stationery, photocopy and Printing services procured.					meeting with the Public Disposal Unit (PDU) and Construction Management Unit (CMU). Conducted one technical inspection visit to the project site in Lira District.
Government Buildings and Administrative Infrastructure Designs Consultancy for Stadium facilities procured; Designs for Stadium facilities completed.	100	730,055,000	**0**	**0.00**	Designs consultancy for stadium facilities contract not signed**.**
Total		**800,000,000**		**8.74**	**Poor performance**

Source: Field Findings, IFMS and MoES Approved Annual Work plan FY 2017/18

b) National High Altitude Training Centre (1370)

Government plans to expand the quality of Physical Education and Sports (PES) in Uganda by constructing a National High Altitude Training Centre (NHATC) in Kapchorwa. The centre is considered critical for the children and youth to acquire wholesome employable knowledge and education, good health, vital life skills and competencies that will enable them improve their lives. The project will be implemented in a phased manner by the MoES and financed by GoU. The project start date was 1st July, 2015 with an expected end date of 30th June, 2020 at a cost of Ug shs 52 billion.

Some of the background activities that were completed include relocating Teryet Primary School to the periphery of the site, compensating squatters on the land, extension of water and electric power to the site, construction of the bridge, construction of roads to the site, and surveying the land.

The approved budget for FY 2017/18 is Ug shs 6,029,800,000, of which Ug shs 2,127,454,400 (35%) was released and Ug shs 1,316,956,209 (62%) expended by 31st December 2017. Performance was very poor, as civil works had stalled. Table 6.18 details the findings.

Table 6.18: Performance of National High Altitude Training Centre by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Policies, Laws, Guidelines and Strategies Three Project Staff paid, four Project Team Meetings conducted Stationery, printing and photocopying services for project operations procured Department Project Vehicles and Motor Cycle Maintained	100	39,880,000	40	0.66	Paid salaries for three project staff. Held two project team meeting. Provided office imprest. Provided fuel for project vehicle and motorcycle. However due to budgetary constraints, assorted stationery, printing and photocopying services were not procured.
Government Buildings and Administrative Infrastructure	100	5,989,920,000	0	0	Overall progress for the National High Altitude Training Centre (NHATC) was at 25%. Civil works resumed after

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Construction of 3km Jogging Track, Artificial Turf Field, and 6 lanes Running Track, one Hostel Block, Site Roads and Parking, Pump House and Water Reservoir, Gatehouse and Fencing, External Kitchen) continued. Site inspection, monitoring visits, 12 meetings facilitated					stalling for some months due to a claim of Ug shs 1,225,715,009 which took time to be paid. The Hostel block was at roofing level. The kitchen was remodelled. The 3km jogging track, athletic track, artificial tuff and the site routes were re-surveyed and were being gravelled with murram. Works on fencing, gate house and water pond will be done at the end. (0% progress)
Total		**6,029,800,000**		**0.66**	**Poor performance**

Source: Field Findings, IFMS and MoES Approved Annual Work plan FY 2017/18

The hostel block at the National High Altitude Training Centre at Teryet in Kapchorwa District

Challenges

- The NHATC project has experienced cost overruns resulting from changes in designs. The kitchen was re-modelled as well as civil works on the fence. The changes increased scope of works which in turn increased the project cost.
- The site is not yet connected to the national grid by Umeme. This makes it costly because they have to resort to use of a generator.
- Unreliability of the water supply in the area often leads to delays.
- Bad weather particularly in the wet season has caused some delays in the civil works.

Conclusion

The two development projects under the Vote Function performed poorly making the overall performance poor (4.5%) The VF achieved did not achieve the semi-annual output targets.

Recommendation

The MoES should expedite processing of certificates presented for payment to avoid causing delays in the execution of the project.

6.3 Universities

6.3.1 Busitema University (Vote 111)

The University aims at developing human capacity with employable skills that are critical for the social transformation of the country through teaching and training, research and outreach in science and technology for tertiary education. The institution two development projects and one recurrent program. One development project and recurrent programme were monitored.

a) Headquarters

The programme objectives are to provide high standard training, engage in quality research and outreach for societal transformation and sustainable development through; a) creating a conducive teaching and learning environment for nurturing students at the University, b) enhancing production of hands-on skilled graduates, knowledge transformation and utilization of research and innovations, c) enhancing access opportunities and meet the Higher Education requirements at national and international levels.

The program's revised budget for FY 2017/18 is Ug shs 25.655bn, of which Ug shs 14.865 bn (58%) was released and expended by 31st December 2017. Programme performance was good at 73% .Table 6.19 details the findings.

Table 6.19: Performance of Headquarters Programme-Busitema University by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Teaching and Training 2500 students admitted of which 775 females and 1725 males 3,420 students taught and examined for two semesters of which 1060 females and 2360 males; 1,221 students graduated of which 379 females and 842 males.	100	11,354,937,758	42.40	27.06	A total of 3,225 students were taught against a target of 3,420 and 922 students graduated, of which 284 were female.
Research, Consultancy and Publications 241 staff trained in proposal writing of which 102 were females and 139 males 83 publications published by staff in different reviewed journals (20% by female and 80% male) One repository developed and updated	100	142,635,200	25	0.24	Trained 87 staff in proposal writing and research publications. The digital repository was developed and 17 publications were achieved.
Outreach Four research outputs (prototypes) and innovations successfully developed into socially useful and relevant products 10 Outreach centers established and functional (location) 12 Exhibitions done Three model villages established.	100	45,264,000	25	0.08	One exhibition was carried out for the six campuses. 700 people were treated in Busia in collaboration with Bulamu Health Center. Due to limited funds, not all the prototypes were commercialised.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Students' Welfare 816 students supported (with feeding, living out) of which 253females and 563 males 1265 students counseled of which 392 females and 873 males 17 trophies won by University Teams 20 teams supported at National level	100	1,740,079,651	50	6.64	749 students were supported (with feeding, living out) of which 253 females and 496 males. Guild elections were held, DSTV subscription paid and five halls of residence properly maintained. Football and Taekondo leagues were facilitated.
Administration and Support Services Revenue generating projects undertaken to employ 30% female and 60% males. University Business Plan implemented (1 Enterprise started) Annual financial statements prepared. Seven policies developed to benefit 30% female and 60% male. 4,500 trees planted	100	12,372,380,926	40	39.81	The annual financial statements were prepared, Gender policy approved by the committee of council and the HIV policy was before committee of council. Revenue generating projects were not supported due to inadequate funds.
Total		**25,655,297,535**		**73.8**	

Source: Field findings, IFMS, Approved Annual Workplan FY 2017/18-Busitema University

Challenges

i) Budget cuts affected a number of the university's non-wage activities, making some core activities underperform as at half year.
ii) Inadequate funds for operations as the University had a shortfall of Ug shs 1.7 bn on the wage component and the non-tax revenue collected was low. The university collected

Ug shs 2.9 billion (NTR) which they remitted to the Consolidated Fund and by half year, had only received 28% of the funds. This constrained the operations as they could not pay salaries for part time lecturers.

iii) The university charges for the private students are below the unit cost, while the cost of inputs and that of living is generally increasing.

iv) The university is operating at a teaching staff level of 22%. The available staff are therefore overloaded and have less time for research and publications.

v) There is a high labor turnover at the university. A number of lecturers left due to lack of promotions, which could not be effected given the fixed wage bill.

vi) The cost of managing the multi campus model is too high. Currently, Busitema University has six campuses. The cost of managing the six campuses is huge.

Recommendations

i) The MFPED should re-imburse all NTR collected by the universities on a semester basis (as opposed to a quarterly basis).

ii) Government should allow universities to charge private students depending on the prevailing unit costs.

iii) Government should provide resources to recruit more staff in the university in order for universities to deliver on the core mandate of teaching and research.

b) Busitema University Infrastructure Development Project (1057)

The project started on 1st July, 2008 and is expected to end on 30th June, 2018. Its overall goal is to create a conducive environment for teaching and learning for students at the university, as well as enhance the research portfolio of Busitema University.

The expected outputs are: (1) construction of two lecture rooms at Nangongera campus, (2) construction of 1 medical complex at Mbale campus, (3) construction of 1 lecture block at Arapai campus, (4) construction of 1 lecture block and administrative block at Namasagali campus, (5) installation of LAN, WAN and Intercoms at Busitema and Arapai campuses, (6) Water harvesting equipment installed in university buildings (10 tanks), (7) renovation of hostels, (8) a number of sports and recreational centres developed and renovated (6 each of football pitches, 6 volley ball, basketball, netball, cricket, lawn tennis and rugby) and (9) installation of solar panels systems.

The approved budget FY 2017/18 is Ug shs 820,000,000 of which Ug shs 240,751,100 (29%) was released and Ug shs 240,619,961 was expended by 31st December 2017. Project performance was poor as no new civil works had started. Funds availed were used to clear accumulated works from FY 2016/17. Table 6.20 details the findings.

Table 6.20: Performance of Busitema University Infrastructure Development Project by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Construction and rehabilitation of learning facilities (Universities) Construction of a lecture block at Mbale School of Health Sciences at Ug shs 450,000,000 phase 2 Phase 2:Construction of a lecture block at Arapai campus at Ug shs.400,000,000 Designs for lecturer complex at Namasagali and laboratory complex at Mbale.	100	820,000,000	0	0	Funds availed in the quarters were used to pay pending certificates for construction of lecture block at Arapia. No new civil works were implemented due to the limited capital budget.
Total		**820,000,000**		**0**	**Poor performance**

Source: Field Findings, Busitema Approved Annual Work plan FY 2017/18

Challenge

i) **Outstanding Arrears**; Last FY (2016/17), the university received only Ug shs 475,000,000 (44%) of its development budget and could not pay the contractor at Arapai campus site. Consequently the allocation for this FY (2017/18) was used to settle last FY's obligations. The university had therefore not implemented any activity on the work plan for the current FY leading to the poor performance particularly on the development side. The university is also unlikely to achieve its annual targets since in Q3, they are only receiving Ug shs 40 million which takes them to 27% of the budget. All the contracts are unlikely to be executed.

c) **Institutional Support to Busitema University – Retooling Project (1466)**

The Busitema University Strategic Plan 2014/2015 was developed in a quest to provide excellent teaching and learning, promote research and knowledge transfer. The plan is cognizant of the need to improve the academic environment particularly retooling, teaching and learning facilities, such as lecture rooms, laboratories, workshops, libraries and general physical plant. The physical facilities in educational institutions provide the necessary teaching, learning and research environment. Hence, the quality of education and training provided by any institution is largely dependent upon the quality of the facilities available. Busitema University aims at using this retooling project as a means of sustaining what has already been established.

The approved budget for FY 2017/18 is Ug shs 257,520,811, of which Ug shs 20,000,000 (7.76%) was released and expended by 31st December 2017. Project performance was poor due to the low release of funds. Table 6.23 details the status of implementation.

Table 6.23: Performance of Institutional Support to Busitema University – Retooling Project by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Purchase of Motor Vehicles and Other Transport Equipment Payment of taxes for the two double cabin pick-ups (80m) and purchase van for Faculty of Health Services-Mbale	100	80,000,000	0	0	No progress registered due to inadequate funds.
Purchase of Specialized Machinery & Equipment Purchase of laboratory equipment and recess term materials	100	27,521,000	20	0	A printer and a desk top were procured, however payment was not effected due to inadequate funds.
Purchase of Office and Residential Furniture and Fittings Purchase of	100		20	0	Two office chairs and a table were procured, however payment was not effected.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
furniture for offices and lecture rooms					
Construction and rehabilitation of learning facilities (Universities) Rehabilitation of 2 hostels, a sports house and double happiness hall-Arapai	100	149,999,811	0	0	No works initiated due to inadequate funds.
Total		**257,520,811**		**0**	**Poor performance**

Source: Field Findings, IFMS, Approved Work plan FY 2017/18

As noted in the table, the university had not implemented any activity under the retooling project due to lack of funds.

Conclusion

Overall performance of the vote was poor (24.6%). The two development projects for Busitema University performed poorly partly due to poor releases and re-allocation of the released funds to pay for obligations for the previous financial year.

6.3.2 Gulu University (Vote 149)

Gulu University was established to be a leading academic institution for the promotion of rural transformation and industrialization for sustainable development. The vote has one vote function, delivery of tertiary education and research, with one recurrent program and two development projects. The recurrent program and development projects were monitored to assess level of performance.

a) Administration

The recurrent programme's approved budget for FY 2017/18 is Ug shs 28.6 bn, of which Ug shs 14.24bn (50%) was released and Ug shs 13.09bn (99.92%) was expended by 31st December 2017. Performance was good (70%) as a number of activities were implemented. Table 6.21 details the performance by output.

Table 6.21: Performance of Recurrent Programme-Administration by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Teaching and Training Admit 240 Government sponsored students and 3,500 private students. Register 15 additional PhD and sponsor 15 additional master program students under AfDB HEST project, 750 students for school practice, conduct lectures, graduation, fieldwork and clerkship.	100	9,894,184,737	25	17.24	Teaching and training of students was conducted, however exams for semester one were not administered as lecturers were on strike during the month of December.
Research, Consultancy and Publications Conduct 15 research seminars and training, make 15 publications, Prepare and present 20 research proposals for approval and funding, Conduct 10 public lectures, produce 4,000 brochures on research guides, make subscriptions to 10 referred research journals.	100	187,933,519	30	0.39	Research seminars, training, publications, research proposals, public lectures, brochures and subscription were made, however the target numbers were not available.
Outreach Conduct community clerkship in 30 Health Centres for 100 4th year Medical Students, carry out internship for 50 Medical students.	100	8,641,201,041	40	24.09	Outreach activities were carried out by Medical and Agriculture students in Health Centers, Hospitals and Farms.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Carry out field visits/attachments and industrial visits for 250 students for Faculty of Agriculture and Environment.					
Students' Welfare Pay living out allowance every month for 803 Government sponsored students, pay welfare for 25 disability students, Conduct Guild elections, induction, inter-university Guild, audit exchange programs	100	1,760,294,909	40	5.56	Paid living out allowance for 810 Government sponsored students July - December 2017, paid welfare for 25. Disability students, inter-university conducted Guild activities and audited Guild accounts.
Administration and Support Services Pay salaries for 506 staff on payroll and wages for 50 casual workers, Remit 15% contribution to NSSF for the 506 staff, Remit Statutory Deductions (PAYE) to URA for the 506 staff, Pay accum. Gratuity Arrears for 80 staff provide support to Faculties.	100	8,176,634,282	40	22.79	Paid salaries for 428 staff on payroll and wages for 50 casual workers, Remitted 15% contribution to NSSF for the 428 staff, and statutory deductions (PAYE) to URA for the 506 staff in the months of July – December 2017.
Guild Services Form a new Guild Government and swear in executives (20) by April 2017, Prepare Annual Budget for Guild activities and	100	12,446,000	50	0.04	A new guild government was formed, their Annual Budget submitted to Council for approval and carried out orientation to 50 Guild Council members.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
seek Council approval by 31st Mach 2017, Conduct Guild Executive induction for 50 members.					
Contributions to Research and International Organizations Make contributions for research journals, periodicals and subscriptions to 10 International organizations for Library materials, information-journals Research and Publications, RUFORUM, ICAD, IUCEA, 30 staff to attend 10 research conferences	100	25,003,617	50	0.09	Made contributions for research journals, periodicals and, subscriptions to four international organizations for Library materials, information-journals, Research and Publications, RUFORUM, ICAD, IUCEA. Supported seven staff to attend two research conferences.
Total		**28,697,698,105**		**70.2**	**Good performance**

Source: Field Findings

b) **Support to Gulu Infrastructure Development Project (0906)**

The project started on 1st July 2015 with an expected completion date of 1st June 2020. Its main objectives are to; i) implement the Master Plan, ii) to acquire the 70 acres of land from National Forest Authority, iii) construct non-residential buildings, iv) carry out infrastructural Development, v) acquire 742 Hectares of land at laroo.vi) acquire 3,000 hectares of land in Nwoya, vii) construct Local Area Network (LAN), Information and Communication Technology ICT, install wireless (WiFi) in the campuses, link all the campuses, increase internet Bandwidth from 5Mbps to 30Mbps. viii) implement Computerised Education Management Accounting System (CEMAS). ix) Library and Faculty of Agriculture and Environment) Multi-Functional Bio-Science Laboratory. xii) - Business Center.

The approved budget for FY 2017/18 is Ug shs 1.87bn, of which Ug shs 0.180 bn (10%) was released and Ug shs 0.0476 (26%) expended by 31st December 2017. Performance was fair at 54.1 % due to the low releases. Table 6.22 details the physical performance.

Table 6.22: Performance of Support to Gulu Infrastructure Development Project by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted Score (%)	Remark
Acquisition of Land by Government Draw master plans, business plans for the 7 pieces of lands, Open up boundaries of all Gulu University lands, at Nwoya, latoro, Purongo, Forest, Gulu Town, Main campus, Open livestock, Palm tree plantation ,Agric Skill Devt training, plant pines ,settle payments	100	1,549,847,875	2	46.71	Business plans for the pieces of lands in Nwoya, Latoro, Purongo and Forest were prepared, however boundaries were not opened due to insufficient funds.
Government Buildings and Administrative Infrastructure Rehabilitation of Dean of Students Block and Academic Registrars Block and Planning Block Development of Business plan for Construction of a Business Center with offices, banks, lecture rooms for Faculty of Business & Development Centre Phase I and II	100	100,000,000	0	0	Outputs not achieved due to inadequate funding.
Roads, Streets and Highways Tarmac 2 kilometers of roads under AfDB HEST Project, 2 Kilometer of road at main campus, of road at Faculty of Medicine New site	100	20,152,125	0	0	No road works were done due to insufficient funds.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted Score (%)	Remark
to Bio-Systems Engineering workshop site, install solar street lights at Main Campus, AfDB HEST Project site and Faculty					
Construction and rehabilitation of learning facilities (Universities) Construct 1 New Library, 1 Multifunctional Laboratory both with AfDB HEST Project Funding.	100	30,000,000	40	0.96	Over all progress for civil works was at 80% under the AfDB HEST project funding and specifically the library block at 90%, laboratory block at 75%. Contract was extended to June 2018.
Lecture Room construction and rehabilitation (Universities) Develop Business plan for Business Center in Faculty of Business & Development Studies. Construct Faculty of Agriculture & Environment block, Faculty of medicine Block, Faculty of Science Block (Under AfDB HEST Project).	100	120,000,000	44	6.42	Developed Business plan and BoQ for Business Center in Faculty of Business and Development Studies. Civil works were ongoing and the Agriculture and Environment block was at 88%.
Campus based construction and rehabilitation (walkways, plumbing, other) Build and repair walkways, pavements, carry out plumbing	100	50,000,000	0	0	No repairs of walkways, pavements and plumbing was done.
Total		**1,870,000,000**		**54.1**	**Fair performance**

Source: Field Findings, IFMS

Challenges

i. Inability to collect and remit NTR to the Consolidated Fund. Government released advance of 23.8% of the NTR at the beginning of Q1, however during the course of the semester, the university was not able to collect and remit it to the Consolidated Fund. As a result in Q2, the university received a 0% release for the NTR. This affected implementation of development activities particularly the retooling components (mainly supplies such as furniture, fittings, machinery and equipment, laboratory agents and books for the library).

ii. There were delays to migrate the university from CEMAS to the IFMS system. The process of migrating from the traditional system to the IFMS took four months from July to October 2017. During that time, they relied on a IFMS team from MFPED to set up the system and train them on its usage . However, the process is hitherto not complete as the procurement module was not completed.

Conclusion

Overall performance of the vote was fair (62.15%). The development project for Gulu performed fairly partly due to poor releases.

6.3.3 Lira University (Vote 301)

The University was established by an Act of Parliament on 25th June 2015 as a model for Health Sciences and Applied Science and Technology. The Institution aims at producing more skills in Healthy Science and Technology to respond to the increased demand from the labour market and promote the development of a knowledge-based economy by providing solutions to community health problems.

The Vote has One Vote Function - Delivery of Tertiary Education and Research. There was one recurrent programme (Programme 01: Headquarters) and two development projects, (Project 1414 Support to Lira Infrastructure Development and project 1464 - Institutional Support to Lira University – Retooling. The recurrent programme and projects were monitored to assess the level of implementation.

a) Headquarters

The program's revised budget for FY 2017/18 is Ug shs 7,344,918,285, of which Ug shs 5,909,439,837(80%) was released and Ug shs 3,658,562,164 (62%) expended by 31st December 2017. Performance was fair at 56.9%. Table 6.23 details the performance.

Table 6.23: Performance of Headquarters-Lira University by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training	100	3,269,846,607	45	22.92	A total of 885 students were

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted Score (%)	Remark
900 students taught and examined for two semesters of which 100 will be government sponsored Two Semester examinations conducted and reviewed by external examiners Five academic programs developed. 167 students supervised for internship					registered and 811 examined. Special arrangements were made for students who had not completed payment to sit exams. Five academic programs were developed and accredited. 27 students on internship were supervised.
Research, Consultancy and Publications Three research collaborations conducted, two training sessions in proposal, report writing and publication skills done, four publications by staff in different recognized journals, 34 students prototypes tested, E-Library purchased to boost research and publications	100	308,127,806	45	2.39	Two training sessions were carried out; one collaboration and two publications done; 27 students prototypes tested. The e-library connected to the national fiber and books for CPA new courses purchased.
Outreach Three HIV/AIDS sensitization workshops for students and communities around the University carried out. Two community mobilization and sensitization on hygiene and sanitation and solid waste management Two practical field attachment of students to	100	25,000,000	50	0.34	Three sensitizations in solid waste management and one in abattoir management done, three HIV/AIDS sensitization sessions done and vaccinations for Hepatitis B, Meningitis and Human Papiloma vaccination for cervical cancer among students and surrounding communities.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted Score (%)	Remark
health facilities					
Welfare 100 students paid living out allowances at a rate of Ug shs 6,000 per day for two semesters One Guild election conducted Four Guild Cabinet meetings conducted Two Games and sports conducted 300 new students oriented Three Guild functions conducted	100	389,391,546	50	4.21	180 students were paid allowances, guild elections conducted, four cabinet meetings held, two games and sports galas conducted. New students oriented, two guild functions held, new students medically examined and UNSA funds remitted.
Administration and Support Services One annual work plan, BFP itemized and MPS for FY 2017/18 - 4 quarterly budget performance reviews carried out - 4 quarterly progress prepared and submitted to MFPED and MoES - One training needs assessment carried out - 107 new staff inducted and oriented.	100	3,352,408,326	45	27.00	Work plan, Budget Framework Paper, and MPS for FY 2018/19 were developed and submitted. Quarter two budget performance was done and submitted to MFPED and MoES. 13 staff were recruited out of 107 and induction was done. Needs assessment was however not carried out.
Total		**7,344,918,285**		**56.9**	**Fair Performance**

Source: IFMS, Field Findings, Approved Annual Work plan FY 2017/18

b) Support to Lira University Infrastructure Development Project (1414)

The project started on 1st July 2016 and its expected completion date is 30th June 2021. It is aimed at creating a conducive teaching and learning environment for nurturing students at the University.

The approved budget for FY 2017/18 is Ug shs 1.5 bn, of which Ug shs 393,750,000 was released (26%) and Ug shs 93,750,000 (24%) expended by 31st December 2017. Performance was poor at 38% mainly due to low release of funds. Table 6.24 details the findings.

Table 6.24: Performance of Support to Lira Infrastructure Development Project (Lira University) by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted Score (%)	Remark
Government Buildings and Administrative Infrastructure Construction of Administration block phase one Designing and Development of master plan and physical plan of Lira University	100	1,500,000,000[25]	10	38.10	Procurement process was on-going; contract for administration block at award level and Faculty of Education block at advertisement level. Master plan was completed, architectural drawings and BoQs done.
Roads, Streets and Highways					Not done
Purchase of Motor Vehicles and other Transport Equipment Procure a 34 seater bus					A 32 seater and 40 seater buses were procured awaiting delivery.
Purchase of Office and ICT Equipment, including Software Procuring a Consultant and laying					

[25] The Annual budget for Support to Lira Infrastructure Development Project does not show details of each output budgets. Analysis was made for only Government Buildings and Administrative Infrastructure where all the funds are lumped.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted Score (%)	Remark
the ICT line from the main grid to the University, Procuring Supplier, verification of supplies by the Auditor, receiving in stores and installation.					
Purchase of Office and Residential Furniture and Fittings					Furniture was procured and delivered.
Lecture Room construction and rehabilitation (Universities)					The Faculty of Education was rehabilitated.
Total		**1,500,000,000**		**38.10**	**Poor Performance**

Source: IFMS, Field Findings, Approved Annual Workplan FY 2017/18

Challenges

i. Low release of the development funds, by quarter three the institution had received only Ug shs 93m.

ii. Low staffing levels as the university is operating at 25% establishment particularly in the core areas which affects effective implementation of outputs.

iii. Changing budget and financial management reforms was a challenge for the institution.

iv. The university charges for private students are below the unit cost, while the cost of inputs and that of living is generally increasing.

Conclusion

Overall performance was poor (47.5%). The development projects for Lira University performed poorly partly due to poor releases.

6.3.4 Muni University (Vote 127)

The overall vote objective is to conduct teaching, research, outreach activities, examinations and award degree, diplomas and certificates. The vote has one Vote Function - Delivery of Tertiary Education and Research which includes two development projects, (Support to Muni Infrastructure Development and Institutional Support to Muni University-Retooling), and one recurrent program (Programme 01: Headquarters). The recurrent programme and one development project were monitored.

Performance

a) Programme 01: Headquarters

The approved budget for FY 2017/18 is Ug shs 8,274,101,867, of which Ug shs 4,040,506,632 (49%) was released and Ug shs 3,490,931,921 (86%) expended by 31st December 2017. Performance was very good as a number of planned activities for the first half of the FY were implemented. Table 6.25 gives the detailed performance.

Table 6.25: Performance of Programme 01: Headquarters by 31st December, 2017

Output	Annual Planned Quantity or Target (100%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training -34 weeks of Lectures conducted, 108 new Government and 40 private students admitted, 18 faculty board meetings held, 36 departmental meetings held, 175 students supervised during placement, 17 staff trained as Trainers of Trainers and 4 short courses introduced. Introduce Bachelor of Nursing Sciences	100	3,184,470,738	45	35.14	Lectures were successfully conducted, students admitted and exams handled. However not all students admitted reported for studies. Faculty board and departmental meetings held.
Research, Consultancy and Publications 15 research proposals written for funding, and 15 articles published, two staff training held on research, two research seminars held, four High quality grant proposal developed, five publications produced, one international research conference held, Research policy developed, two Public lectures organized.	100	194,456,000	50	2.41	Five academic publications produced for staff. One staff training held on Public Private quality hybrid seed potato research, development and production. One research grant was awarded for implementation (Mitigation of mycotoxin contamination in food production in Northern Uganda)
Outreach	100	65,500,000	30	0.52	Community engagements

Output	Annual Planned Quantity or Target (100%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Four research findings rolled, One open day organized, two supplements published, four community engagements held, Public Service day organized, Library week organized, four ICT outreach conducted, two breakfast meetings held, two mentorships conducted, four Radio talk show, ICT problems identified and defined, Community trained in effective use of ICT.					were held, ICT outreach conducted however due to a transition to the IFMS some activities were not handled such as talk show, outreach and library week. These were scheduled for the second half of the FY.
Students' Welfare 300 students paid, four inspections of Hostels conducted, four Counseling sessions offered, one week orientation conducted, two Health awareness conducted, five sports tournament played and one policy developed. 473 students screened and Guild leaders inducted.	100	853,8543,000	45	9.54	Living allowances and faculty allowances were paid to 264 Government students. Orientation for first years and inspection were conducted.
Administration and Support Services Two curricula developed, 10 Council/Senate meetings, 42 committee meetings, Assorted books, 4 audit reports. Final Account, BFP and PF Contract, 2 programs accredited, 4 courses developed, 70 students Graduated, Academic Policy,	100%	3,829,322,129	50	46.28	Additional staff were recruited according to funds given in the wage bill. Annual Board of Survey report complied and submitted to the ministry. Muni Strategic Plan approved by National Planning Authority and recommended for implementation. Final Account prepared and

Output	Annual Planned Quantity or Target (100%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Annual Board of survey.					submitted to Accountant General. Three Council/Senate meetings. (2 council and 1 Senate) and 8 committee meetings held. One audit report produced and submitted. Three policies on curriculum development, review and termination policy and guidelines; Research; Students Academic performance Incentive and Guidelines completed and approved by council.
Human Resource Management Services 12 (monthly) salary processed and paid to Staff, 8 staff supported for professional and short Courses, 12 capacity building workshops/seminars held and report produced.	100	72,000,000	45	0.87	Salaries for six months were paid. It was reported that the new salary scales due to enhancement has affected the wage budget and therefore recruitment plan. One staff supported for professional training
Records Management Services Record Management policies and regulations developed and approved. Records processed and timely accessed/ delivered. Two sensation meetings held for records staff and other staff. Record management system strengthened**.**	100	20,000,000	45	0.24	Records processed and timely accessed/delivered. Record management system strengthened through save storage. It was however noted that the department has inadequate storage facilities
Guild Services New Guild Government established, Guild budget drawn and approved, Guild	100%	20,000,000	50	0.24	Guild government was established in the first semester, guild budget was drawn, approved and the guild

Output	Annual Planned Quantity or Target (100%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government supported.					government supported by management.
Contributions to research and international organizations Contributions to Research and Organizations made, (AICAD, IEACL, CUUL, VCs Forum, Deans Forum, Academic staff Association, Non-Administrative Staff Association and NUEI - Support Staff) and contributions to research materials made. Annual subscriptions made to (RUFORUM, IUCEA, AAU, GPAO, UDOSF, UVCF, UUQAF, RENU and Cesco Support Centre- Makerere University, CUUL, ULIA, SCANUL-ECS, SCESAL, IFLA), Annual contributions made to international Organizations (UUQAF, IEEE, ACM and Elsavier	100%	34,500,000	25	0.24	Annual subscription to most of the organizations not made because most of the organizations had no supplier numbers and were not set up on the IFMS.
Total		**8,274,101,867**		**95.5**	**Very good performance**

Source: Field findings, IFMS, Approved Annual work plan FY 2017/18

b) Support to Muni Infrastructure Development Project (1298)

The project started on 1st July 2014 and its expected completion date is 30th June 2019. The major objectives are; i) creation of a conducive environment for practical teaching and training, research, knowledge generation and storage at all times and ii) equitably expand Higher Education at undergraduate and postgraduate levels. It is expected that at the end of the project, lecture rooms will be constructed, research innovation support centre constructed, ICT infrastructure constructed, multipurpose laboratory completed, walkways and university canteen constructed.

In FY 2017/18, the approved budget for the project is Ug shs 2.11bn, of which Ug shs 0.747bn (35%) was released and Ug shs 0. 375bn (50%) expended by 31st December 2017. Performance was poor at 36.7% which was attributed to the low release in the first half of the financial year. Table 6.26 details the findings.

Table 6.26: Performance of Support to Muni Infrastructure Development Project by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Acquisition of Land by Government Development of plans and cost for capital projects; master plan for Paroketo and master Plan for Bidi Bidi	100	100,000,000	25	2.63	Consultants were procured for master planning of Paroketo and Bidibidi, however due to the poor budget performance, payment for the services was not made.
Government Buildings and administrative Infrastructure Construction of perimeter fencing university, Multipurpose centre Constructed, Retention paid. Electrical, fixtures and Mechanical installations completed, Portable Ramp and staff house constructed, five stances VIP constructed	100	2,011,366,485	12.5	34.12	The perimeter fence was at 81.8% progress and this was the only activity implemented.
Total		**2,111,366,485**		**36.7**	**Poor performance**

Source: Field findings, IFMS, Approved Annual work plan FY 2017/18

Challenges

i. Low releases especially for the development budget affected the implementation of planned activities. Some contractors were not paid their retention.

ii. There were delays to migrate the university to the IFMS system. In addition, the intermittent power supply at the university affected the functionality of the IFMS system and slowed down the scheduled payments.

iii. Some of the required laboratories for students in third year are not yet in place.

Recommendations

i) The MFPED should front load development funds at least by third quarter to enable the institution implement activities as planned.

c) Institutional Support to Muni University-Retooling Project (1463)

The project started on 1st July 2017 and its expected end date is 30th June 2022. The project is aimed at providing a conducive learning lecture rooms and laboratory that are well furnished for practical learning and the expected outputs are; computers, specialized science and ICT equipment, furniture for students and staff, transport equipment purchased.

The approved budget for FY 2017/18 is Ug shs 2.43 bn, of which Ug shs 0.290 bn (12%) was released and Ug shs 0.252 bn (87%) expended by 31st December 2017. Performance was poor mainly because of the low release during the first half of the FY. Table 6.27 details the findings.

Table 6.27: Performance of Institutional Support to Muni University-Retooling Project (1463)

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Purchase of Motor Vehicles and other Transport Equipment Procure 1 Station wagon- (Above 3000cc), 1 Sedan Pool car, 2 Station wagons – (2800-3000cc), 1 Bus- 25-45 Seater	100	763,631,515	0	0	Outputs not achieved due to insufficient funds.
Purchase of Office and ICT equipment including software 40 computers-desktop, 8 scanners, 20 laptops, 5 projectors, 3 water dispensers,15 printers, 2 TV flat screen "32"	100	474,890,000	0	0	Outputs not achieved due to insufficient funds.
Purchase of specialized machinery and equipment Procure 2 walk through X-ray machines, one equipment for chemistry, one equipment for physics, 4 specialized teaching	100	464,399,200	0	0	Outputs not achieved due to insufficient funds.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget(Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
equipment, one domestic equipment, 4 copiers, 2 copier- heavy weight, 4 metal detectors.					
Purchase of office and residential furniture and fittings 154 lecture chairs,29 office desks, 30 office shelves, 40 office chairs, 20 filing cabinets- metallic, one secretarial chair	100	735,712,800	30	30.17	The executive office chairs, desks, computer laboratory chairs, book shelves, conference chairs, office desks, and visitors' chairs were delivered, however payments were not effected.
Total		**2,438,633,515**		**30.17**	**Poor performance**

Source: Field Findings, IFMS, Annual Approved Work plan FY 2017/18

Conclusion

The overall performance was fair (54.12%) as at half year. The two development projects for Muni University performed poorly partly due to poor releases.

6.3.5 Soroti University (Vote 308)

The Vote mission statement is to develop an innovative institutional and educational model for vocationalizing education and the extension system so as to increase the productive and entrepreneurial capacity in students/youth and communities. The vote has one recurrent programme (Headquarters) and two development projects; Support to Soroti University Infrastructure Development and Institutional Support to Soroti University-Retooling. The recurrent programme and development projects were monitored and below are the findings.

a) Headquarters; Programme 01

The approved budget for FY2017/18 is Ug shs 5,900,021,079, of which 49% (Ug shs 2,913,444,444) was released and Ug shs 1,699,245,005 (58%) expended by 31st December 2017. Performance was poor as a number of activities were not undertaken because students had not yet enrolled. Table 6.28 details the findings.

Table 6.28: Performance of the Headquarters Programme by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Teaching and Training Two academic programmes started, 20 teaching staff recruited, 100 government sponsored students enrolled, 200 private students enrolled, Prospectus, brochures, application forms and admission letters produced, examinations conducted, small office equipment	100	1,940,249,895	**10**	**6.62**	Students not enrolled, however academic staffs were recruited.
Research, Consultancy and Publications Improved standards for research and innovations					Facilitated two officers for a research agenda (2040) workshop in Kampala. No research seminars conducted as lecturers were expected in Q3.
Outreach Projects undertaken and concluded, Improved community engagement and outreach programmes	100				Land (100 hectares) was acquired in Serere. Outreach projects not implemented.
Students' Welfare Pay living out allowance every month for 100 Government sponsored students.	100	225,000,000	**10**	**0.80**	Allowances were not paid owing to the fact that students had not reported. The institution however facilitated staff to assess students' accommodation facilities /hostels around the University.
Administration and Support Services Salaries for 88 staff paid	100	3,674,771,184	**25**	**31.54**	All statutory deductions were remitted.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
(including 20 new teaching staff and 22 administrative staff), wages paid for casual workers, Remit 15% NSSF contribution to NSSF for the 78 staff, Remit Statutory Deductions (PAYE) to URA for the 78 staff, Pay Gratuity for staff					It was noted that available funds could not effectively cater for all the operational expenses (maintenance of vehicles, subscriptions, telecommunications and advertising.)
Guild Services Support to Guild Government, Form Guild Government	100	40,000,000	**25**	**0.36**	Sports fields cleared for preparation for first intake of students. Student guild was not formed awaiting admission of students.
Contributions to Research and International Organizations Pay Annual subscriptions to AICAD, UNESCO, COUL, Commonwealth Universities	100	20,000,000	**0**	**0**	Subscriptions not yet done
Total		**5,900,021,079**		**39.3**	**Poor performance**

Source: Field Findings, IFMS

Challenges

a) The university had just concluded recruitment of additional staff bringing the staffing level to 34%, however some staff had not reported, thus enabling the university save at least six months on the wage component.
b) Funds for students activities such as student welfare, outreach and guild services could not be spent because the students were not yet on board.

b) Support to Soroti University Infrastructure Development Project (1419)

The project started on 1st July 2016 with duration of five years ending 30th June 2021. Project objectives include; construct, equip and furnish all the necessary iniversity infrastructure (roads, buildings, sports and leisure facilities), provide reliable utilities and services (water, electricity, internet, sewage), provide transport, logistics equipment and tools to facilitate learning and teaching, and provision of adequate security for people and property.

The expected output is a fully functional university with all the basic infrastructure and social amenities. The approved budget for FY 2017/18 is Ug shs 5.04 bn, and the entire budget was released (100%). By 31st December 2017, a total of Ug sh 1.63bn (32.3%) was expended and table 6.29 details the project performance.

Table 6.29: Performance of Support to Soroti University Infrastructure Development Project (1419) by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Acquisition of Land by Government Land squatters in the University Land compensated, additional land acquired for the University	100	100,000,000	50	0.99	Occupants on Plot 50 were evicted by a court order and the institution awaited court decision on occupants on Plot 51.
Government Buildings and Administrative Infrastructure Building designs and plans for external works, library, dining hall, medical school, administration block and other infrastructure developed	100	205,000,000	25	1.63	Procurement process was ongoing. (Evaluation stage)
Roads, Streets and Highways 14km internal roads, culverts and walkways routinely maintained 14km internal roads routinely maintained	100	100,000,000	50	0.99	Roads were maintained, however interference from the squatters was noted.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity (%)	Weighted (Score %)	Remark
Construction and rehabilitation of learning facilities (Universities) Multipurpose block, teaching block and laboratory block construction completed and 2 lifts procured and installed in the Multipurpose academic block, teaching block and laboratory block construction completed, 2 lifts procured and installed, Nursing equipment and chemicals for teaching procured	100	4,636,000,000	96	88.29	Civil works were 96% complete for the multi-purpose block, laboratory and teaching block and financial performance was 76.6%.
Total		**5,041,000,000**		**91.9**	**Very Good performance**

Source: Field Findings, IFMS, Approved Annual Work plan FY 2017/18

The cumulative payments on the structures amounted to Ug shs 14,258,878,311, out of the contract sum of Ug shs 18,626,371.108. During FY 2017/18, they paid three certificates amounting to Ug shs 1,259,290,573 (27.1%) out of the budget of Ug shs 4.6 bn for government buildings.

Challenge

i) Delay in processing of certificates by the MoES led to delays in absorption of the funds.

c) Institutional Support to Soroti University –Retooling Project (1461)

The project started on 1st July 2017 and its expected completion date is 30th June 2022.The main objectives are; i) to set the world class infrastructure, facilities and equipment supporting the University's strategic ambitions for learning, research and community engagement and ii) provide the highest quality technology-based services to support teaching, learning, research, creative activity, and the delivery of administrative services to the University community.

The approved budget for FY 2017/18 is Ug shs 0.96bn which was all released (100%) by Q2 and Ug shs 0.2bn (20.4%) was expended by 31st December 2017. Table 6.30 details the project performance.

Table 6.30: Performance of Institutional Support to Soroti University –Retooling Project by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cumm. Achieved Quantity	Weighted (Score %)	Remark
Purchase of Motor Vehicles and other Transport Equipment Two double cabin pick-ups procured for University Staff	100	330,000,000	20	6.88	There was a change in output to procurement of a Station Wagon for the Vice Chancellor. By Q2, the contract was awarded to Toyota.
Purchase of Office and ICT Equipment, including Software Assorted office and ICT equipment procured (10 computers, band width subscription, 7 projectors, small office equipment	100	108,000,000	50	5.63	Payment for assorted ICT equipment (28 desktop computers and accessories, 7 laptop computers, overhead projectors, UPS, networking) done. Furniture for the computer laboratory was procured.
Purchase of Specialized Machinery and Equipment 1 multipurpose heavy duty photocopier, 1 heavy duty standby generator and assorted nursing equipment procured	100	350,000,000	0	0	One heavy duty standby generator of 135KV was being procured. However, it was seriously under budgeted for. They had Ug shs 80m out of the required Ug shs 160m, and planned to use any savings to pay the difference. Equipment for medical students was not procured, awaiting lecturers to come on board and advise on what should be procured.
Purchase of Office and Residential Furniture and Fittings	100	171,000,000	0	0	Planned for Q3 when the technical persons are appointed.
Total		**959,000,000**		**12.5**	**Poor Performance**

Source: Field Findings, IFMS, Approved Annual Work plan FY 2017/18

Challenges

i) The university delayed to start operations due to deferments by the National Council of Higher Education to give them a go ahead because the science laboratories were not yet ready. The contract for civil works was extended to June 2018.

ii) The university non-wage recurrent budget was cut by 10%, particularly the consumptive areas. The cuts amounted to Ug shs 94m.

Conclusion

Overall performance was poor (47.9%) as at half year. The poor performance was due to the dismal performance of recurrent programme and the retooling project. Students were not yet enrolled and delayed procurement under the retooling project.

6.3.6 Kabale University (Vote 307)

Kabale University's mission is to be a people centered efficient university that excels in generation and dissemination of relevant quality knowledge. It aims at skills development and attitudinal change for life-long. The approved budget for FY2017/18 was Ug shs 14, 403,192, 182 of which Ug shs 12,108,692,182 (84%) had been received by half year and Ug shs 7,330,876,335 (61%) spent, Inclusive of AIA. The Vote has one Vote Function.

Delivery of Tertiary Education (Vote Function 0751)

The VF has a recurrent Programme 01: Headquarters and a development project; Support to Kabale Infrastructure Development.

a) Programme 01: Headquarters

Background

The programme's objectives are to; i) focus the university programmes on the mandate and core business of Kabale University, ii) harness and optimally exploit the opportunities within the catchment area (niche) for the growth and development of the university, iii) strengthen Kabale University capacity to deliver its mandate and iv) encourage the public to make "special" contribution towards enhancement of Kabale University mandate.

Performance

The approved budget for FY2017/18 was Ug shs 14, 403,192,182, of which Ug shs 4, 548,000,000 was financed through AIA and Ug shs 9,855,192,182 by GoU. By half year, Ug shs 8,011,826,021 billion (55%) was released and 89% spent, indicating very good absorption capacity. Performance was fair as indicated in the table 6.31.

Table 6.31: Performance of Programme 01: Headquarters by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training Admission, teaching and training of students.	100	6,412,087,067	36	36.24	15 weeks of lectures for 2,638 (M=1,661 and F= 977) and 2 weeks of exams were conducted. 2nd Graduation function as Public University conducted on 27th October 2017 with 1,215 students of whom males totalled to 688 while females were 527.
Research, Consultancy and Publications Comprises of research studies and public lectures	100	162,300,000	28	1.20	Funded 3 research proposals and engaged 9 Consultants engaged to review and develop curriculum for programs. Research guidelines/ policies were developed and approved by council. Some activities were not conducted due to limited funding.
Outreach Comprises community placement for medical students, school practice, industrial training and participation in annual exhibitions	100	96,400,000	24	0.75	Conducted one community sensitization session for Environmental Health Sciences Conducted and undertook two study trips. Some activities were not conducted due to limited finances.
Student Welfare Involves provision of food, accommodation, living out allowances, health care and recreation facilities for students	100	308,000,000	38	2.39	Living out allowances paid for 200 government sponsored students and faculty allowance paid. 12 students (5 males and 7 females) sponsored from Rev. Canon Karibwije for a work & study program 13 students sponsored from former Districts of Kigezi (Kabale, Kanungu, Kisoro & Rukungiri).
Administration and Support Services Comprises staff salaries, contribution to staff medicine/health insurance, payment of utility bills and ICT software and	100	2,784,405,115	42	20.73	Staff salaries for 186 employees paid. Rent offices and teaching facilities paid, various maintenance works conducted.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
maintenance.					
Guild Services Comprises facilitation for Guild office supplies, workshops, meetings, seminars and recreation.	100	50,000,000	36	0.51	Money was transferred to the guild for their activities. Implemented more activities than planned, including the fresher's balls, multiple meetings and Participated in Inter-University games at Ndejje University.
Contributions to Research and International Organisations	100	42,000,000	0	0.00	No outputs conducted, limited financing.
Total		**9,855,192,182**		**61.8**	**Fair performance**

Source: Field Findings

b) Support to Kabale Infrastructure Development Project

Background

The project's start date was 1st July 2016 and its expected end date is 30th June 2021. The intended objective is to develop facilities and infrastructure that meets students and staff needs. The expected outputs are; phase II works on general lecture hall block, Phase II of Engineering workshops, completion of a waterborne toilet and a VIP pit latrine.

Performance

The approved budget for FY2017/18 was Ug shs 600,000,000, of which Ug shs 247,500,000 (41%) was released and Ug shs 16,852,030 (7%) spent. Performance was poor as shown in table 6.32.

Table 6.32: Performance of Support to Kabale Infrastructure Development (Project 1418) by 31st December 2017

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government Buildings and administrative infrastructure Comprises construction, renovation and maintenance of non-residential buildings	100	450,000,000	16.00	40.00	One incinerator supplied and installed, computer laboratory renovated, police post renovated and modified.
Purchase of Specialized Machinery & Equipment Includes procurement of office and IT equipment	100	150,000,000	0.00	0.00	Permission to procure the vehicle from Ministry of Public Service was received in December 2017 and the specifications received in January from Ministry of Transport.
Total		**450,000,000**		**40.0**	**Poor performance**

Source: Field findings

The table shows that 40% of the planned development targets were achieved by half year which is poor performance. Whilst the university had achieved multiple development related outputs, the output that occupied the largest amount of money was yet to start. The reason for this was that the project (construction of a general lecture and science hall), was initiated when the university was private and since its conversion to a public institution, the procurement processes had to be altered. This caused a delay, and so by half year, they were at the conclusion of a new procurement process. This also explains the poor absorption of funds (7%). The university had not purchased specialized machinery and equipment, due to delayed release of information from the ministry of transport.

L-R: Renovated computer lab and police post at Kabale University

Implementation challenge

- The university had staffing shortages. Ministry of Public Service gave the institution a go ahead to recruit staff but the funds to pay them were not allocated.
- Delay in release of guidelines from the Ministry of Works and Transport, and the Ministry of Public Service for purchase of a vehicle.

Recommendation

- The MFPED should release money for recruitment of staff.

Conclusion

Overall the university performance was fair (50.9%), the project performed well on its recurrent program but underperformed on the development.

6.3.7 Kyambogo University (Vote 139)

The Vote mission is to advance and promote knowledge and development of skills in Science, Technology and Education; and in such other fields having regard to quality, equity, progress and transformation of society.

The approved budget for FY 2017/18 was Ug shs 96.115 billion of which Ug shs 44.83 billion is GoU funding and Ug shs 54.970 billion is AIA. By half year 2017/18, Ug shs 44.572 billion (99.43%) was released and Ug shs 37.407 billion (83.92%) spent. The Vote has one VF - Delivery of Tertiary Education.

Delivery of Tertiary Education (Vote Function 0751)

The Vote Function's services are teaching/training of students and staff; research, consultancy and publication; provision of outreach catering for students welfare; administration and support services and guild services. The VF has a recurrent programme; Headquarters and a development project; Development of Kyambogo University.

a) Programme 01: Headquarters

The programme's revised budget for FY2017/18 was Ug shs 47,336,161,684, of which Ug shs 23,722,334,690 (50 %) was released and Ug shs 22,987,055,444 (97%) expended. Good performance was noted for the programme (88.5%) as indicated in table 6.33.

Table 6.33: Performance of Programme 01: Headquatres by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training Admission, teaching and training of Students.	100	25,438,803,709	43	46.22	Good performance noted. A total of 49,000 students (24,000 on campus and 25,000 off campus) were trained and examined; assorted training materials were procured and DSNEE examinations were conducted and fully supported
Student Welfare Involves provision of food, accommodation, living out allowances, health care and recreation facilities for students	100	1,400,135,130	61	2.89	Money was transferred to the Guild and multiple guild activities such as the university bazaar took place. Living allowances for students were paid.
Administration and Support Services Comprises staff salaries, contribution to staff medicine/health insurance, payment of utility bills and ICT software and maintenance.	100	17,770,542,123	45	33.80	Procurement of assorted instruction, provision of ICT and teaching materials, wireless and cable networking was done. Renovation of the former NCHE building was completed and is occupied by the academic registrar's office; provided medical services for students.
Guild Services Comprises facilitation for Guild office supplies, workshops, meetings, seminars and recreation.	100	2,065,106,300	27	4.15	Organized and participated in multiple sports competitions. Procurement of sports equipment was done.
Arrears	100	661,574,422	100	1.40	
Total		**47,336,161,684**		**88.5**	**Good performance**

Source: Field Findings

b) Development of Kyambogo University (Project 0369)

Background

The project's start date is 1st July 2015 with an expected completion date of 30th June, 2020. The objectives are to: i) improve & expand space for teaching, learning, office accommodation; establish a directorate of ICT, ii) enhance ICT management, Quality Assurance Directorate to provide adequate learning and instructional materials, iii) enhance staff capacity building through funding research and training programmes; and iv) provide goods and services for students welfare.

The expected outputs are; i) construction of central lecture block, ii) renovation of buildings, iii) procurement of furniture, iv) setting up a good ICT infrastructural development network system and v) development of Namasiga Nakagere project.

Performance

The approved budget was Ug shs 722,845,106 of which Ug shs 131,712,330 (18%) was released, and Ug shs 118,845,000 (90%) spent by December 2017. Performance was good at 77.4% as indicated in table 6.34.

Table 6.34: Performance of Development of Kyambogo University (Project 0369) by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government Buildings and administrative infrastructure Comprises construction, renovation and maintenance of non-residential buildings	100.00	662,845,106	12.00	71.20	Paid Ug shs 200million as compensation to the third batch of squatters at Namasiga and Nakagere. Continued works on the central lecture block, floors 75% completed. Commenced road repairs (200m).
Purchase of Specialised Machinery & Equipment Includes procurement of office and IT equipment	100.00	60,000,000	23.00	6.25	Chemistry equipment purchased, 2,000 student chairs ordered of which 1,000 have been received.
Total		**662,845,106**		**77.4**	**Good performance**

Source: Field Findings

Physical performance of the development project was good despite low releases (18%). The core outputs are being achieved and works are set to be completed on time.

The Central Lecture Block

The project is funded by GoU. Construction started in May 2016 with an expected completion date of 13th May 2017. Works slowed down due to limited finances. An extension up to June 2018 was granted to the contractor. They are now at 75% completion and intend to work until the site is useable; but not completely finished, due to limited finances.

Ongoing construction works on the Central Lecture Block at 75%

The overall performance of Vote 139 Kyambogo University was good (82.9%) despite limited release on the development program, with better performance on the recurrent than development side.

6.3.8 Makerere University (Vote 136)

The Vote's mission is to provide innovative teaching, learning, research and services responsive to national and global needs.

Delivery of Tertiary Education Vote Function (0751)

The Vote Function's services are aimed at increasing the stock of human and social development through skills development based on the three key pillars of teaching, research and knowledge transfer partnerships. The total budget for FY 2017/18 was Ug shs 156,779,762,458 of which Ug shs 76,951,392,103 (49%) was released, and Ug shs 73,512,362,403 (96%) expended by half year. The VF has one recurrent programme and four development projects.

a) Programme 01: Headquarters

Planned outputs include i) enrolment and graduations under teaching and learning ii) research based on the national, the university research agenda, and enrolment for students on post-graduate programmes iii) knowledge transfer partnership that link academia community and government agencies.

Performance

The revised budget was Ug shs 146,620,421,772, of which Ug shs 74,590,502,060 (51%) was released and Ug shs 71,551,472,360 (96%) spent by the close of the FY 2017/18. The performance at half year FY2017/18 was good as 87.5% of the planned targets were achieved as indicated in table 6.35.

Table 6.35: Performance of Programme 01: Headquatres by 31st December, 2017

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training -Admission, teaching, operation, management of campuses done	100	58,825,507,864	42.64	35.30	A total of 31,841 (45% female) students were admitted for undergraduate and graduate programmes in 10 colleges and one branch campus. Academic programmes are running in the 10 colleges and one branch campus.
Research, Consultancy and Publications -Research, consultancy and knowledge generation promoted	100	24,508,000,000	41.69	14.38	383 university academic staff participated in research, 265 post doctorate. Makerere University is involved in 13 out of the 46 NORAD funded NORHED projects. The Program has 66 PhDs, 66 Masters and 8 Post doc fellows from the 9- south-to-south partner institutions.
Outreach -Engagement with civil society and short term courses conducted	100	14,707,000,000	40	8.28	A number of short courses in Computing and Information Sciences, Business and Management Sciences, Humanities and Social Sciences, and VetMedicine and Bio-Security and civil society engagements were undertaken.
Student Welfare -Food, accommodation, and transport to Students and, counselling services provided	100	7,633,024,000	40	4.50	2,089 resident and 4,038 non-resident students continued to be provided with food and accommodation.
Administration and Support Services -Staff salaries and utilities paid.	100	35,467,410,028	47	23.61	Salaries for 1,533 (29% female) academic staff including, library staff, technicians and research fellows. Non-teaching staff 1,779(49% female) paid. Utilities, Internet bandwidth, cleaning services staff salaries were paid

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Support to Infectious Diseases Institute --Financial support to enable Infectious Diseases Institute run its clinical services such as HIV counselling and testing, HIV/AIDS care and treatment and provision of other special clinics provided	100	1,626,000,000	46	1.10	-1,200 people counselled, tested and received their results -100% of HIV positive clients identified referred to care within the Infectious Disease Institute (IDI) or other partner care facilities -Up to 7,500HIV positive adults receiving a basic care kit
Arrears	100	3,853,479,880	100	2.63	100
Total		**146,620,421,772**		**87.5**	**Good performance**

Source: Field Findings

b) Support to Makerere University (Project 1272)

The project approved budget was Ug shs 159,000,685 of which Ug shs 36,949,557 (23%) was released, and Ug shs 8,778,316 (24%) expended. Performance for half year was fair at 64.5% as shown in the table 6.36.

Table 6.36: Performance of Project 1272: Support to Makerere University by 31st December 2017

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government Buildings and administrative infrastructure (Comprises construction, renovation and maintenance of non- residential buildings)	100	159,000,685	15.00	64.55	Rehabilitated walkways, drainage and roads within the campus. Perimeter wall is near completion.
Total		**159,000,685**		**64.5**	**Fair performance**

Source: Field findings

c) **Food Technology Incubations II (Project 1341)**

Background

The project started on 1st July, 2015 and its expected end date is 30th June, 2019. The project is aimed at enhancing the capacity of the Food Technology and Business Incubation Center (FTBIC) at Makerere University to play a catalytic role in the development of agro-processing in Uganda.

Performance

The project approved budget was Ug shs 4.5billion, of which Ug shs 1,045,737,664(23%) was released, and Ug shs 673,908,905 (64%) spent. Project performance was below average (44.1%) as few output targets were achieved due to limited release as shown 6.37.

Table 6.37: Performance of Food Technology Incubations II (Project 1341) by 31st December 2017

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training (5 community level value-added food processing projects initiated)	100	170,000,000	0.00	0.00	No works undertaken, insufficient funding.
Research, Consultancy and Publications (At least 20 SMEs provided with business support)	100	470,000,000	0.00	0.00	No works undertaken, insufficient funding.
Outreach (Research to develop at least 5 new food products and 10 appropriate agro processing equipment prototypes annually)	100	420,000,000	0.00	0.00	No works undertaken, insufficient funding.
Administration and Support Services (Management and Coordination of the Project Incubation centers.)	100	300,000,000	30.00	3.06	Maintained FTBIC facilities and equipment but due to insufficient funds released in this quarter, so this activity was only partially conducted.
Purchase of Office and ICT Equipment, including Software (Installation of Specialised	100	1,100,000,000	0.00	0.00	No works undertaken, insufficient funding.

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Machinery and equipment)					
Purchase of Specialised Machinery & Equipment (Assorted Laboratory and Office Equipment)	100	2,040,000,000	5.00	41.06	Initialized the procurement process.
Total		**4,500,000,000**		**44.1**	**Poor performance**

Source: Field findings

d) Technology Innovations II (Project 1342)

Background

The Project started on 1st July 2015 and has an expected end date of 30th June 2020. This project takes forward the initiatives implemented over the past four years. It highlights the potential of triggering an innovation process to propel Uganda into a real knowledge economy and the industrial world.

Performance

The project approved budget was Ug shs 4.5billion, of which Ug shs 1,045,737,664 (23%) was released and Ug shs 1,045,737,664 (100%) spent. Poor performance was noted majorly due to limited funding. The project performed at 3.1% as indicated in table 6.38.

Table 6.38: Performance of Technology Innovations II (Project: 1342) by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training (Innovation Systems and Clusters Programme Support for Industrial Training)	100	640,000,000	0.00	0.00	Not undertaken due to limited funding.
Research, Consultancy and Publications (Research, consultancy and knowledge generation promoted)	100	328,352,000	0.00	0.00	Not undertaken due to limited funding.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Outreach (Engagement with civil society and short term courses conducted)	100	643,890,000	0.00	0.00	Not undertaken due to limited funding.
Administration and Support Services (Staff salaries and utilities paid.)	100	214,855,200	12.00	3.13	Repaired and maintained solar Kiosks. Purchased 40 solar modules each of capacity 300 W worth UGX 29 million.
Purchase of Office and ICT Equipment, including Software	100	810,200,000	0.00	0.00	Not undertaken due to limited funding.
Purchase of Specialised Machinery & Equipment (Assorted Laboratory and Office Equipment)	100	1,300,000,000	0.00	0.00	Not undertaken due to limited funding.
Construction and rehabilitation of learning facilities (Universities) Comprises construction, renovation and maintenance of non-residential buildings)	100	562,702,800	0.00	0.00	Not undertaken due to limited funding.
Total		**4,500,000,000**		**3.1**	**Poor performance**

Source: Field Findings

e) Skills for Production, Employment and Development Project (SPEDA)

Background

The project started on 1st July 2015 and its expected end date is 30th June 2020. The broad objective of the project is to promote skills and innovations for Production, Employment and Development through integrated animal vale chains and industry (SPEDA) among school & post-secondary school leavers/graduates.

The specific objectives for this project are to: i) Vocationalise Animal Sector Education Systems (VASES) so as to broaden and increase technological awareness and the capacity of the learner to engage in productive activities for becoming self–reliant through animal resources; ii) train and nurture post-secondary school leavers into entrepreneurs, technicians and community change agents in the animal industry; iii) equip school leavers with skills in processing and value addition in the animal industry sector and iv) develop appropriate infrastructure in support of VASES.

The expected outputs of the project are: i) newly constructed and rehabilitated structures at the Nakyesasa Incubation Center and the college that would pass out an average of 500 skilled and certified entrepreneurs and producers annually; ii) fully equipped Incubation Centre for Production, Employment and Development in the Animal Industry in Uganda.

Performance

The approved project budget was Ug shs 1,000,340,001, of which Ug shs 232,465,158 (23%) was released and Ug shs 232,465,158 (100%) spent. Project performance was poor (37.0%). Low performance was attributed to low releases in the quarter. Table 6.39 shows the details.

Table 6.39: Performance of SPEDA II Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training (Pilot at least 1,000 youths trained and graduated in integrated animal sector enterprises and Agro Entrepreneurship from different districts)	100	260,000,000	5.00	4.88	Initial processes initiated, awaiting funds to execute the activity.
Administration and Support Services (Management and Coordination of the Project Incubation canters.)	100	150,000,000	26.00	7.33	Procured inputs, paid salaries.
Purchase of Specialised Machinery & Equipment (Laboratories & Workshops Refurbished Maitainaned vehicles)	100	142,000,000	8.00	4.89	Procurement done for the equipment required to repair the Massey Fergusson tractor

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Construction and rehabilitation of learning facilities (Universities) (Nakyesasa farm plus main college campus infrastructure & facilities)	100	448,340,001	5.00	19.92	Commenced with the construction of the feed mill and it is in progress. The Poultry Product Development Unit was not done due to insufficient funds released.
Total		**1,000,340,001**		**37.0**	**Poor physical performance**

Source: Field findings

Implementation Challenge

Inadequate allocations continue for most activities and in some cases no allocation is done. This inadequacy was recurring and resulted in accumulated arrears, inadequate physical infrastructure maintenance, staff unrest and limitations in academic provision and research.

Conclusion

The overall performance of Vote 136 Makerere University was poor (47.2%), with better performance on the recurrent programs than the development projects

Recommendation

- The MFPED should ensure that adequate funds are released to the institution.

6.3.9 Makerere University Business School (Vote 138)

The Vote mandate is to enable the future of their clients through creation and provision of knowledge. The approved budget for FY 2017/18 is Ug shs 28,860,456,745 of which Ug shs 13,830,032,980 (48%) was released, and Ug shs13, 688,471,239 (99%) spent by January 2018. The Vote has one VF - delivery of Tertiary Education.

Delivery of Tertiary Education Vote Function (0751)

The VF's objective is to provide high quality programmes in volume and high value of Business and Management Education programmes at diploma, undergraduate and postgraduate levels in the country. The VF has one recurrent programme (Administration) and Support to MUBS Infrastructural Development.

a) **Programme 01: Administration**

Background

The programme objectives are to: i) Offer relevant high quality academic programs responsive to market needs and graduate a higher number of students in a timely manner, ii) Undertake and supervise research for both staff and students so as to develop scholars, promote knowledge and promote scholarship, iii) ensure availability of high calibre staff that are highly motivated and dedicated and contribute to the School goals and NDPs; iv) Acquire and maintain internet connectivity and digitise academic and administrative activities; v) Provide ideal facilities conducive for students to learn and staff to work matching world class standards; vi) Avail and propagate knowledge and encourage learning through the outreach strategy, and vii) Continue with the gradual outsourcing of non-core activities.

Performance

The recurrent (revised) budget for this programme for FY 2017/18 was Ug shs 26,060,456,745, of which Ug shs 12,920,032,980 (50%) was released, and Ug shs 12,899,698,643 (100%) spent. The performance of the programme at half year was good (86.2%) as shown in table 6.40.

Table 6.40: Performance of Programme 01: Administration by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training Admission, registration, teaching and examination of students and training of staff done.	100	880,000	39.00	0.00	17,674 students were admitted and 272 staff were funded on study programmes under NORAD-NOHRED and the university.
Student Welfare Accommodation, allowances and food to students provided	100	1,450,839,000	38	4.98	Fed 1,239 resident and non-resident government sponsored students and paid living out allowances to 907 non-resident Government sponsored students.
Administration and Support Services Payment of staff remuneration, maintenance and facilitation of school's operational activities at faculties, department and regional campuses.	100	24,608,737,745	43	81.22	Remunerated 991 staff members to perform various functions for the school. Recruited and motivated 42 employees. Maintained school assets through repairs and ensured staff welfare.
Total		**26,060,456,745**		**86.2**	**Good performance**

Source: Field Findings

b) Support to MUBS Infrastructural Development Project

Background

The project started on 1st July 2015 with an expected completion date of 30th June 2020. The project objectives include; a) provide ideal facilities conducive for students to learn and staff to work matching world class standards and ensure continues improvement in cooperate governance b) increase demand of quality business and management education in the country, c) strengthen the business school as a business centre for learning; d) Provide adequate lecture space and a conducive environment for teachers and staff to do their work; e) increase the capacity in the existing lecture space structure by purchasing more and modern equipment to enhance ICT management

The expected outputs are; construction of lecture halls to expand lecture space; replacement of asbestos roofs; purchase of office and ICT equipment including software, purchase of specialised machinery and equipment; purchase of office and residential furniture and fittings. The new library complex is expected to be furnished with equipment and furniture in a phased manner.

Performance

The approved project budget was Ug shs 2,800,000,000 of which Ug shs 910,000,000 (33%) was released and Ug shs 788,772,596 (87%) spent by December 2017. Table 6.41 shows the details.

Table 6.41: Performance of Support to MUBS Infrastructural Development Project by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government Buildings and administrative infrastructure (Comprises building, maintenance, renovation and upgrading of infrastructure development at main and regional campuses.)	100	2,800,000,000	20	61.54	Commenced construction of the Bursars Office, boundary wall, access roads around MUBS main Campus' and refurbishment of ICT building at MUBS Annex.
Total		**2,800,000,000**		**61.5**	**Fair performance**

Source: Field Findings

The performance of the development project at half year was good at 61.5% with many of the planned output targets achieved.

Implementation Challenges

- Insufficient funds to pay staff as per the new public service rates and structure, as well as to cater for government students feeding and allowances.
- It is hard to cater for some salaries through NTR, this has placed a burden on capital development projects.

Conclusion

The overall performance of Vote 138 Makerere University Business School was good (73.9%), with better performance on the recurrent than development side.

6.3.10 Mbarara University of Science and Technology (Vote 137)

The Vote mission is to promote quality education for national integration and development through, among other things, improved teaching of science and technology and research at all levels.

Delivery of Tertiary Education (Vote Function 0751)

The Vote Function's services are provision of quality tertiary education for national integration and development through improved teaching and training of science and technology at all levels, research and innovations with a bias of community orientation. The approved budget for FY 2017/18 is Ug shs 36,933,331,348, of which Ug shs 15,267,992,848 (41%) was released and Ug shs 14,845,152,312 (97%) expended by half year. The VF has one recurrent programme; Headquarters and a development project.

a) Programme 01: Headquarters

Background

The programme's objectives are to; i) produce relevant human resource in applied sciences, technology and management Skills, ii) generate and disseminate knowledge and innovation and iii) provide services to the public in analyzing and solving development challenges. Expected outputs are: i) to promote quality education for 3,553 students, ii) 1 study trip for each of the following 3,553 students, iii) conduct 24 research studies and 1 research dissemination conference, iv) pay salaries for and retain 503 staff, conduct 8 weeks of community outreach, School practice and industrial training for 856 students and v) ensure welfare for 3,553 students.

Performance

The total budget for the programme was Ug shs 30,080,890,007, of which Ug shs 14,474,006,410 (48%) was released, and Ug shs 14,196,509,136 (98%) spent. Performance of the recurrent programme was very good as 93.0% of the annual output targets were achieved. Table 6.42 shows the details.

Table 6.42: Programme 01: Headquarters by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training -Comprises admission, training of students, procurement of teaching materials, facilitation of study trips and payment of faculty allowances.	100	19,051,481,443	44.00	58.70	1,179(37% females) new students were enrolled. 15 weeks of lectures & practicals and 2 weeks of exams were conducted. 1 study trip was conducted.
Research, Consultancy and Publications - Comprises of research studies and public lectures	100	70,248,700	41	0.24	Conducted four research studies and five publications done. Held 1 public lecture, four research workshops and one research dissemination conference.
Outreach - Comprises community placement for medical students, school practice, industrial training and participation in annual exhibitions	100	132,187,077	1.02	0.41	Industrial training for chemistry students in FoS at Makerere was conducted. Community Twining programme for 99 students in greater Mbarara district and school practice survey was conducted.
Student Welfare - Involves provision of food, accommodation, living out allowances, health care and recreation facilities for students	100	357,000,000	25	0.60	Living allowances for 635 GoU students paid. Sanitation services provided for students in halls of residence.
Administration and Support Services - Comprises staff salaries, contribution to staff medicine/health insurance, payment of utility bills and ICT software and maintenance.	100	9,822,430,652	50	32.72	Salaries were paid, routine maintenance of buildings, equipment and vehicles was carried out and multiple council meetings were held
Guild Services -Comprises facilitation for Guild office supplies, workshops, meetings, seminars and recreation.	100	60,000,000	75	0.20	Facilitation for guild office supplies, workshops, meetings, seminars and recreation was done and transfer(s) to ITFC Bwindi.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Contributions to Research and International Organisations	100	36,500,000	40	0.12	Paid membership fees to one International and five local organization and paid subscription fees to journals.
Total		**29,529,847,872**		**93.0**	**Very good performance**

Source: Field Findings

b) Development of Mbarara University (Project 0368)

Background

The project started on 1st July, 2015 and its projected end date is 30th June, 2020. The overall objective is to increase access to university education with particular emphasis on science and technology education and its application to rural development. Specifically, the project is aimed at: i) creating a spacious and well planned university campus for good teaching, research and learning environment, ii) establishment of a Faculty of Applied Sciences and Technology as a priority in the university mission, iii) creation of room for expansion of programmes offered to increase student intake in health, science, business and interdisciplinary studies at undergraduate and postgraduate levels for sustainability, iv) encouraging a public-private partnership in education provision and v) creating room for expansion of the School of Health Sciences at the Mbarara campus.

Expected outputs are: increased teaching infrastructure (lecture rooms, laboratories and libraries), office space and accommodation facilities to train relevant skilled human resources, ICT infrastructure developments in place and knowledge generation for natural development.

Performance

The approved revised project budget for FY 2017/18 was Ug shs 6,852,441,341, of which Ug shs 793,986,438 (12%) was received and Ug shs 648,643,176 (82%) expended by half year. Project performance was poor due to inadequate release of funds (12%). Table 6.43 shows the details.

Table 6.43: Performance of Project 0368: Development of Mbarara University by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Government Buildings and administrative infrastructure (Comprises construction, renovation and maintenance of non- residential buildings)	100	6,329,672,627	3.50	34.08	15% advance for construction works at Kihumuro paid to contractors and contractor is on site. Road works not yet started, due to financial constraints. Consultancy to design sports complex, not yet started due to financial constraints, contractor won't sign until all the money is received.
Purchase of Specialised Machinery & Equipment (Includes procurement of office and IT equipment)	100	50,000,000	0.00	0.00	No outputs achieved, limited finances.
Total		**6,329,672,627**		**34.08**	**Poor performance**

Source: Field Findings

c) Institutional support to Mbarara University- retooling (Project 1465)

Performance

The approved project budget for FY 2017/18 was Ug shs 472,768,714, of which Ug shs 118,986,438 (25%) was received and Ug shs 46,582,726 (39%) expended by half year. Project performance was poor at 25% due to inadequate release of funds. Table 6.44 shows the details.

Table 6.44: Performance of Project 1465- Institutional Support to Mbarara University-Retooling by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Purchase of Motor Vehicles and Other Transport Equipment (1 vehicle of Ug shs 100m)	100.00	100,000,000	0.00	0.00	Procurement process did start due to limited releases.
Purchase of Office and ICT Equipment, including	100.00	100,000,000	12.00	7.25	Network and maintenance equipment purchased.

Software (Replacing and repairing network equipment, cabling and accessories for the Computer Lab 3)					
Purchase of Specialised Machinery & Equipment (Assorted Laboratory and Office Equipment)	100.00	202,768,714	7.00	30.23	Laboratory and office equipment procured.
Purchase of Office and Residential Furniture and Fittings (Assorted Furniture and Fittings for Lecture Rooms, Offices and Laboratories)	100.00	70,000,000	5.00	3.74	Furniture purchased.
Total		**472,768,714**		**41.2**	**Poor physical performance**

Source: Field Findings

Challenges

- Delayed and inadequate release of funds. By quarter 2, the university had only received 25% of their development funds. There is even a possibility of legal action from some suppliers and contractors due to delays in payment.
- The transfer of the NTR to the Consolidated Fund caused delays in payment of suppliers.

Conclusion

The overall performance Vote 137: Mbarara University of Science and Technology was fair (56%), with better performance on the recurrent than development side.

6.4 Presidential Pledges

From FY 2008/09 to date, government has continued to avail funds each FY to accommodate Presidential Pledges under the Education Sector. The funds cater for a variety of activities that include but are not limited to; the construction of different structures such as classrooms, workshops, administration blocks, dormitory blocks, multipurpose halls, science laboratories, library blocks, and VIP latrines, the procurement of desks and the provision of transport to different education institutions as pledged by His Excellence, the President of the Republic of Uganda.

The approved budget for FY2017/18 was Ug shs 4,500,000,000 and MoES planned to cover 18 pledges. Out of the 18, nine institutions were monitored and details are provided in table 6.45. Performance of the presidential pledges was poor partly due to delays in receipt of the guidelines and Bills of Quantities (BoQs) by the beneficiary institutions from the MoES.

Table 6.45: Performance of Presidential Pledges by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Ntare Secondary School, Mbarara Construction of three science laboratories each with three rooms, as well as furnishing and a 500g gas cylinder.	100	2,256,850,208	20	35.20	Works were at roofing level. Funds were not received on time, causing delays.
Kyayi Seed School, Gomba Classroom construction	100	100,000,000	0	0.00	No works started. Delays from the ministry to release funds and guidelines.
Kihanga Primary School, Ntungamo Classroom construction	100	200,000,000	0	0.00	Works not started, awaiting BoQs from the ministry.
Kasheshe Primary School, Rukungiri Classroom construction	100	200,000,000	50	4.89	Works at roofing level.
Stella Mutima Primary school, Kiryandongo; Construct a library, computer laboratory and purchase computers	100	348,673,093	0	0.00	Works not started. Several delays from the ministry and issues with the procurement process.
St. Kizito Primary School, Kyankwanzi Reconstruction of the school.	100	200,000,000	0	0.00	Works had not yet started due to land wrangles between the district and the school
St Mary's Kisubi, Wakiso Finishing prior works on the construction of a study hall.	100	200,000,000	0	0.00	Works not started. UNEB was using the hall for marking.

Busitema University, Busia Procurement of a bus for the Students' Guild (51 seater)	100	300,000,000	10.00	2.25	Procurement was ongoing. It was however, noted that the funds would be insufficient to procure a 51 seater and they would instead purchase a 46 seater.
Bulamba Primary School, Luweero New building and rennovations.	100	200,000,000	0	0.00	Works had not yet taken off, because the school was awaiting guidelines from the ministry regarding useage of the the moneys.
Total		**4,005,523,301**		**37.3**	**Poor performance**

Source: Field Findings

The overall performance on the fulfilment of the presidential pledges was poor as at half year. While most institutions had received the funds, implementation had not started.

Challenge

- Delays in release of guidelines and other supporting documents by the Ministry of Education and Sports.

Recommendation

- Districts should transfer funds to the beneficiary schools for the presidential pledges in time. The MoES should also send all guidelines in time to avoid delays in implementation.

6.5. National Curriculum Development Centre (NCDC)

The Vote mission is to develop and provide curricula and instructional materials for quality education through continuous manpower development, research and stakeholder consultation.

The Vote has one VF; Curriculum and Instructional Materials Development, Orientation and Research. The VF has one recurrent programme; Headquarters and a development project; support to National Curriculum Infrastructure Development.

a) Programme 01: Headquarters

Background

The program's objective is to develop and provide curricula and instructional materials for quality education through continuous man power development, innovation, and research and stakeholder consultation. The expected outputs are; Syllabus revision and curriculum reform, Development of teaching schemes, textbooks, teachers' manual, examination syllabus, teaching aid and instructional materials, Conducting in service courses for acquisition of knowledge and skills by persons required to teach new syllabuses, and Carry out research on matters concerning curriculum.

Performance

The total budget was Ug shs 6,720,909,658, of which Ug shs 3,931,781,280 (59%) was released and Ug shs 3,564,608,648 (91%) spent by half year. Program performance was very good as shown in table 6.46.

Table 6.46: Performance of Programme 01: Headquatres by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Pre-Primary and Primary Curriculum 68 ToTs trained and 200 teachers orientated, 369 copies of P.5 curriculum materials brailled	100	510,533,300	62.00	5.74	Activity for training of 68 ToTs was scheduled but the hosting college was engaged in other activities. Rescheduled for January 2018. All other activities were undertaken.
Secondary Education Curriculum Proof read curriculum materials for 15 subjects for lower secondary, Review curriculum content for Lower Secondary	100	553,040,154	89	8.15	Edited and fine-tuned the syllabus documents of the proposed 20 subjects of the lower secondary curriculum, Re-packaged curriculum content of the proposed 20 subjects of the lower secondary curriculum.
Production of Instructional Materials Edit, illustrate, design, lay-out and proofread 12 curriculum materials, Edit curriculum materials for the two Business Diploma programmes	100	30,449,020	0	0.00	No outputs achieved.
BTVET Curriculum Comprehensive Orientation manual for Instructors of the 2 Business Diploma Programmes, Orient 80 Instructors on curriculum implementation	100	441,417,223	55	5.24	Developed an orientation manual for 2 business diploma programmes of Catering and Cosmetology, Oriented 81 instructors on the implementation of four technical/vocational curriculum materials and Printed 1920 copies for the 8 Certificate courses.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Research, Evaluation, Consultancy and Publications Dissemination report and regional dissemination workshops.	100	133,980,295	30	1.03	Disseminated the study report on the Effectiveness of the P.4 Curriculum some activities not executed due to procurement delays caused by inadequate funding.
Administration and Support Services Utility and operational bills	100	5,051,489,666	51	74.03	All utilities and operational expenses were paid for the period July –December 2017. All staff salaries for 87 members of staff were paid and statutory deductions remitted to URA and NSSF for the period July - December 2017
Total		**6,720,909,658**		**94.2**	**Physical performance**

Source: IFMS

The programme performance was very good. By half year, they had executed a number of their planned activities. This programme is on track to achieving all its output targets on time.

6.6. Transfers to Local Governments (Votes: 500-850)

These Votes take up the biggest proportion of the education sector budget. They comprise of wage, non-wage (Universal Primary Education, Universal Secondary Education and Inspection) and two development programs (Consolidated Development Grant and Secondary School Development/Transitional Development Grant).

The approved budget is Ug shs 1,434.53 bn, of which Ug shs 687.092 bn (53%) was released to the 168 LGs (121 districts, 46 municipalities and KCCA). Specifically wage releases performed at Ug shs 582, 753,863,736 (50%) of which 95% was spent. Non-wage releases performed at Ug shs 154,250,676,223 (66%) of which 100% was spent and development at 27,212,816,788 (58%) of which 45% was spent. Release performance to the district education grants therefore performed excellently.

Performance

Wage: The districts reported that all schools in their respective jurisdiction received wage and all teachers were paid for the first half of the year.

Non-wage: The districts reported that all schools received their UPE and USE funds for terms two and three. Head teachers were submitting their accountabilities to the accounting officers. The education departments in the various districts received the inspection grants (together with DEO's monitoring grant). All districts reported that they conducted their inspection functions for the terms two and three.

Development grant: All districts received the development grant for Q1 and Q2. Implementation of various projects was on going at various stages using the development grant. These included construction of classroom blocks, supply of furniture, construction of 5 stance and 2 stance lined pit latrines, payment of retention fees for the previous financial year and construction of teachers' houses.

Districts started implementation of their planned activities early and are likely to be completed and targets achieved. In some districts such as Lira, Adjumani, Mayuge, and Gomba works were completed, while in Jinja, Buyende and Kapchorwa they were at roofing level by December 2017. Civil works were on going in Ibanda, Rukungiri, Bushenyi, Lyantonde, Masindi, Rakai, Kyotera, Wakiso, Nakaseke, Gomba, Mpigi and were progressing well. However, in Arua, Kween, Mukono, Buliisa, Gulu and Luwero and a few other districts works had not started. This was mainly due to delays in the procurement process.

A 5 stance lined pit-latrine at underground slub in Kyankia Primary School, Kyotera District; Completed 5 stance pit latrine at Kifamba Primary School, Gomba District.

 

L-R: Completed classroom block at Kakubansiri Primary School in Gomba District; Classroom block at Wakayamba Primary School in Nakaseke District awaiting plastering

Challenges

- Inspection is not effectively conducted in many districts. This is evidenced by the inadequate numbers of school inspectors, inadequate supervision by head teachers, lack of/inadequate transport for the education departments particularly in newly created districts and in many cases inspectors simply replicating previous inspection reports. In many districts, inspection covered only the government-aided primary schools leaving out the private primary schools, secondary and tertiary institutions.
- Issues from inspection across the districts include, understaffing, inadequate teachers' accommodation, inadequate classrooms with many schools under trees in various districts (e.g Buyende, Busia, Kamuli etc), absenteeism of head teachers and teachers. A number of private primary schools are operating without fulfilling the minimum conditions and have no licenses, coupled with a high pupil classroom ratio particularly in districts with an influx of refugees.
- Some districts delayed to transfer capitation to schools, while other districts reported changes in enrolment figures since the last headcount rendering capitation given insufficient.
- Some districts had sub-counties without government-aided primary and secondary schools.
- Districts are performing poorly on most of the outcome indicators particularly on pupil classroom ratio, pupil teacher ratio, pupil desk ratio and pupil latrine stance ratios.
- UPE capitation grants are not properly accounted for by many head teachers. This was attributed to the fact that primary schools do not have school bursars and head teachers who are the de facto vote controllers do not have any training in financial management.
- Teachers in districts such as Kween, Bukwo and Kapchorwa do not receive a hard-to-reach allowance yet they walk long distances on a hilly terrain to and from their schools

Recommendations

- The MoES should ensure that all head teachers get training in basic book keeping and financial management.
- The sub accountant at sub-counties should support the head teachers in updating the books of accounts in their respective schools.
- The MoES should revise the criteria for provision of hard-to-reach allowances to take care of teachers in hard-to-reach and hard-to-stay districts such as Kween, Bukwo and Kapchorwa among others.
- The MoEs should raise staff ceilings in order to maintain appropriate student to teacher ratios.
- The MoES should conduct an audit of the current school infrastructure and come up with a comprehensive plan to provide desks, staff houses, pit latrines, classrooms in primary schools to ensure effective learning.

6.7 Sector Implementation Challenges

i. Non-receipt/low release and late receipt of funds impacted on the implementation of activities in a number of projects in the sector. For instance the development projects in the universities received between 16%-24% of their annual budgets by half year with an exception of Soroti University. There were delays in transfer of capitation to schools by some districts. Some districts reported changes in enrolment figures since the last headcount rendering capitation given insufficient.

ii. Outstanding arrears leading to court litigation. The APL 1 World Bank project that closed in FY 2013/14 left total outstanding arrears for all the 121 secondary schools estimated at Ug shs 15.6 billion and a number of contractors were threatening to take Government to Court.

iii. Staffing shortages across all the public universities especially in the science related courses. Related to this is the high labor turnover as a number of lecturers had left some public universities due to lack of promotions. For instance, Lira University is operating at staffing level of 25% particularly in the core areas which affect effective implementation of outputs.

6.8 Overall performance of the education sector

The overall semi-annual performance of the education sector was fair at 58.8% as shown in table 6.47. Performance was lower across the development projects compared to the recurrent projects. The former were largely constrained by non-receipt/low releases and procurement delays.

Table 6.47: Overall Performance of the Education and Sports Sector by 31st December 2017

Vote	Physical Performance (%)
1. Ministry of Education and Sports, MoEs (Vote 013)	57.65
2. Makerere University (Vote 136)	47.2
3. Makerere University Business School (Vote 138)	73.9
4. Mbarara University (Vote 137)	56
5. Kyambogo University (Vote 139)	82.9
6. Gulu University (Vote 139)	62.15
7. Busitema University (Vote 111)	24.6
8. Muni University (Vote 127)	54.2
9. Lira University (Vote 301)	47.5
10. National Curriculum Development Centre (Vote 303)	94.2
11. Soroti University (Vote 308)	47.9
12. Kabale University (Vote 307)	50.9
13. Transfers to Local Governments	60
Average Sector Score	**58.6**

CHAPTER 7: ENERGY

7.1 Introduction

Sector outcomes and priorities

The energy and minerals sector contributes to the second objective of the National Development Plan II (NDP II); to increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.[26] The contribution of the sector to the NDP II objective is done through the pursuance of the sector outcomes. These are[27];

a) Increased access to affordable and efficient sources of energy
b) Sustainable management of minerals resources for development
c) Sustainable management of the country's oil and gas resources

Sector priorities

In the medium term 2015/16 -2019/20, the sector continues to focus on the key priority areas; these are[28]:

- Increase electricity generation capacity and expansion of the transmission and distribution networks;
- Increase access to modern energy services through rural electrification and renewable energy development;
- Promote and monitor petroleum exploration and development in order to achieve local production;
- Develop petroleum refining, pipeline transportation, and bulk storage infrastructure.
- Streamline petroleum supply and distribution;
- Promote and regulate mineral exploration, development, production and value addition; Inspect and regulate exploration and mining operations
- Promotion of efficient utilization of energy; and
- Monitoring geotectonic disturbances and radioactive emissions

Overall Sector Financial Performance

The approved sector budget was UGX 2,319 Billion (bn). The sector received a supplementary of UGX 125.202bn (UGX 106.875 bn for thermal power subsidy, UGX 15 bn for project 1355 and UGX 3.337 bn for Isimba HPP). The sector release performance was very poor at 32% of the total sector budget. This is attributed to the low disbursement on the externally financed projects which was only 27.4% of the budget. The Government of Uganda (GoU) development budget performance was good with a release of 48.1% at half year, and 91.8% of the half year

[26]National Planning Authority Second National Development Plan (NDPII) 2015/16 – 2019/20 :101
[27] MFPED, National Budget Framework Paper FY2017/18 (Kampala 2017)

GoU release was absorbed by the sector. A summary of financial performance is presented in table 7.1.

Table 7.1: Energy and Minerals Sector Financial Performance by 31st December, 2017

Vote	Approved budget (Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	% Budget released	% Budget spent
MEMD-017	1870.18	657.17	625.40	35.10	33.40
REA-123	449.62	132.16	114.34	29.40	25.40
Total	**2319.80**	**789.32**	**739.73**	**34.03**	**31.89**

Source: IFMS, MEMD and REA, Q2 Performance Reports

Scope

The chapter presents the semi-annual financial and physical performance of selected energy and minerals projects in FY 2017/18 selected basing on:

- Large budget allocations
- Projects previously monitored but having major implementation issues
- Regional geographical representativeness
- Projects with objectively verifiable outputs on ground

The monitoring focused on 12 projects implemented by the Ministry of Energy and Mineral Development (MEMD) and 1 project implemented by the Rural Electrification Agency (REA). New projects where procurement of contractors and consultants is ongoing were not monitored. Table 7.2 shows the monitored projects and the respective locations visited.

Table 7.2: Energy Sector Projects Monitored for Q2 FY 2017/18

Project code and Name	Location/ Areas visited
Vote 017: Ministry of Energy and Mineral Development	
Vote Function (VF) 0301: Energy Planning, Management and Infrastructure Development	
Electricity Sector Development (Project 1212)	Wakiso, Mpigi, Masaka, Mbarara
Karuma Interconnection Project (Project 1025)	Luwero, Nakasongola, Kiryandongo, Lira, Nwoya
Electrification of Industrial Parks	Iganga, Mukono, Namanve, Luzira
Mbarara- Nkenda/Tororo-Lira (Project: 1137)	Mbarara, Kasese, Tororo, Lira
Mputa Interconnection- Hoima-Nkenda (Project. 1026)	Kasese, Kabarole, Kibaale, Kyenjojo, Hoima
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP):Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)	Jinja, Tororo, Mbarara, Ntungamo

Project code and Name	Location/ Areas visited
Vote Function 0302: Large Hydropower Infrastructure	
Isimba Hydropower Plant (Project 1143)	Kayunga
Karuma Hydropower Plant (Project 1183)	Kiryandongo, Nwoya
Nyagak III Hydro power Plant (Project 1351)	Zombo
Vote Function 0303: Petroleum Exploration, Development Production (PEDP)	
Strengthening the Development and Production Phases of Oil and Gas sector (Project 1355)	Entebbe
Vote Function 0305: Mineral Exploration, Development and Production	
Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	Entebbe
Mineral Wealth and Mining Infrastructure Development (Project 1353)	Entebbe, Moroto
Vote 123: Rural Electrification Agency	
Vote function 0351: Rural Electrification	
Rural Electrification (Project:1262)	Ntungamo, Rukungiri, Mbarara, Isingiro, Kabale, Hoima, Zombo, Sembabule, Lwengo, Kayunga, Masaka, Wakiso, Mukono, Buikwe, Iganga, Jinja, Buyende, Masindi, Kiryandongo, Hoima, Kyenjojo, Kibaale, Kabarole, Kasese.

Source: Authors' Compilation

Vote 017: Ministry of Energy and Mineral Development

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"

The MEMD comprises of six Vote Functions of which five were monitored. The VFs form programmes in the MEMD and are; Energy Planning, Management and Infrastructure Development, Large Power Infrastructure, Mineral Exploration Development and Production, Petroleum Exploration, Development and Production, Petroleum Supply, Infrastructure and Regulation, and Policy Planning and Support Services.

Vote 017: MEMD Financial Performance

Overall release performance at half year was poor at 33.6 % of the vote budget. This can partly be attributed to low disbursement on the externally funded projects. The disbursement of GoU component performed well with 60.6 % of the development budget released with a utilization of 94.2% by half year (table 7.3).

Table 7.3: MEMD Financial Performance by 31st Decemvber, 2017

MEMD						
Component		**Approved budget(Ug shs billion)**	**Release (Ug shs billion)**	**Expenditure (Ug shs billion)**	**% Budget released**	**% Budget spent**
Recurrent budget	Wage	4.232	2.116	1.657	50.0	39.2
	Non wage	12.579	78.152	77.755	621.3	618.1
Development budget	GoU	292.837	158.37	145.586	54.1	49.7
	Ext. Fin	1560.533	418.53	400.398	26.8	25.7
GoU Total		309.648	238.638	224.998	77.1	72.7
Total GoU+ Ext Fin(MTEF)		1870.181	657.168	625.396	35.1	33.4
Arrears		0.075	0.075	0	100.0	0.0
Total Budget		1870.256	657.243	625.396	35.1	33.4
A.I.A Total		8.000	8.000	8.000	100.0	100.0
Grand Total		1878.256	665.243	633.396	35.4	33.7
Total Vote Budget Excluding Arrears		1878.181	665.168	633.396	35.4	33.7

Source: MEMD Performance Report Q2 FY2017/18

7.2 Ministry of Energy and Mineral Development-Vote 017

Vote function 03 01: Energy Planning, Management and Infrastructure Development Programme

The programme is responsible for promoting; increased investment in power generation, renewable energy development, rural electrification, improved energy access, energy efficient technologies, and private sector participation in the energy sector. The programme took up 26.6% of the energy sector budget for FY2017/18. The programme contributes to the first sector outcome of *‘‘increased access to affordable and efficient sources of energy’’*.

7.2.1 Transmission Line projects

Background

There are various power transmission line projects with their associated sub-stations under implementation in various parts of the country in line with the country’s plans to increase electricity generation, transmission capacity and energy access. The GoU and Development Partners (World Bank, AfDB, AFD, JICA, KfW, China EXIM Bank) are jointly funding projects in this sector.

Performance of the transmission line projects

The overall performance of the transmission lines was fair at 60.6% of the annual target. The highlights of this performance are the completion of the substations in Masaka, Nkenda, Hoima and the commissioning of the Fort-Portal substation. The performance of the transmission sector was negatively affected by the poor performance of the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) project, Lira-Tororo/Nkenda-Mbarara. There was improvement in the performance of works on the Electrification of Industrial Parks and Karuma Interconnection Project. Summary of performance for the selected transmission lines is presented in table 7.4.

Table 7.4: Performance for the Selected Transmission Lines by 31st December, 2017

Key projects outputs	Cum. Achieved Quantity	Remarks
Electricity Sector Development Project	80.60	Mbarara, Kawanda 220kV and Masaka 220kV substations were completed. Only minor civil works are being undertaken in Masaka. The works on the transmission line are being finalized and are at 87% completion. The erection of 3 towers is pending due to Right of Way (RoW) issues.
Mputa Interconnection (Hoima-Nkenda Transmission Line)	88.10	The electrical works in Hoima and Nkenda sub-stations are complete. Minor civil works and access road works are being undertaken. The sub-stations will be commissioned by Q3 of FY2017/18. The works on the transmission line are advanced and the Nkenda-Fort Portal section of the line was completed and energized. Works on the Hoima-Fort Portal section are being finalized and only 35km of stringing was not undertaken.
NELSAP (Uganda-Kenya; and Uganda-Rwanda Transmission Line with associated substations	34.70	Work on the substations in Tororo, Mirama, Bujagali, and Mbarara had not progressed for 8 months since the contract was terminated in May 2017 by UETCL due to non-performance of the contractor. Some progress was registered on the Mirama-Mbarara transmission line and the 5 remaining tower areas being completed. There was no progress on the works for Tororo-Bujagali transmission line because the funding for this lot was obtained from the project financier and works had restarted.
Karuma Interconnection Project	55.5	Tower erection works had commenced on the Kawanda-Karuma portion of the line but were hindered by ROW. Works on the Karuma-Olwiyo leg were delayed by Uganda Wildlife Authority (UWA) because it traverses the national park. Work on all the substations under the project is moving slowly.
Electrification of Industrial Parks	66.80	Good progress was registered at Iganga, Mukono and Namanve substations with all the works at 60% completion. Works at Luzira substation had not yet begun due to challenges with the land for the substation. Construction works on the T-offs to connect the substations to the transmission grid had not commenced.
Tororo-Lira/ Mbarara-Nkenda Transmission Line and Associated substations	37.70	Extension works in the substations of Lira, Tororo, Nkenda and Opuyo were completed. Work on the Tororo-Lira transmission line was suspended inJanuary 2017 and no significant progress was made since then. Work on the Nkenda-Mbarara section has progressed very slowly with only 9 towers completed within the FY to bring the total number of towers completed to 291 out of 317.
Overall average Performance	**60.6**	**This is fair physical performance**

Source: Field Findings

Detailed performance of the monitored transmission projects

I. Electricity Sector Development Project-ESDP (Project 1212)

Background

The project is financed by a loan from the World Bank through the International Development Association (IDA) and its development objective is to improve the reliability of, and increase access to electricity supply in the southwest region of Uganda. It is implemented by the MEMD and Uganda Electricity Transmission Company Limited (UETCL). The main component of this project is the construction of the 220kV Kawanda-Masaka Transmission line.

Project performance

Construction works

Overall, physical performance was good at 80.6%. The components under implementation by UETCL had progressed very well in the first half of FY207/18 and most of the works in the substations were complete and commissioning was being undertaken. The ROW issues that the transmission line was experiencing were being resolved by the Resstlement Action Plan (RAP) team. A summary of performance is presented in table 7.5.

Table 7.5: Progress of the Electricity Sector Development Project by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Engineering, Procurement and Construction (EPC) works under UETCL: 1. Construction of Kawanda-Masaka 220kV Transmission line. 2. Kawanda Substation Works 3. Masaka and Mbarara Substation Works.	100.00	47.83	80.00	72.88	Kawanda-Masaka Transmission Line • Foundation works 99% (350/352); • Tower Erection 98% (345/352); • Stringing 74% (101km/137km). Areas of Lwera, Kawanda and Buloba have pending stringing works. Overall progress of transmission line works is at 95% and completion expected in mid-March 2018. 2. Kawanda substation works All works were completed. Testing and commissioning of the substation was completed. 3.Masakasubstation • Equipment erection 100% • Control building 98% • General civil works 99% • Pre-commissioning testing completed in Nov 2017. Final works on the roads and general remedial works are being completed. Overall progress at 98%. 4.Mbarara substation All civil and electrical works completed and pending commissioning.
Resettlement Action plan for the Kawanda-Masaka transmission line	100.00	4.67	87.00	7.74	The RAP process is on-going and so far 2291 project affected persons (87%) out of 2644 have been paid. 3 tower locations in Lwera are still being affected by ROW challenges. Failure to conclude the RAP has led to delay in the completion of the transmission line works which is now projected to 28th Feb 2018.
		52.50			
Total				**80.6**	**This is good physical performance**

Source: UETCL, MEMD; and Field Findings

Resettlement Action Plan

Of the 45 Project Affected Persons (PAPs) who are to receive new houses, 34 houses were completed and handed over to the owners and construction of 8 houses was in advanced stages. The progress of the cash compensations to the PAPs on the Kawanda –Masaka line is in table 7.6.

Table 7.6: Status of Cash Compensations for the Project Affected Persons

No	ITEM	Quarter 3 (July-Sept)		Quarter 4(Oct-Dec)	
		Coverage	Percentage	Coverage	Percentage
1.	Total Transactions	2,644	100	2,644	100
2.	Disclosures	2,444	92	2,465	93
3.	Agreements	2,414	91	2,438	92
4.	Disputes	30	1	27	1
5.	Payments	2,254	85	2,291	87
6.	Outstanding disclosures	200	8	179	7

Source: UETCL; Field Findings

Project challenge

- All the substation works were complete but there cannot be full commissioning without the completed transmission line which was still delayed by the compensation process. The contractor had not undertaken the line stringing works in areas of Lwera, Kawanda and Buloba due to unresolved ROW. There are 3 tower spots in Lwera whose construction had not yet began

L-R: Completed plant house; Partially completed switchyard in zone 3 at Masaka substation

Engineers inspecting a newly completed section on the Kawanda-Masaka Transmission line

II. Karuma Interconnection Project (Project 1025)

Background

The project is funded by a loan from Export and Import (EXIM) Bank of China towards the implementation of Karuma Hydropower Plant and Interconnection Project. The objective of the project is to evacuate power produced from Karuma Hydropower Plant in Northern Uganda to load centres, which include Lira and Olwiyo in Northern Uganda and Kawanda in Central Uganda.

Project performance

The project performance was poor at 55.5%. The project progress is slow but there was some improvement registered in the works especially on the Kawanda-Karuma portion of the transmission line. However, there was still more effort needed to ensure that this project which was already over delayed was completed as soon as possible since the evacuation of electricity from Karuma HPP would not be possible without its completion. The initial project completion date was May 2018 and this will not be met. The summary status is presented in table 7.7.

Table 7.7: Performance of the Karuma Interconnection Project as at 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Physical performance Score (%)	Remark
Construction of Karuma transmission lines and associated substations: 1.Construction of 248km double circuit 400kV Karuma-Kawanda transmission line 2.Construction of 78km double circuit 132kV Karuma-Lira transmission line 3.Construction of 55 km double circuit 400kV Karuma-Olwiyo transmission line (initially operated at 132kV) 4.Construction of substations at Karuma, Olwiyo and Kawanda 400kV substations	100.00	0	53.13	**Karuma-Lira transmission line (75km):** 4 tower foundations out of 246 were completed. There was late procurement by the contractor for key line equipment such as the towers. **Karuma-Kawanda transmission line (250km):** 215 out of 638 towers were erected and only 384 tower spots were available for working. Materials were fully delivered for working on this portion of the project. **Karuma-Olwiyo Leg:** UETCL obtained temporary permit to work within the 132kV corridor as completion of the EIA for the 400Kv Corridor is completed. Line survey and detailed survey were completed. **Karuma, Kawanda and Olwiyo substations: E**arthworks were completed at Karuma but there was delayed approval of designs for the substation equipment submitted by Sino Hydro. Earthworks at Kawanda were at 90% completion and works were stopped by NEMA due to permits violation. The works at Olwiyo had not begun due to delay in acquisition of land.
RAP implementation of Karuma-Kawanda, Karuma-Olwiyo and Karuma-Lira transmission lines	100	9.63	2.38	1. Land acquisition for Olwiyo substation was not completed due to low valuation rates were rejected by the PAPs. 2. Delayed compensation on the transmission lines was affecting progress of works on the tower foundations.
Total		**9.63**	**55.5**	**This is fair physical performance**

Source: Field findings

Resettlement Action Plan (RAP)

The RAP progress was on-going but was negatively affected by lack of funds. The project will need UGX 32bn to complete the remaining compensation. A total of 50 resettlement houses will be constructed and so far 40 sites were acquired for this activity. The construction of 10 houses was ongoing. The status of RAP implementation is summarised in table 7.8.

Table 7.8: Status of RAP for Karuma Interconnection as at 31st December, 2017

ITEM	Karuma-Lira-Olwiyo Segment		Karuma-Kawanda Segment	
	Coverage	Percentage	Coverage	Percentage
Total Transactions	1,130	100	3,005	100
Disclosures	909	80	2,497	83
Agreements	843	75	2,225	74
Disputes	66	6	272	9
Payments	792	70	1,956	65
Outstanding disclosures	221	20	508	17

Source: UETCL, Field findings

Project challenges

- The project was delayed by failure of the Engineering, Procurement and Construction (EPC) contractor to finalize designs for the substation equipment. This in turn led to a hold up in the approval of foundation designs needed for the substation works. These works were behind schedule.
- UETCL did not have sufficient funds for the implementation of the RAP process and this stalled works. In total, UGX 32bn was needed for undertaking the remaining RAP activities. The EPC contractor was violating the terms of the National Environment Management Auhority (NEMA) permit and this led to stoppage of works at Kawanda substation.

L-R: On-going tower erection on the Karuma Interconnection Project; One of the resettlement houses under construction on Karuma Interconnection Project

III. Mbarara- Nkenda/Tororo-Lira Transmission line (Project 1137)

Background

The African Development Bank and GoU jointly fund the project and its objective is to strengthen the national transmission grid in Western and Eastern Uganda.

Project Performance

Overall performance was very poor at 37.7% of the target. Fort-Portal substation was commissioned. Redesigning of the towers in the direction of the runway at Soroti Airfield at a maximum allowable height of 24m was completed as required by Civil Aviation Authority (CAA). Construction work on the Lira-Tororo transmission line had not progressed much from the time the contractor, Kalpataru Ltd suspended work in January 2017. Performance of the project is summarized in table 7.9.

Table 7.9: Performance of Mbarara-Nkenda/Tororo-Lira Transmission Line by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Physical performance Score (%)	Remarks
EPC works: 1. Extension of Tororo and Lira 132kV substations. 2. Construction of Fort Portal substation 3.Construction of Tororo-Lira transmission line 4.Construction of Mbarara Nkenda transmission line	70	2.42	6.84	**Mbarara-Nkenda 132kV line**: • Total tower foundation completed: 291 out of 317 towers (91.8%) • Total tower erection completed: 282 out of 317 towers (88.9%) • Monopole foundation completed: 136 out of 136 locations (100%) • Monopoles erected: 136 out of 136 locations (100%) • Stringing of Conductor and Earth wire: 86.64km • Optical Ground wire (OPGW) strung: 78.27 km **Tororo-Lira 132kV line** Work on the Tororo-Lira transmission line had just resumed after the contractor suspended work in February 2017 . • Total tower foundations completed: 578 out of 715 (80.8%) • Total tower erection completed: 529 out of 715 (74%) • Stringing of Conductor and Earth wire: 72.47km • Optical Ground Wire (OPGW) strung: 61.13 km
Monitoring, supervision and	100	8.20	30.88	The land acquisition process is not progressing well and the payments for the Mbarara-Nkenda line has only

acquisition of land for the transmission lines				advanced by 7% and the Tororo-Lira payments by only 1%.
Total			**37.7**	**This is poor physical performance**

Source: Field findings

Resettlement Action plan

All the 50 resettlement houses for PAPs on the Tororo-Lira T-Line were completed and handed over to their beneficiaries. A total of 47 resettlement houses on the Mbarara-Nkenda T-line were completed and handed over, while the construction of 3 houses is ongoing. The summary of the cash payments to the PAPs is given in table 7.10.

Table 7.10: Performance of Cash Compensations by 31st December, 2017

	Tororo-Lira		Mbarara-Nkenda	
Item	**Total Number**	**Percentage**	**Total Number**	**Percentage**
Total Number of Project Affected Households	4,697	100	1,784	100
Number Disclosed to	4,486	96	1,717	96
Agreements	4286	91	1,666	93
Number of households paid	4,129	88	1,614	90
Compensation Disputes	174	4	53	3

Source: UETCL; Field Findings

Project Challenges

- The slow RAP implementation process was a big challenge to the successful implementation of the project. UETCL continues to engage all relevant GoU departments to expedite the approval process for the revised cases.
- The project had unsettled claims from the contractor totaling up to USD 11 million due to interest on delayed invoices, idling charges due to ROW, and demurrage. Other extra incurred include mobilization and demobilization charges, prolonged time extension.

IV. Mputa Interconnection-Hoima-Nkenda Transmission Line (Project 1026)

Background

The project is jointly financed by Government of Norway (transmission line works and 70% of the supervision consultancy costs), the French Agency for Development (substation works and 30% of the supervision consultancy costs), and the GoU (counterpart funding) for resettlement of PAPs.

The main project objective is to extend the electricity transmission grid to Western Uganda and also evacuate electricity from the proposed Kabaale thermal power plant, and mini-hydros in the project area.

Project Performance

Project performance was good at 88.1%. Most of the electrical and civil works at the substations in Hoima and Nkenda were completed and commissioning tests were on-going. The Nkenda-Fort Portal section of the transmission line was completed and energized. The contractor was undertaking final works on the Hoima-Fort Portal section of the transmission line. The project completion date was initially extended to June 2017 and again further extended to 23rd September 2017 but works will be finalized in 2018. Detailed performance is presented in table 7.11.

Table 7.11: Performance of the Mputa Interconnection Project as at 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
EPC works: 1.Construction of Hoima and Nkenda substation 2.Construction of Hoima-Nkenda transmission line	100	0.00	80.00	73.27	**Hoima substation**: All electrical equipment were installed and electrical work was 95% complete. Civil works were at 90% pending completion of the roads and gravelling of the switchyard. Over all progress was at 95%. **Nkenda substation:** Electromechanical works were completed and all electrical equipment was installed. Road works were being finalized. Overall progress was at 95%. **Hoima-Fort Portal-Nkenda Transmission Line:** The Fort Portal to Nkenda section was completed and commissioning was being undertaken. The Hoima-Fort Portal section was almost complete and left with 35 towers, and 35km of stringing were not done with 180 km of the transmission line completed.
Monitoring, supervision and acquisition of land for the transmission lines	100	1.20	80.00	14.87	Compensation is at 92% payments.
Total		**1.20**		**88.1**	**This is good physical performance**

Source: UETCL, and Field findings

Resettlement Action Plan

Although the project had suffered challenges due to compensation, UETCL RAP team was resolving the ROW issues. The progress of cash payments is summarized in table 7.12.

Table 7.12: Performance of RAP Implementation as at 31st December, 2017

Activity	Summary of Progress of Execution	Other Information on Project Implementation
Construction of Resettlement houses	Completed	
Compensation of PAPs	Total: 2,067 (100%) Disclosures: 2020 (98.01%) Agreements: 1,976 (95.88%) Paid: 1,851 (89.81%) Disputes: 44 (2.13%)	All remnant cases scheduled to be handled in July (125 payments queued for disbursement; 85 cases for joint review)

Source: UETCL and Field Findings

Project Challenges

- The project faced a funding short fall of US$7.6 million due to currency fluctuation loss, and Government needs to bridge this funding gap since the works are in final stages. There was a proposal to reallocate some of the extra funds from the RAP budget and the savings on the AFD loan. The proposal was still under discussion between MFPED, UETCL and AFD.
- Inability to carry out stringing works due to lack of a continuous line section attributed to ROW issues mainly in Hoima District. This delayed stringing works and UETCL risks incurring idle charges.


L-R: On-going final works at Hoima substation; Installed control panels in the Nkenda substation plant house

Completed section of Monopole towers on the Hoima-Nkenda Transmission Line in Hoima District

V. Nile Equatorial Lakes Subsidiary Action Program-(NELSAP): Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)

Background

The African Development Bank (AfDB) and Japan International Cooperation Agency (JICA) jointly finance the Nile Equatorial Lakes Subsidiary Action Plan Programme (NELSAP) project. The objective of the project is to improve access to electricity in Nile Basin Initiative (NBI) countries through increased cross border sharing of energy and power. The project comprises:

- Construction of 220kV double circuit transmission line from Bujagali via Tororo substation to the Uganda/Kenya border, over a distance of 131.25km.
- Construction of 220kV double circuit transmission line from Mbarara North substation in Uganda to the Rwanda border over a distance of 65.55km.
- Extension of a substation at Tororo
- New 220/132/33kV substations at Mbarara and Mirama.

Project progress

Overall performance was poor at 33.7% and there was minimal work on-going, mainly on the Mbarara-Mirama section of the transmission line. The contractor for the substations was terminated on 26th May 2017 because the firm had filed for bankruptcy. However, no official hand over of the site was undertaken by the contractor, ISOLUX CORSAN and the termination process was not formally completed, creating a complication with the funders on how to proceed with the project. A detailed performance is presented in table 7.13.

Table 7.13: Performance of NELSAP as at 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
EPC works on the Bujagali-Tororo T-Line, Mbarara-Mirama T-line and Associated substations: 1. Lot A: Construction of Tororo-Bujagali transmission line 2: Lot B: Construction of Mbarara- Mirama transmission line 3: Lot C: Construction of New Mbarara substation, Tororo substation and Mirama susbsation. Exrtension works at Bujagali substation.	100.00	0.00	30.00	22.88	**Mbarara-Mirama T-line**: 56.4km out of 65.4 km were strung and of the 5 remaining tower locations, 3 tower locations were being erected and 2 foundations in the wetland were also almost complete. **Bujagali-Tororo T-line** • Foundation works 85.6% (344 of estimated 402 .no) • Tower Erection 78% (315 of estimated 402no) • Stinging 22.7% (29.7 out of 131.25km) • Supply of line materials (conductor, OPGW, insulators, hardware fittings, etc.) 100%. The work had not progressed for 6 months since the funding for this Lot was exhausted and negotiations for supplementary funding were just concluded. **Mirama, Bujagali, Tororo, Mbarara substations**: Overall progress of work had remained at standstill with Mbarara substation at 95%, Tororo substation at 89.5%, Mirama substation at 75% and Bujagali substation at 72.5% after the contract for Isolux, the Lot C contractor was terminated on 26th May 2017 due to bankruptcy. Status of the work in the substations had not changed since the termination. UETCL was negotiating with funders on how the remaining works could be completed.
Resettlement Action Plan(RAP)	100.00	7.00	50.00	11.87	The implementation of RAP was very slow due to ongoing court cases. So far 95% and 93% compensation was undertaken on the Tororo-Lira and Mbarara-Mirama transmission lines respectively.
Total		**7.0**		**34.7**	**This is poor physical performance**

Source: UETCL; Field findings

Resettlement Action Plan: Due to various court injunctions by PAPs in the line corridor, the RAP process had not progressed in the last 6 months. The current status of the RAP process is summarized in table 7.14.

Table 7.14: Compensation of Mbarara-Mirama-Birembo/Tororo-Bujagali-Lessos Transmission Lines as at 31st December, 2017

	Mbarara-Mirama-Birembo		Tororo- Bujagali-Lessos	
	Total Number	Percentage	Total Number	Percentage
Total Number of Project	1,460	100	3,153	100
Number Disclosed to	1,445	99	3,089	98
Contracts signed	1,400	96	3,044	97
Number of households paid	1,393	95	2,969	94
Compensation Disputes	45	3	45	1

Source: UETCL and Field Findings

Challenges

- Works on both transmission lines (Lot and B) delayed by 28 months and the project was constrained by ROW issues and court injunctions that negatively affecting the RAP implementation process.
- The contract for the contractor for Lot C (ISOLUX) was terminated on 26th May 2017 due to poor performance and the termination process was not formally completed. This is affecting negotiations with funders on how to move the project forward. The project face further delay leading to cost overruns.
- Lot B funding was fully exhausted, and negotiations with AfDB for a supplementary loan were completed in November 2017 to cater for the USD 9.54 million. However, the JICA loan expired in December 2017 and this created a new funding shortfall of USD 5 million which the GoU has to cater for.
- Supply of equipment for transmission line towers and works was delayed due to financial constraints being faced by the contractor.

L-R: Stringing works; Civil works on the last tower foundation works on the Mbarara- Mirama Transmission line

The GOU established Industrial Parks in an effort to support industrial development in the country. The industrial parks that were identified will need reliable power supply and thus the identified projects to electrify these parks. The project is being funded by a loan from the EXIM Bank of China totaling up to US$99,975,885.34.

The objective of the project is provision of adequate transmission capacity to cater for the projected demand from within the Industrial areas. The project comprises

- Construction of Luzira Industrial Park 132/33kV Substation and transmission Line Project (15km)
- Construction of Mukono Industrial Park 132/33kV Substation and Transmission Line Project (5km)
- Construction of Iganga Industrial Park 132/33kV Substation and Transmission Line Projects (10km)
- Construction of Namanve Industrial Park 132/33kV Substation and Transmission Line Project (5km)

Project progress

The project performance was fair at 66.8% and currently civil and electromechanical works are on-going at Iganga, Namanve and Mukono substations. There has been an improvement in the progress of the substation works after the contractor was initially delayed by way leaves issues. The work on the transmission line T-offs is progressing slowly due to land acquisition challenges. Table 7.15 shows the progress made so far on the project.

Table 7.15: Performance of Electrification of Industrial Parks

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. achieved quantity	Physical performance Score (%)	Remarks
EPC works: 1. Construction of Iganga, Mukono, Namanve and Luzira Substations. 2.Construction of T-offs to Iganga and Mukono substations, transmission line connecting Namanve south to Namanve North substations, and connecting Namanve South to Luzira substations	100	94.9898	70.00	66.47	Mukono substation: Civil works on the plant house are ongoing (80%). The 2 power transformers, capacitors and gantry have been installed. All equipment has been delivered to site except the control and protection panels. Overall progress is at 70% Namanve South substation: Civil works on the plant house are on-going (80%). The 2 power transformers, capacitors and gantry have been installed. All equipment has been delivered to site except the control and protection panels. Overall progress is at 80% Luzira substation: Work has not yet began. Iganga substation: Civil works are on-going on the plant house and equipment foundations. The power transformers are expected by April 2017. All equipment has been delivered except the GIS Transmission Lines • Namanve North-Namanve South – 0% The line survey of the Namanve transmission line is completed • Mukono T-off - 10% Topographic survey and line profile completed. • Iganga T-off - 10% .The line survey of the transmission line is complete. Geotec investigations for Iganga transmission line are complete
Acquisition of land for the transmission lines and substations	100	5.040	7.14	0.36	Acquisition of the transmission line corridor is ongoing but is not progressing well.
Total		**100,0298**		**66.8**	**This is fair physical performance**

Status of RAP implementation as at 31st Dec 2017

The RAP implementation for the transmission lines on the project is lagging behind and minimal progress was made during the first half of FY 2017/18 and more effort needs to be given particularly in dealing with the challenging cases like PAPs who have land titles in wetland areas. The summary for the RAP Implementation for the project affected persons in the transmission line corridor is summarized in Table 7.16.

Table 7.16: Summary of RAP Progress for Electrification of Industrial Parks

	Jul-Sept - Quarter 3 2017		Oct-Dec - Quarter 4 2017	
	Total Number	Percentage	Total Number	Percentage
Total Number of Project Affected Households	649	100	542	100
Number Disclosed to	274	42	308	57
Agreements	271	42	302	56
Number of households paid	214	33	229	42
Compensation Disputes	3	0	6	1

Source: Field findings

Challenges faced by the project

- There is also a RAP funding gap of UGX 39.59 billion which Ministry of Finance has to bridge if the implementation of RAP is to proceed because the line corridors area heavily populated.
- Luzira Industrial park transmission line corridor has a court injunction issued by the high court land division in support of the wetland title holders stopping UETCL from implementing the construction works of the transmission line.
- Namanve South Industrial park transmission line corridor, UIA has failed to handover a clean corridor to UETCL for the project implementation yet they claim to have acquired a 30m corridor fully through a compensation process.


L-R: Partially completed Namanve South substation; On-going works at Mukono substation

Overall programme performance

Overall programme performance was fair at 54.4 % of the annual target. The performance was negatively affected by the further deterioration of NELSAP and Lira-Tororo/ Nkenda-Mbarara projects. All transmission projects are generally behind schedule but the most delayed are the mentioned ones. The challenges faced by UETCL in the acquisition of way leaves are a major project implementation hindrance which cannot be handled by UETCL on its own without the support of other Government Ministries (MFPED, MoJCA, and MLHUD)

Recommendations

- The Ministry of Finance and Economic Planning should address the funding gaps for the RAP activities especially for the power transmission projects. Key sector projects like the Karuma Interconnection project and the Electrification of Industrial Parks are lagging behind due to funding challenges affecting the compensation process.
- There is need for UETCL to improve the contract management on projects in the transmission sector to ensure that issues will negatively affect these projects are identified early and resolved. A number of projects are experiencing issues such as loan expirations of loans and delays in decision making.

Vote Function 03 02: Large Hydro Power Infrastructure

The programme is intended to support development of large hydropower generation facilities in the country. Projects monitored for the half year FY 201/18 are Isimba Hydropower Plant, Karuma Hydropower Plant and Nyagak III Hydropower plant. The total budget allocation of this Vote Function is 66.5% of the total vote budget. The programme contributes to the sector outcome of "*increased access to affordable and efficient sources of energy*".

7.2.2 Isimba Hydroelectricity Power (Project: 1143)

Background

The project is an 183MW hydropower plant funded by a loan from China EXIM Bank. The EPC contractor for the hydropower plant (HPP) and the Isimba-Bujagali interconnection line is China International Water and Electric Corporation (CWE). The contract was signed in September 2013 and the contract sum for the project is US$ 567.7 million for a period of 40 months.

Project Performance

Project performance was good at 78.8%. Financial progress is 54.64% (USD 310,198,904.8/ USD 567,738,990.96). This was based on certified interim payment certificates #1 - #11, with advance payment of 20%. The second stage river diversion was undertaken in November 2017 and works on the Right Embankment Dam were on-going after being delayed. The on-going civil works were at 75.5%, electromechanical works at 74.2%, Hydro mechanical works at 78.9% and transmission line works at 63.7%. The contractor had requested for a time extension up to February 2019 from the original date of August 2018 and this request was being reviewed by stakeholders. A summary of performance is presented in table 7.17.

Table 7.17: Performance of Isimba Hydro Power Project by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remarks
Construction works on Isimba HPP and Isimba Interconnection line	90	419	74.8	74.59	**Civil works:** Concrete works approx. 99.9%, gravity dams 1 & 2 completed, spillways 1 & 2 completed, tailrace apron completed, wall cladding of power house building using masonry blocks ongoing, roofing works (roof truss and roof covering) completed, By the end of October 2017, concreting of Unit 1, 2, 3 and 4 were completed, works on the Right Embankment Dam were on-going. Overall civil works progress were at 75.5%. **Electromechanical works:** All turbine and generator parts were received at site and being installed, oil purification equipment was fully delivered to site and the oil tanks painted in preparation for installation and piping works began. Cooling water and shaft seal pumps all delivered to site for all units with unit 1 and 2 installed and pipes welded. Preassembly of Unit 2 distributor completed, lower bracket and stator erection ongoing. Unit 1 completion is currently at 80%. Overall electromechanical works progress at 74.2%. **Hydro-mechanical works:** Embedment works on all units and spillways completed, upper spillway radial gates installation was ongoing and hydraulic room installed with hydraulic pumps. Unit 1 & 2 rotor assembly ongoing. Unit 1 stator is complete and Unit 2 stator lamination stalking completed. Overall hydro-mechanical progress at 78.9%. **Transmission Line:** 130 out of 145 towers were erected. 138 out of 145 foundations constructed, 14.8/43km of stringing work was completed. Overall transmission line progress at 63.7%.

Supervision of works on Isimba HPP	100	22	80	4.03	Project supervision continued led by UEGCL and the project steering committee and a new owner's Engineer was procured.
Resettlement action plan for project affected persons	100	1	94	0.21	Implementation of RAP for land acquisition was as follows: Dam Site -98.9% complete; Reservoir -93.7% complete . Transmission line- 90% of the PAPs under the diversion were compensated but 7 tower spots are still being affected by ROW.
Total		**442**		**78.8**	**This is the physical performance**

Source: Field findings

L-R: Delivered turbine components awaiting installation in the Isimba powerhouse; Ongoing civil works at the Isimba switchyard

The leveling of the Isimba switchyard was completed. Excavation and casting of all the 161 sub-station foundations was completed. The total of 131 towers out of 145 were erected. So far the stringing of 14 km of the transmission line was completed.

Resettlement Action Plan (RAP)

The RAP activities for the dam site, reservoir area and transmission line were ongoing by the RAP consultants (Kagga and Partners) supervised by the Ministry of Energy and Mineral Development. The summary of the RAP progress by project area is presented in table 7.18.

Table 7.18: Summary of RAP Implementation

Project Area	Total no. of PAPs	% Compensated
Dam	810	98.9
Reservoir	1831	93.7
Transmission Line	1089	89.0

Source: MEMD and UETCL; Field findings

Project challenges

- The contractor compromised on the quality of some tower foundations and these were redone leading to loss of time on the transmission line works. The contractor also shipped some materials without undertaking the necessary factory acceptance tests.
- The contractor utilized all the available line corridor for the compensated project affected persons and there are no more available tower spots to complete the project on schedule.
- Delayed procurement of a contractor for construction of Kawanda 1 & 2 Line Bays that would enable the interconnection of Isimba power to the grid at Bujagali substation.

7.2.3 Karuma Hydroelectricity Power (Project 1183)

Background

The GoU is developing Karuma HPP as a public investment to generate 600MW of electricity. The medium term objective of the project is the ultimate development of Karuma Hydropower Plant and its associated transmission line interconnection. The hydropower plant will contribute to increasing power supply in the country, and possibly in the East African region.

Project performance

Project performance was good at 75.7% of the annual after having recovered from the delays due to quality issues in FY 2016/17. Construction works at Karuma power plant cumulatively achieved are at 70% against a target of 75%. Concreting works were on-going in the dam intake, powerhouse, transformer cavern, surge chambers and tail race.

Hydro-mechanical works were on-going and installation of the penstock steel linings in head race tunnels 1-6 was in advanced stages. Manufacturing of the gates, hoists, generators and their auxiliaries was on-going in China and Factory Acceptances tests were scheduled to be undertaken in January 2018.

By November 2017, twenty-two (22) Interim Payment Certificates had been submitted and twenty-one (21) Interim Payment Certificates approved by the OE by 16th November 2017. Todate, the total certified amount is USD 783,632,758. A summary of performance is presented in table 7.19.

Table 7.19: Performance of Karuma Hydropower Project by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug Shs)	Cum achieved quantity	Physical performance Score (%)	Remarks
Construction of Karuma Hydropower plant	95	763	75.67	73.20	1. Concrete works at the power intake, stilling basin and spill way were at over 95%. Installation of gates to commence by end of January 2018. 2. The installation of the spiral casing in Units 2, 3 and 5 was completed and work was on schedule. 3. Concrete works in the surge chamber were on-going but behind schedule. 4. Structure concrete for units 1-6 of the intake tower were on-going at 88.5% 5.The lining of concrete in horizontal head race tunnel was ongoing at 83.82% 6.Installation of the lower and upper bends of the penstocks was completed and installation of the penstock before the power hose was at 93.9%. 7. Assembly of the stators for the generators was on-going and unit 1 was complete.
Supervision of works on Karuma HPP	100	25	80.00	2.51	Project supervision led by UEGCL was ongoing.

Resettlement action plan for project affected persons including construction of new mosque and church in Karuma implementation of the community Development Action Plan(CDAP)	100	1	70.00	0.09	1. The procurement of land for the construction of resettlement houses was not completed. 2. The construction works on the church were complete and the facility ready for handover to the community. 3. Overall progress of the construction of the mosque was 80%. The roofing was completed and finishing works were being undertaken.
Total		**789**		**75.7**	**This is good physical performance**

Source: Field Findings

Civil works on the Karuma HPP spill way; Spiral casing installation for Units 1-6 in the Karuma Power house

Challenges

- There were still occurrences of cracks in some concrete structures especially in the Still Basin and some underground components such as the surge chamber and the Tail Race Tunnel (TRT). These were being closely monitored for repairs. Issues of non-compliance by the EPC in execution of concrete works still persisted.
- The project was behind schedule from delays arising out of the suspension of work in FY 2016/17. Some of the project critical components such as the power intake were behind schedule due to delay in the submission of the drawings/designs. The contractor requested for 10 months addition to the project schedule. This was being discussed by the project stakeholders.
- There was an increase in the Health, Safety and Environmental (HSE) violations by the contractor, leading to a change in the HSE management team for the EPC contractor.

7.2.4 Nyagak III HydroPower (Project 1351)

Background

Nyagak III is one of the projects supported under the programme "*Efficient and Sustainable Energy Supply in Uganda*" developed by the Government of Uganda (GoU) through the Ministry of Energy and Mineral Development (MEMD) with support of the German Government.

The project is developed as a Public Private Partnership (PPP) by a Special Purpose Vehicle (Genmax Nyagak Limited) formed between UEGCL and the procured Private Sector Partner, a consortium of Hydromax Limited and Dott Services Limited.

The project scope involves;

- Construction of 2x2.75MW Nyagak III small hydropower plant.
- Constructed of 5km of 33kV interconnection line terminating at Nyagak I switch yard.

Project performance

Project performance was poor at 27.2% of the annual target. Works were at a very slow pace, a year after signing of the contract for the PPP. Despite the conclusion of procurement of the supervising consultant for the project, the consultant, Intec GOPA is yet to report to site. Summary of performance is presented in table 7.20.

Table 7.20: Performance of Nyagak III Hydro Power Plant by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remarks
Supervision of works on Nyagak III	100.00	1.309	30.00	17.13	Slope protection and surveying for evacuation Line were done. Access road to camp site was graded. No progress on access road to dam and on the EPC works for the dam. The private partners were yet to secure funding from the Uganda Development Bank (UDB) due to lack of security (land title). UEGCL was in the process of obtaining the land title.

Resettlement Action Plan and Environmental Impact Assessment for HPP and transmission line	100.00	0.983	40.00	17.17	1. Compensation at the dam site was completed 2. Surveying of the evacuation line route was done and NEMA issued a certificate to UEGCL for the ESIA for the line route. Compensation for the line was only undertaken for 6km of the line.
Total		**2.293**		**34.3**	**This is the physical performance**

Source: Field findings

L-R: View of the Nyagak III HPP workers camp site; Incomplete access road for Nyagak III dam site

Challenges

- Issue raised from the Environmetal Social Impact Assessment (ESIA) report were not fully resolved. Experts hired by UEGCL visited the site and took note of these issues but were yet to give feedback.
- The project faced contract management challenges and issues of access at the project site were not being resolved in time due to lack of a technical team on site.
- The private partners had not yet achieved financial closure and this was delaying the project.

Overall performance of large hydros programme

Performance of the large power hydro programmes showed improvement for two large projects, however Nyagak III showed dismal performance since none of the core works had commenced. Isimba HPP works were back on course while the Karuma HPP works were slightly behind schedule. There is need to maintain keen supervision of the works to ensure technical specifications in the contracts are followed and the quality is ensured so that the defective work is minimized.

Recommendations

- The Government through the sector agencies (MEMD, UEGCL and UETCL) should build local capacity to manage large infrastructure projects such as Karuma and Isimba HPP.
- Although Government should continue engaging private partners in the power sector, there should be a more thorough process of selection and vetting to avoid the scenario like that of Nyagak III HPP.

Vote Function 03 03: Petroleum Exploration, Development and Production programme

The Vote Function effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The Directorate of Petroleum (DP) in the MEMD is responsible for promoting and regulating the petroleum upstream (exploration, development and production) sub-sector in the country. The directorate is also handling development of the country's petroleum midstream sub-sector, which involves planning for the development of the refinery and pipelines in the country. The Vote Function took up 3.72% of the total sector budget for FY2017/18. The programme contributes to the third sector outcome of "*sustainable management of the country's oil and gas resources.*"

7.2.5 Strengthening the Development and Production Phases of Oil and Gas Sector (Project 1355)

Background

The purpose of the project is to put in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and Health Safety Environmental(HSE) management in the oil and gas sector in Uganda in order to contribute to the achievement of the objectives of the National Oil and Gas Policy (NOGP).

Performance of project

Strengthening the development and production phases of the oil and gas sector sub-programme performed fairly at 60.7% of the annual target. Government granted three new petroleum exploration licenses in October 2017 and also issued 5 production licenses as the country progresses to the stage of oil production by 2020.

Completion works for Phase 3 constructions of the offices for the petroleum directorate and PAU in Entebbe were ongoing. Summary of performance is presented in Table 7.21.

Table 7.21: Performance of Strengthening the Development and Production Phases of Oil and Gas Sector by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030301 Promotion of the Country's Petroleum Potential and Licensing 200 line km of geophysical data and geochemical mapping of 50 sq km. Basin analysis studies and resource assessment of the Albertine Graben	100	1,290,000,000	74.52	1.66	Government granted three (3) fresh petroleum exploration licenses, one (1) to M/S Armour Energy Ltd on 14th September 2017 and two (2) to M/S Oranto Petroleum Ltd on 10th October 2017. Government also issued five (5) production licenses in Exploration Area 2 to Tullow Operations Pty and three (3) in Exploration Area 1 to Total E&P Uganda Ltd. Sensitization exercise in Moroto-Kadam basin were done plus procurement of consultancy services to carry out an Impact Assessment before opening up new Exploration Areas for exploration activities and licensing was done. The country's petroleum potential promoted at two (2) international conferences. 100 promotional materials were produced and given out at conferences. Three (3) staff members attended the European Association for Geoscientists and Engineers (EAGE) Forum in Maputo, Mozambique.
030302 Initiate and Formulate Petroleum Policy and Legislation Guidelines for upstream regulations M&E database for the National Oil and Gas policy up and running.	100	200,000,000	83.94	0.29	The Directorate spearheaded the development of twenty one (21) standards for the upstream petroleum segment. Building of the database for the M&E framework for the National Oil and Gas Policy was completed and populating of the database with the relevant data has commenced. The terms of reference (ToRs) for a consultant to develop a revised petroleum policy for Uganda were developed.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030303 Capacity Building for the Oil and Gas Sector Capacity building undertaken and technical staff retained; Six (6) training workshops Ten (10) Short-term trainings in petroleum related fields undertaken Two (2) Staff trained at M.Sc. level in petroleum related fields	100	4,060,000,000	83.42	5.84	Retention allowance paid to the technical staff. Two (2) In-house workshops on resource assessment and one in-house training on data systems undertaken. One (1) staff member commenced a Masters' degree in Information Technology Systems. One (1) staff member completed her two months' training in Exploration Geophysics from JOGMEC, Japan. Four (4) staff members attended a Petroleum Economics Modelling workshop in Kampala Five (5) short-term trainings undertaken.
030304 Monitor Upstream Petroleum activities Compliance in oil and gas operations by all players	100	160,000,000	59.20	0.16	Reviewed and submitted comments on three (3) revised Field Development Plans and associated petroleum reservoir reports.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030306 Participate in Regional Initiatives A successful East African Petroleum conference '19 held. Regional Sectoral Committee meetings attended; Ministry's participation in Regional Sectoral Committee meetings	100	1,040,000,000	89.15	1.60	Four (4) bilateral meetings/visits on oil and gas matters undertaken. The ministry participated in the State visit to the Republic of Equatorial Guinea by H. E. Yoweri Kaguta Museveni, the President of Uganda, from 24th – 28th August 2017. The visit was aimed at strengthening the bilateral cooperation in oil and gas. A bilateral meeting between the Republic of Uganda and the Democratic Republic of Congo (DRC) on Oil and Gas was held on 24th November 2017. The DRC delegation was exploring the possibility of tie-ins into the planned East African Crude Oil Pipeline (EACOP). At the event to lay the foundation stone for the East Africa Pipeline in Tanga, H.E Dr. John Pombe Joseph Magufuli, the President of United Republic of Tanzania and H.E Yoweri Kaguta Museveni, the President of the Republic of Uganda agreed on the bilateral cooperation on oil and gas exploration thus two (2) meetings on technical cooperation in oil and gas exploration were held with the United Republic of Tanzania. One meeting was held in Nairobi, Kenya, to review the draft report on harmonization of petroleum policies within the EAC partner states.
030351 Transfer for Petroleum Refining (Midstream Unit) Support to PAU and UNOC operations	100	32,200,000,000	55.54	30.85	Regulatory meetings with industry undertaken. Restocking of Jinja Storage Tanks continued. Stakeholder engagements conducted through the quarter. Geoscience data was purchased, however analysis and interpretation of the data awaits purchase of

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
					the Petrel software.
030372 Government Buildings and Administrative Infrastructure Boosted human capacity UNOC Operationalization and management of UNOC activities Complete Phase-3 construction of Data Centre, Labs and Office Building at Entebbe.Maintenance of existing buildings and related infrastructure undertaken. Operationalization and management of UNOC activities	100	17,200,000,000	64.58	19.16	Implementation of the UNOC Recruitment Plan continued. The contract to construct Phase-3 of the National Petroleum Data Repository, Laboratories and offices for the Directorate of Petroleum and PAU that was awarded to M/s China National Aero-Technology International Engineering Corporation Ltd was at approximately 38% and behind schedule as the projected works at this time would be 55%. The scheduled completion of the construction was by mid-2018. The slow pace of the construction was attributed to the low release of funds and delayed approval of procurements and designs by the project Consultant (Sekaziga Design Group). Repair of one (1) air conditioner and other minor repairs on office buildings were undertaken
030375 Purchase of motor vehicle and other transport equipment One Vehicle Procured	100	220,000,000	70.00	0.27	The procurement process for two (2) field motor vehicles reached at the evaluation stage. Awaiting availability of funds.
030376 Purchase of office and ICT equipment including software Strong Departmental ICT framework; Data processing, analysis and interpretation achieved.	100	1,000,000,000	28.46	0.49	Procurement for renewal of license Arc GIS mapping software for three (3) years commenced. Four (4) sets of printing cartridges and other computer accessories were procured.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030377 Purchase of specialized machinery and equipment Acquisition of Field geophysical data Analysis of geological and geochemical samples Efficient Departmental Labs	100	500,000,000	37.95	0.33	Procurement of a new plotter ongoing at evaluation stage. Other procurements differed to Q3 due to lack of funds.
030378 Purchase of office and residential furniture and fittings Office furniture and fixtures in place.	100	100,000,000	29.60	0.05	Procurement of ten (10) units of office furniture was at evaluation stage.
TOTAL		**57,970,000,000**		**60.7**	**This is physical performance**

Source: field findings

On-going finishing works on phase 3 of the new Petroleum Directorate building in Entebbe

Petroleum Exploration, Development and Production programme performance in general was fair. The Front End Engineering Design (FEED) studies for the King Fisher fields were concluded by CNOOC and the FEED studies for the Tilenga fields in Buliisa would be concluded by TOTAL E&P in April 2018. The negotiations for the strategic partner for the Oil Refinery Project continued and hope to be concluded in FY 2017/18.

Recommendations

- Government should conclude negotiations for a lead investor for the oil refinery in order to meet the target of oil production by 2020.
- The infrastructure projects in the Albertine region to support the oil production process such the power transmission projects, the airport and road projects should be fast tracked by the implementing agencies (UETCL, CAA and UNRA) respectively.

Vote Function 03 05: Mineral Exploration, Development & Production

The Vote Function is responsible for the functions under the mineral sector, which involves Mineral Exploration and Investment Promotion. To achieve this objective, the sub-sector undertakes collecting, collating, processing, analyzing, archiving and disseminating geo data, monitor and assist small scale miners and also enforce regulations in the sub-sector. The VF also undertakes airborne geophysical surveys to acquire airborne magnetic, radiometric and some electromagnetic covering the entire country. This VF took up 0.88% of the total vote budget.

7.2.6 Design, Construction and Installation of National Infrasound Network (Project 1392)

Background

An infrasound network consists of sensors that measure micro pressure changes in the atmosphere which are generated by the propagation of infrasonic waves created as a result of events such as nuclear explosion, storms, earthquakes, exploding volcanoes and meteors. The technology therefore has considerable potential for disaster prevention and mitigation through early warning.

The objectives of the project are to Design, Construct and Install Infrasound Network (DCIIN) in Uganda; establish Infrasound Network Infrastructure in line with the Uganda Vision 2040; build human resources' capacity in infrasound research for social economic development and population's security. Enable vulnerable communities install corrective measure against lightning strikes; advise government on a comprehensive national strategy for adaptation and mitigation systems.

Project performance

The performance of the project was fair at 61.2 %. Procurement of a contractor to undertake the works for the infrasound system was completed and work were expected to begin in the third quarter of FY 2017/18. The summary of performance is presented in table 7.22.

Table 7.22: Performance of Design, Construction and Installation of Uganda National Infrasound Network (DCIIN) by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policy Formulation Regulation Desk studies on district and review existing legal framework on infrasound technology and amendments undertaken.	100.00	114,000,000	**35**	2.50	Desk studies, scientific evidence and fieldwork were carried out in the central region. Results showed that Butambala, Mpigi and Gomba were prone to lightning and less than 20% of schools had installed lightning conductors. ToRs and specifications for lightning arresters categories developed. These would inform the by-law for districts in the enforcement of mitigation and adaptation systems and technologies on homesteads, public buildings and trading centres.
Institutional capacity for the mineral sector Identify stakeholder and support schools in vulnerable communities in the affected districts of central Uganda Institutions supported in adaptation and mitigation systems against lightning strikes	100.00	221,000,000	**35**	4.66	Vulnerable communities in need of adaptation and mitigation systems against lightning strikes were identified in areas of Kalungu, Masaka, Lwengo Mpigi, Butambala, Bukomansimbi, Gomba, Mityana and Kiboga. Two (2) DGSM staff trained in adaptation and mitigation systems. The project trained communities in the districts of; Mbarara, Ntungamo, Rukungiri, Kanungu, Ibanda, Kabale, Rubanda Bushenyi, Sheema, Kiruhura on adaptation and mitigation systems against lightning strikes. The project trained 80 communities and created awareness on adaptation and mitigation systems

Mineral Exploration, development, production and value-addition promoted Field reconnaissance studies, awareness, suitable sites for infrasound stations established and land identified in other vulnerable parts of the country. Establish Infrasound Network Infrastructure site 1 and commence site 2	100.00	221,000,000	32	4.46	The project undertook field reconnaissance studies in Western, Central and Eastern Uganda to create awareness. Four (4) sites were selected for testing signal to noise ratios for Infrasound Network Infrastructure. Geophysical field measurements were carried out in the districts of Hoima and Butamabala as reconnaissance studies, and awareness on incidents of lightning strikes were reported.
Health safety and Social Awareness for Miners Policy adjustment and bylaws for planning and setup of safe infrastructure in villages and community level. Define a Long-term access system to the necessary technologies communities in local and central governments	100.00	228,000,000	25	4.35	A total of 33 communities in 4 districts namely; Kalungu, Masaka, Lwengo and Bukomansimbi were sensitized and mapped and only 57% of the community had lightning arresters installed. Carried out public awareness on lightning and geo-hazards and inspection on lightning and geo-hazard vulnerability inspection in parts of Eastern Uganda and Western Uganda and found out the 42% of the communites were negatively affected by lightning.

Licencing and inspection Improve populations security against lightening strikes. Field Inspections of Infrasound network Installations and lightning. To use Infrasound Technology for Civil and Scientific Application for monitoring of infrastructure and industrial processes and energy projects. Put in place mechanism for geo-hazards disasters preparedness of the country	100.00	228,000,000	25	4.23	The project inspected public buildings for adaptation and mitigation systems measures compliance. Out of the Public buildings that were inspected for adaptation and mitigation systems measures and compliance to lightening adaptation systems, only 57% of the community in Kalungu, Masaka, Lwengo, Mpigi, Butambala, Bukomansimbi, Gomba, Mityana and Kiboga had lightning arresters installed. Public buildings were also inspected in districts of; Mbarara, Ntungamo, Rukungiri, Kanungu, Ibanda, Kabale, Rubanda Bushenyi, Shema, Kiruhura and very few lightning conductors were installed. 80% of the school buildings lacked protection against lightning. The project developed 3 categories of specifications for adaptation and mitigation that is Category A for High Geo-hazards, B for Medium geo-hazards and Category C for Low geo-hazards.
Contribution to international organisation Global infrasound reference database and membership. Participate in collaborative Research and Subscribe to CTBTO and WMO for global infrasound database and membership	100.00	121,000,000	15	1.44	Project initiated regional collaboration organised by CTBTO for African Infrasound Training workshop to equip National Data Centres (NDCs) to be held in Tunisia 12- 16 February 2018.
Acquisition of land by government Progress on the acquisition of Land for Infrasound Infrastructure Development and	100.00	263,000,000	15	3.13	The land for infrasound network was identified in West Nile, Western, Central and Karamoja region Made a follow up on land encumbrances on exiting government land that are likely to affect the project by land grabbers

stations					
Government Buildings and Service Delivery Infrastructure Strengthen mechanisms for quality effective and efficient service delivery and Design, Construction equipment for infrasound Network acquired Data recorded	100.00	834,700,000	12	7.85	Implementation of the contract for design and construction of an Infrasound station in Entebbe stated. It was signed between the Ministry of Energy and Mineral Development and ACE Consult Ltd.
Purchase of Motor Vehicles and other Transport Equipment Procure field vehicles two (2) for operations of infrasound network for use to Maintain infrasound network and Improved Service Delivery	100.00	271,000,000	80	5.81	Contract awarded for the supply of a motor vehicle.
Purchase of Office and ICT Equipment, including Software Strengthened mechanisms for quality effective and efficient service delivery Procurement of ICT equipment, software and related accessories for data storage and management.	100.00	121,000,000	20	0.81	Software and related accessories for data storage and management and the specifications for capital purchases were developed and the procurement of project capital equipment, lightning arrestors, computers and accessories was initiated. Procurement of project equipment was ongoing.

Purchase of Specialised Machinery & Equipment Prepare Tender documents forprocurement of Machinery andEquipment for infrasound network Procure Specialized Machinery and Equipment for infrasound network Procure five (5) sets of infrasound monitoring equipment.Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness in infrasound collaborative research	100.00	996,300,000	55	20.52	The project generated ToRs and technical specifications to enable the preparation of tender documents for procurement of Machinery and Equipment for infrasound network. The procurement of Specialized Machinery and Equipment for infrasound and monitoring equipment was initiated.
Acquisition of other capital Assets Procure five (5) sets of infrasound Noise reduction system Research collaboration established at local, regional and international level and improved Infrasound data capture system	100.00	110,000,000	25	1.40	The technical specifications were developed and initiated the procurement of five (5) sets of infrasound noise reduction system to support research collaboration established at local, regional and international level and improved Infrasound data capture system. The procurement was initiated and the process is ongoing.
Total		**3,729,000,000**		**61.2**	**This is the phyiscal performance**

Source: Field findings

7.2.7 Mineral Wealth and Mining Infrastructure Development (Project 1353)

Background

This project is housed under the Directorate of Geological Surveys and Mines that is composed of three (3) departments as follows: Geological Surveys, Mines, and Geothermal Resources. Thus the mineral sub-sector must deliver socio-economic transformation with inclusive economic growth in the development process. Since 2011-2014 at least 26.5% of the population was employed directly and indirectly in the mineral sub-sector more especially as Artisanal and Small Scale Miners (ASM) and quarrying industrial minerals, such as salt, clay, sand, aggregates stones and slates (UBOS 2011, NDP-1).

Expected outputs under the project are:

1. Aeromagnetic and radiometric maps of Karamoja

2. Mineral certification infrastructure established in Entebbe

3. NDP-I 1-6 objectives targets and out puts delivered

4. Mineral reserves established for development

5. Earthquake research and monitoring facilities constructed and risk management infrastructure restored 6. Mineral rich corridors and business centres linked for industrial development

7. Four (4) mineral beneficiation centres constructed

8. Youth trained in mineral beneficiation technical skills

9. Mineral laboratories improved for value addition tests 10. A new legal, fiscal and regulatory framework.

Project performance

Performance of the Mineral Wealth and Mining Infrastructure Development was fair at 62.2% of the semi-annual target. One of the highlights of this project was the completion and handover of a new regional center in Moroto, Karamoja region. There was also progress registered in the monitoring and regulation of activities of the Artisanal Miners (ASM) in areas of Ntungamo, Mubende and Karamoja. A summary of performance is presented in table 7.23.

Table 7.23: Performance of Mineral Wealth and Mining Infrastructure Development Project by 31st December, 2017

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
Policy Formulation Regulation Draft Mineral Policy and principles for the Mining Act Amendment Bill in Place. Draft mineral laboratory policy	100.00	600,000,000	30.00	3.52	1. Consultant for Laboratory Policy procured. 2.Five (5) regional Sensitization workshops were undertaken on the draft mineral policy in Karamoja, Mbarara, Entebbe, FortPortal, Gulu and Mbale. 3.The ministry finalized its review of the policy and prepared a Cabinet memorandum containing the principles to be embodied in the Mining and Minerals Policy of Uganda. Certificate of financial implication for the new Mineral Policy was prepared Final draft Mineral Policy ready for submission to Cabinet by end of February, 2018 ToRs for a consultant to draft a mining act was procured.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
Institutional capacity for the mineral sector Human resource capacity built, mineral laboratory equipment procured, Geo-information systems maintained, IT systems maintained	100.00	1,900,000,000	30.00	12.09	Human Resource Two (2) MBAs and Two (2) masters of Information System Management completed. One staff enrolled for one year's Master of Science programme in analytical chemistry that commenced in September, 2O17 at Kingston University, UK. One (1) record management degree and two (2) degree in Business Administration training are ongoing. Over 50 technical staff participated in technical workshops on mineral exploration and mineral certification mechanism. Trained 43 staff in geoscience techniques. Laboratory equipment repair and servicing of the AAS at DGSM and installation of shelves for samples, laboratory equipment and chemicals in the DGSM laboratories completed. The procurement of laboratory equipment is at contract stage IT and Geo-Information System. Procurement of a consultant to upgrade the Mining Cadastre and Registry System into an E-Government system was completed and due for implementation. Evaluation process for procurement for Exchange 2016, windows server 2012 completed; Acquired equipment for geothermal exploration.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
Mineral Exploration, development, production and value-addition promoted Muko iron ores prospects explored, Kirwa Wolfram prospect evaluated, Zeu gold anomaly mapped and explored, One Uranium prospect appraised, Onedevelopment mineral explored, Lab ISO certified, GMIS upgraded and maintained	100	1,950,000,000	25.00	10.84	DGSM conducted a follow up on airborne geophysical and ground geophysics survey at Kyambogo, Sembabule district . A total of 37 soil samples and 5 rock samples were collected for analysis. DGSM conducted an infill geochemical survey on Zeu gold anomaly in Nebbi, Arua and Zombo districts. One hundred and sixty four (164) stream sediment samples were 14 rock samples collected at 1 sample/ Km2 to 1 sample/ km2. The samples were submitted to a mineral dressing laboratory for preparation and will be analysed by portable XRF. Reconnaissance mapping of Kirwa wolfram mine to assess the current status of Kirwa Wolfram Mine and develop options for redevelopment of the mines is ongoing. Eight developmental minerals were chosen as focus minerals for the baseline btudy and further studies. Four of these eight were selected. The focus minerals in the baseline include: clay, stone aggregate, dimension stones, sand, limestone, salt, kaolin and gypsum. The DGSM commenced with the mapping of granite resources in Mubende District and survey of these development minerals, where base map for development minerals was produced. Promoted development of copper and cobalt in Kilembe; gold in Mubende; cassiterite, coltan, tungsten in Ntungamo and minerals for ceramic industry. Sukulu Phosphates Project for

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
					production of fertilizers and steel products monitored.
Health safety and Social Awareness for Miners ASMs registered and regulated, ASMs sensitized and trained on best mining practices, gender, environment, climate change and OHS, Impacts of mineral exploitation regulated	100.00	400,000,000	85.00	1.27	Procurement for consultant to undertake biometric registration and development of a management strategy for ASM initiated. Undertook sensitization and training of ASM communities especially in Morulem, Abim, Karita, Namayingo, Mubende, Busia, Buhweju, Rubanda, Ntungamo, Kabale, and Kisoro to address environmental, social, gender, child labour and best mining practices Gender awareness on health and safety issues at Namayingo and Mubende ASM sites conducted and 160 miners were sensitized. Registration of artisanal and small-scale miners (ASMs) and dealers of gold from the artisans. Profiling and registration of ASM was undertaken in Mubende, Ntungamo and Karamoja region where 7,000 miners were registered in Mubende, 400,000 in Ntungamo, 600 in Morulem, 4,000 in Rupa, 1,000 in Karita. The miners were sensitized and trained on legal requirements as well as health and safety in mining. 30% of the mining communities were women 6,385 miners were registered from the regions of Namayingo, Busia, Karamoja, Kikagati, Mwerasandu, Kakanena and Rwengoma, Ruhama sub-county and

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
					Ntungamo. 155 gold buyers were registered. Training of 340 ASM Trainers was done in the different regions.
Licencing and inspection Inspection reports, notices of noncompliance generated, exploration and mining operations inspected, RCM implemented, mining models of environmentally sustainable Mines developed, mining cadastre and registrysystem upgraded and maintained	100.00	1,480,000,000	25.00	3.52	Mining areas in different parts of the country were inspected and monitored. The project supported over 40 inspections per quarter throughout the entire country. Inspections and monitoring of 30 operations both exploration and monitoring conducted, of which 10 exploration licenses and 20 for mining and over 20 sites of artisanal and small scale mining sites were inspected in Mubende, Karamoja, Buhweju, Ntungamo and Kisoro districts • Over 30 inspection notices were issued on site and affected licensees required to cure the defaults; 69 licenses were not renewed. The Bill on ICGRL passed by Parliament. Inspected 28 mining lncenses/operations/developments, eleven (11) exploration licenses, four (4) gold cyanidation operations, and five (5) ASM operations
Contribution to international organisation Subscription to ICGLR and African Mineral Geoscience center (AMGC)	100.00	200,000,000	0.00	0.00	Contribution made to SEAMIC, Dar-es-Salam.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
Acquisition of land by government Land secured and boundaries and the land opened	100.00	200,000,000	30.00	1.33	Finalized surveyed and acquired certificate of title for land in Rwengoma, Ntungamo District for the beneficiation centre, while titling of land in Tororo and Gulu district was in final stages of registration for a freehold certificate of title. Fencing of land in Tororo Municipality was ongoing. Application process for land offered in Gulu and Mbarara initiated.
Government Buildings and Service Delivery Infrastructure Designs of earth research facilities completed. earthquake stations upgraded, one regional office constructed and design and building of additional officespace at the DGSM	0.00	1,724,378,000	25.00	9.97	Certificate of practical completion of construction of regional office in Moroto issued. Procurement of a contractor for construction of Karamoja regional office concluded. The contract was signed on 29th November 2016 and site handover was on 21st December 2016. The building was completed and in possession of DGSM. Engineering designs for Fort Portal and Ntungamo were completed, procurement for contractor for the mineral beneficiation centres to be initiated in Q4 F/Y 2017/18.
Purchase of Motor Vehicles and other Transport Equipment Three (03) field Motor vehicles procured	100.00	600,000,000	50.00	2.38	Procurement of three (3) motor vehicles initiated to facilitate inspections and field work.

Output	Semi-Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved quantity	Physical performance Score (%)	Remark
Purchase of Office and ICT Equipment, including SoftwareOffice and IT Equipment and Software procured, Laboratory Information Management System (LIMS) upgraded	100.00	850,000,000	60.00	5.06	Supply, installation, and testing of x-top multi-screen desktop display and multiple monitor pc system for seismology unit re-initiated. Procurement for 17 laptops, 20 desktops and 30 UPS Re-initiated; Evaluation of bids for IT equipment supply completed.
Purchase of Specialised Machinery & Equipment Earthquake and laboratory equipment procured.	100.00	2,600,000,000	12.00	12.63	Procurement for supply, installation, testing, and commissioning of accelerometers, seismometers, data acquisition system (DAS), global positioning system (GPS) for geotectonic investigations and passive seismic network (PSN) re-initiated.Repair works on the DGSM's power factor control unit and reconfiguration of the uninterrupted power supply installations reinitiated.
Purchase of Office and Residential Furniture and Fittings Office furniture procured	100.00	100,000,000	0.00	0.00	Procurement concluded for consolidated furniture for the Mining Cadastre unit and various offices at the DGSM at LPO stage.
Total		**12,604,378,000**		**62.6**	**This is fair physical performance**

Source: Field findings

Challenges

1. Land encumbrance for seismological facilities and regional offices delayed the completion of design and construction of project components. Related to this, the land for the new regional centre in Karamoja was not fully secured due to lack of funds for fencing. This poses a risk that part of the centre's land could be grabbed by encroachers.

2. Old vehicles in poor mechanical condition created a shortage of transportation for field activities. Procurement of new vehicles is ongoing but the process was slow, thus slowing the execution of field activities on the project.
3. Staffing levels are inadequate; most times staff are shared among the 3 departments in the Directorate of Geological Surveys, causing delays in execution of work.
4. The low release of funds delayed execution of some activities because contracts could not be signed when the project was not sure of funding.
5. Completion of the designs for other regional offices was delayed due to failure by the Ministry of Works and Transport team to approve designs by the consultant.

Completed Regional Mineral Benefication Center in Moroto District

7.3 Rural Energy Electrification Agency (REA) - Vote 123

Background

The REA was established as a semi-autonomous agency by the MEMD through Statutory Instrument 2001 no. 75. It seeks to operationalize Government's rural electrification function under a public-private partnership.

Mandate and Mission

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

Overall Performance

The vote took up 20% of the sector budget for FY 2017/18. The total vote release performance up to end of Q2 was low at 26.7% for GoU and 30.0 % for the externally funded component. The absorption of released funds was relatively good with 86.5% of the funds spent by the end of Q2 (table 7.24).

Table 7.24: Financial Performance of REA (Vote 123) by 31st December, 2017

Component		Approved budget(Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	% Budget released	% Budget spent
Recurrent budget	Wage	0.000	0.000	0.000	0.0	0.0
	Non-wage	0.000	0.000	0.000	0.0	0.0
Development budget	GoU	81.976	21.862	19.931	26.7	24.3
	Ext. Fin	367.645	110.293	94.404	30.0	25.7
GOU Total		81.976	21.862	19.931	26.7	24.3
Total GoU+ Ext Fin(MTEF)		449.621	132.155	114.335	29.4	25.4
Arrears		0.000	0.000	0.000	0.0	0.0
Total Budget		449.621	132.155	114.335	29.4	25.4
A.I.A Total		42.840	17.935	13.389	41.9	31.3
Grand Total		492.461	150.090	127.724	30.5	25.9
Total Vote Budget Excluding Arrears		492.461	150.090	127.724	30.5	25.9

Source: REA Performance Report Q2 FY2017/18, IFMS

Rural Electrification Project (1262)

The main project objective is in line with the Rural Electrification Strategy and Plan II (RESP II). The RESP II (2013-2022) will provide funding to undertake rural electrification projects with the overall objective of achieving rural electrification access of 26% by June 2022. The Rural Electrification Project is jointly funded by GoU and development partners who include Islamic Development Bank (IDB), The World Bank (IDA), and Arab Bank for Economic in Africa (BADEA) and Africa Development Bank (ADB).

Project performance

Performance of projects under rural electrification was fair at 61.5% as shown in table 7.25. A number of projects were ongoing in Central, Northern, Eastern and Western regions of Uganda. There was delay in the start of a number of projects due to delay by REA in releasing funds to contractors. The rate of connections on these newly built lines and on the existing lines remains low because of affordability.

Table 7.25: Performance of the Rural Electrification Project by 31st December, 2017

Output	Semi Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Construction of Rural Electrification schemes	100.00	298,039,000,000	40.00	61.54	1. 290Kms of Low voltage (240V) were constructed. 2. 310Kms of Medium Voltage (33kV or 11kV) constructed. 3. Under French Development Agency (AFD) funding, Lot 1 Schemes in Kiryandongo, Masindi, Hoima and Kibaale are completed and awaiting commissioning. Schemes under Lot 2 in Mbarara, Isingiro, Ruhaama and Ntungamo were completed whereas Lot 3 Schemes In Masaka and Sembabule and Lot 4 in Kabarole, Kyenjonjo and Kasese areas were in progress. 4. Schemes under BADEA/OFIDII funding were also ongoing in Buikwe, Iganga, Jinja, Kayunga, Kamuli and Buyende areas. 5. Schemes funded by IDA (World Bank) under Energy for Rural Transformation III were all still under procurement and behind schedule.
Total		**298,039,000,000**		**61.54**	**This is fair physical performance**

Source: Field Findings

The status of the rural electrification schemes monitored at the end of FY2017/18 is summarised in Table 7.26.

Table 7.26: Status of Monitored Rural Electrification Projects/Schemes

Project	Status
Schemes Under BADEA/OFID II Funding	
Kayunga Kyerima – Nkokonjeru - Bukomba	Pole erection ongoing at 80%. Total HV length is 12km and a total of 6 transformers were to be installed.
Busaana - Nongo	Construction works were ongoing and HV pole erection at 80%, whereas LV Pole erection was at 60%. 14 transformers were to be installed along a total HV length of 33Km.
Lugasa – Galiraya – Kawongo Landing Site	Pole erection was ongoing with HV erection at 70%. Total HV length is 43Km and 16 transformers were to be installed.
Kyerima – Wabwoko - Namabuga	Pole erection and stringing were ongoing. Total HV length was13.5Km and a total of 9 transformers were installed.
Wampologoma - Bugaddu	HV Pole erection was at 70% and total HV length was 17Km. A total of 10 transformers were to be installed.
Iganga/Jinja Buwambuzi – Kaamigo and Bugono 'B' Village	For Bugono 'B' Village in Iganga, pole erection was ongoing. Scheme comprises of one transformer and LV Pole erection. LV pole erection ongoing and stringing was yet to be done. Total LV length was around 1.2 Km. For Buwambuzi – Kaamigo in Jinja, Pole erection and stringing was done, awaiting installation of 7 transformers. Total line length for this scheme was 4.5 Km for HV and 20.9 Km for LV.
Jinja Mutai – Kanyale – Bubondo – Namakoko - Lwambogo	Pole erection was done and stringing ongoing. Total HV length was 4.2Km and 10.7Kms for LV. 4 transformers will be installed.
St. Camillus Health Center at Kimaka	Works were yet to start.
Busemba and Mabira TC	Pole erection for Mabira TC was done. Awaiting transformer installation. One 100KvA transformer will be installed. Works on Busemba TC not yet started.
Butangala Project and Nakabango Project	Pole erection and stringing was done, awaiting installation of 4 transformers. Total line length for this scheme is 6.7 Km for HV and 14 Km for LV.
Kamuli Lambala –Lulyambuzi – Wankole – Bupadhengo Project	Works on Lambala – Lulyambuzi had not yet started. Works on Wankole – Bupadhengo are underway. Pole erection was ongoing with HV being at 60% and LV erection at 40%. The HV length is 2km and 3 transformers were to be installed.
Buikwe Kikakanya – Buwoya – Golomolo LS with t-off Lukonda &Wabisunsa Villages Kikakanya – Buwoogole – Kawoomya – Nkombwe Landing	Works were ongoing and both schemes were under pole erection.

Site	
Schemes Under French Funding (AFD) Funding	
Lot 1	
Masindi Bujenje to Kihara and Bwijanga to Kikungure and Ntooma	For Bujenje to Kihara, scheme was completed, awaiting transformer installations and commissioning. The line length is 9kms having 2 transformers. For Bwijanga to Kihungure, Pole erection was at 95%. Total HV length and transformers is 12Kms and 6 respectively.
Kisanja, Kiyingi, Kihanguza, Kijumbura, Nyakanyika to Kichubanyombo Park Gate	The tee-off was at Kisanja. Scheme was completed except for 2 transformers at Kihanguza and Kichubanyombo that were not installed as they needed upgrading due to increased load demand. Total line length and total transformers installed was 27Km and 33 respectively.
Kinuma Trading Centers on Kigumba Road – Miirya subcounty	Scheme was completed and awaiting commissioning. Total line length was 10Km and 3 transformers were installed.
Kiryandongo 1 .Kizibu and Kididima Trading Centres along Kigumba -Masindi road 2. Nyakabaale, Mboire, Nyakayata to Apondorwa Trading Centres	Schemes were completed and awaiting commissioning. Scheme was also completed and awaiting commissioning. Total HV length is 14Km and 6 transformers were installed.
Hoima Buseruka, Kabwooya and Kyangwali sub- counties	Scheme was completed. Total HV length was 45Km, 13 transformers installed. Grid was extended to Kyangwali Refugee Camp. 3 transformers were installed within the camp. The scheme includes villages of Rwengambi, Hohwa, Nyairongo, Kyarusheesha, Karokarungi, Kololo, Kasoga, Mukarodi, Tontema,Kyangwali Town, Kyangwali, Hospital, Kina Kyetaka, Kagoma, Burara, Mukasenye, Kaseeta, Kabwooya with a total of 13 loading centers
Nyakarongo-Nyaruziba and Extension to Kasasa and Rubona in Buyaga west in Kibaale	Works were completed and awaiting commissioning. 4 transformers were installed.
Mpeefu and Kyaterekera Subcounties in Kibaale	Works were completed. A total HV length of 73Kms were constructed and 33 transformers were installed.
Nyamiti Ward in Kagadi	Works were completed. 6 transformers will be installed. Awaiting commissioning.
Rukooge Cell in Hoima	Works were completed. 3 transformers were installed. Awaiting commissioning.
Omukiiko and Environments (Kisuro – Omukatindo – Nyarwashama – Omukiiko) in Isingiro	Works were completed pending commissioning. Total HV length is 9.3Km and 5 transformers were installed.
Milo 12 – Rumuri – Mukabira/Mukasausano	All works complete pending commissioning. A total of 21.8Kms of HV were constructed and 13 transformers installed.
Lot 2	

Ntungamo Ntungamo Municipality Schemes	Pole erection and stringing was completed and awaiting transformer installations in some areas. A total of 16 transformers were to be installed. Scheme comprises of 6 tee –offs. Within the municipality, the grid was extended to the areas of Muriisa, Butare, Karambi, Kizaara, Kabirizi, Kafunjo, Kasharira, Nyakagando Parish and Rwemiriro Village among others.
Grid Extensions in Ruhaama in Ntungamo	Works were completed. Scheme includes villages of Kisense, Muriisa, Butare TC, Ngoma TC, Nyakagando Parish - Igurwa TC, Nyakahika TC, Rwemiriro Village, Nyakihanga Village, Kyamate–Nyakashozi – Kabingo - Rukindo TC& PS, Kiyora - Kataraka - Kashoro–Nyakihanga among others.
Nyakasharara, Iterero, Kitibiko, Burisa –Kajara in Ntungamo	Works were completed and pre-commissioning done. 7 transformers were installed.
Kagorogoro, Karuka, Kacurajenyi, Kikonje – Kajara in Ntungamo	Pole erection, dressing and stringing were all completed. Awaiting 4 transformer installations.
Kamuninga, Ruzumo TC, Kajara in Ntungamo	All works were completed except 3 transformer installations.
Rwobuyenje – Kakiika Village in Mbarara	Pole erection HV and LV was done. HV length was 1.5Km and 2 transformers were yet to be installed.
Lot 3	
Nzizi, Kasaana and Kankunyu Villages in Masaka	Pole erection and stringing were done. Pending installation of 4 transformers. Total HV length was 6.03 Kms.
Nakalembe –Manyama - Nsangala, Nakalembe - Kyabakaga, Nakalembe - Kabasanda in Sembabule	Works were ongoing for the areas of Nakalembe–Manyama – Nsagala and Nakalembe –Kabasanda. Pole erection and stringing were completed awaiting transformers installation. Total HV length and transfomers to be installed was 21.8Kms and 13 respectively. Works for the areas of Nakalembe – Kyabakaga had not yet started.
Phida TC – Bukulula - Mirambi-Kasambya tee-off to Misojo –Mbale in Sembabule	Pole erection and stringing were ongoing. 6 transformers were to be installed.
Nambirizi, Katwe, Rwebusisi and Lwabaana in Sembabule	Pole erection and stringing were done, however transformer installations were pending. A total of 14 transformers were to be installed and 39.93Km of HV constructed.
Nkunyu, Buzinga, Lwabuwoko and Kyangwe Trading Centres in Masaka	All works were completed, except installation of 14 transformers. Total HV length was 8.8Kms.
Kiryangoma, Bunyere and Ndegeya - 1 Trading Centres in Masaka	All works completed except transformer installation. 2 transformers were to be installed with HV length of 1.81Km.
Lot 4	
Muzizi Areas and Mountains of the Moon University in Kyenjojo	For Muzizi areas, pole erection and dressing were completed. Scheme included 28Kms of HV and 12 transformer installations.

	For Mountains of the Moon University areas, pole erection for both HV and LV was completed. Stringing was ongoing. HV Length was 7Km and 3 transformers.
Kikonda – Rwaitengya in Kyenjojo	HV Pole erection was completed. LV pole erection was ongoing and 3 transformers will be installed.
Kahihi Trading Centers in Kyenjojo	Scheme had just started. Paging was ongoing.
Kanyangeya, Kyondo and Kyalanga Villages in Kasese	Both HV and LV pole erections were completed. Pole dressing was ongoing and 3 transformers were to be installed.
Kagando, Ibuga and Rugendabara in Kasese Kidodo Village in Kasese	Both HV and LV pole erections were completed and Pole dressing was ongoing.
Bukwika, Mujunjo, Kanyegaramire and Karoro Villages in Kabarole Rubona & Kabate Villages in Kabarole	Pole erection and Pole dressing were done and stringing was ongoing.
Kijura – Kyaruhinga - Kagwera Farm – Masongora in Kyegegwa	Both HV and LV Pole erections were completed. Pole dressing (50% progress) and stringing (30% progress) were ongoing. 5 transformers will be installed.
Kyamuhoro – Kyererezi - Nsorro	HV Pole erection was completed. LV Pole erection ongoing with 80% of erection done.
Rwengaju Model Village in Kabarole	Both HV and LV Pole erections were completed and stringing at 40%.
Schemes Under OPEC/OFID Funding	
Kisoga – Mpuumu – Kibanga Project in Mukono	Scheme was completed and commissioned. HV length is 10Km and 8 transformers were installed.

Source: Field Findings

L-R: On-going works on the Kijura-Masongola grid extension scheme(Lot 4-AFD funded)in Kabarole; Overhead line works on the Buseruka-Kabwoya rural electrification scheme in Hoima

L-R: Completed grid extension works in Bokwe, Masindi; Partially completed distribution network in Mbaale, Sembabule.

Recommendations

- The MFPED should release adequate funds for MDAs to cater for their electricity bills and clear existing arrears. The MDAs that fail to pay their electricity bills should be sanctioned.
- To encourage connections by consumers, Government should make more initiatives that focus on the last mile connection in all service territories. Also the cost of wiring domestic users could be reduced by lowering taxes on the materials required, and also promotion of Ready Boards.

Conclusion

The overall sector performance was fair at 61.9% of the semi-annual target. There was a slight decline in the performance of the sector from the score of 67.7% at the end of FY 2016/17. The good performing projects were Kawanda-Masaka Transmission Project, Hoima-Nkenda Transmission Project, Isimba Hydropower Project and Karuma Hydropower Project. Projects that performed fairly included Mineral Wealth and Mining Infrastructure Development, Strengthening the Production Phases of Oil and Gas and Rural Electrification Project.

Projects that continued to perform poorly included Nyagak III HPP, NELSAP, Tororo-Lira/Mbarara-Nkenda Transmission Project. Although Karuma Interconnection Project was still poor, it showed great improvement and if funds for RAP are provided then some considerable progress will be registered at the end of FY2017/18.

The key constraints in the achievement of sector outcomes for most of the programmes were delayed acquisition of ROW for the power transmission projects, and low GoU releases, inadequate funds for compensation on projects, and the low electricity connection rates in rural areas.
The performance of the key sector projects that were monitored is tabulated in table 7.27.

Table 7.27: Overall Performance of the Energy Sector by 31st December, 2017

Project	Overall Performance (%)
Power Transmission Projects	60.6
Isimba Hydropower Plant (Project 1143)	75.7
Karuma Hydropower Plant (Project 1183)	78.8
Nyagak III Hydro power Plant(Project 1351)	34.3
Strengthening the Development and Production Phases of Oil and Gas Sector (Project 1335)	60.7
Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	61.2
Mineral Wealth and Mining Infrastructure Development (Project 1353)	62.6
Rural Electrification (Project1262)	61.5
Average Overall Sector Performance	**61.9**

Recommendations

- The MFPED should release adequate funds for critical sector activities such as RAP. The delay in compensation on the transmission projects due to lack of funds is slowing completion of works.
- The sector agencies (MEMD, UETCL, UEGCL, REA) should build capacity in the execution of infrastructure projects, especially in areas of procurement and contract management since some of the issues affecting the performance of ongoing projects were arising because of these reasons.
- The REA should develop more innovative ways of improving the rate of connections in the country. Government with assistance from development partners have tremendously funded electricity grid extensions in rural areas and new efforts should be put in place to get more of the population in these areas connected.

CHAPTER 8: HEALTH

8.1 Introduction

The health of the Ugandan population is central to the socio-economic transformation of the country. It is identified as a key priority in the medium term of the second National Development Plan (NDPII) and contributes to the third objective of the plan *'to enhance human capital development'*.

Over the last two decades, the Government of Uganda has increased access to health services through various programs and projects including investment in health infrastructure, equipment, supplies and Human Resource Development. This has translated into improved health indicators. Uganda recorded a decline in infant mortality from 54 in 2011 to 43 deaths per 1,000 live births in 2016; the under-five child mortality declined from 90 to 64 deaths per 1,000 live births. Maternal mortality has also declined from 438 in 2011 to 336 deaths per 100,000 births in 2016 respectively. The fertility rate also declined from an average of 6.2 to 5.4 children per woman.[29]

8.1.1 Sector Priorities FY 2017/18

According to the Ministerial Policy Statement (FY 2017/18), health sector priorities for the FY were:

i. Scaling up Public Health interventions to address the high burden of preventable diseases through health promotion, education and effective communication to the population. Addressing nutritional challenges, environmental Sanitation and hygiene, Immunization, Hepatitis B and Non Communicable Diseases; Introduction of Community Health Extension workers (CHEW's) to educate the communities on prevention of diseases and link the communities to the Health services,

ii. Improvement of Reproductive, Maternal, Neonatal, Child and Adolescent health services to reduce mortality and morbidity and improve their health status,

iii. Human resources (attraction, motivation, retention, training and development),

iv. Infrastructural developments; constructions, rehabilitation and remodeling focusing mainly on HCIIIs, HCIVs and districts with special needs like islands, difficult to reach areas, large populations and socio-demographic peculiarities among others.

8.1.2 Sector Votes

The health sector is comprised of the following Votes[30]; The Ministry of Health (MoH-Vote 014); National Medical Stores (NMS-Vote 116); Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids

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[29] Budget Speech FY 2017/18

[30] These are mandated to contribute towards Health Priorities and overarching sector outcomes.

Commission (Vote 107); Health Service Commission (Vote 134); Uganda Virus Research Institute (Vote 304). Others are; Mulago and Butabika National Referral Hospitals (Votes 161 to 162 respectively); Fourteen Regional Referral Hospitals (Votes 163 – 176)[31] and all local governments (Vote 501-850).

8.1.3 Overall Sector Financial Performance

Financial Performance

The sector was allocated Ug shs 1,824.08 billion inclusive of donor funding excluding arrears, taxes, and Appropriation in Aid in FY2017/18. This was 6% of the total National Budget, having dropped from 8% in the previous FY 2016/17. The GoU and development partners financed 50% of the budget respectively. The GoU allocation was 44% wage, non-wage 45%, and 11% development budget. The sector budget was shared as follows: The MoH (54%), LGs (19%), National Medical Stores (13%), Regional referral hospitals (5%); National Referral Hospitals (4.6 %) and 4% to other spending agencies.

The GoU released Ug shs 600billion (64%) of the budget and spent Ug shs 538billion (90%). Expenditures were mainly under NMS (41%), 32% LG health, 8% spent by MoH, 6% Mulago hospital complex and the rest by other spending entities[32].

8.1.4 Scope

The chapter presents semi-annual financial and physical performance of selected sector programs and projects of 21 out 26 central government votes (80%); 22 out of 28 (82%) LGs that benefited from the PHC transitional grant in FY2017/18.

Table 8.1: Votes, Programs, Projects and outputs selected for semi-annual monitoring FY 2017/18

Program/Project/Output	Institution visited/location
Vote: 014 Ministry of Health (MoH)	
Health Systems Development (Vote Function 0802)	
Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital (Project 1315)	Mulago Hospital
Italian Support to HSSP and PRDP (Project 1135)	Abim, Kotido, Moroto, Nakapiripiti, Napak, MoH Headquarters,
Support to Mulago Hospital Rehabilitation (Project 1187)	Mulago, Kawempe, and Kiruddu Hospitals
Institutional Support to MoH	MoH headquarters
Rehabilitation of General Hospitals(Project 1243)	Kawolo and Busolwe General Hospitals

[31] Arua Regional Referral Hospital (RRH) Fort Portal RRH, Hoima RRH, Gulu RRH, Jinja RRH, Kabale RRH, Masaka RRH, Mbale RRH, Soroti RRH, Lira RRH, Mbarara RRH, Mubende RRH, Moroto RRH, and Naguru RRH

[32] IFMS

Program/Project/Output	Institution visited/location
Programme 7: Clinical services	
East Africa Public Health Laboratory Network Project Phase II	Butabika, Arua, Butabiika, Mbale, FortPortal, Mbarara, Moroto
Vote: 134 Health Service Commission	
Vote: 114-Uganda Cancer Institute	
Vote: 115-Uganda Heart Institute	
151-Uganda Blood Transfusion Service (UBTS)	
Vote 161: Mulago National Referral Hospital	
Vote: 162 Butabika National Referral Hospital	
Vote: 163 – 176 Regional Referral Hospitals	
Vote 501-850 PHC Development (Transitional-Adhoc Grant)-Rehabilitation of General Hospitals	Apac, Bundibugyo, Kabale; Kabarole; Kamwenge; Kanungu; Kibaale; Kumi; Kyenjojo; Luwero; Mpigi; Mukono; Pallisa; Tororo; Ibanda; Oyam; Bududa; Lyantonde; Kibuku; Butambala; Kagadi; Kyotera; Entebbe Municipal Council.

Source: Author's Compilation

8.2 Ministry of Health (Vote 014)

The MoH is in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services like emergency preparedness, health research, monitoring and evaluation of the overall health sector performance. Performance of programmes and projects under two Vote Functions were assessed. The vote functions were: Health System Development, Clinical, and Public Health while projects visited were highlighted in table 8.1.

8.2.1 Health System Development (Vote Function 0802)

The monitoring team monitored six development projects[33] and the following was established.

8.2.1.1: Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital (Project 1315)

Background

This project commenced in February 2014 and is expected to end in February 2019. Both Government of Uganda and a loan from Islamic Development Bank fund the project. The overall cost of the project is US$30.72 million. The project objectives are to: Improve Maternal and Child healthcare services delivery at Mulago National Referral Hospital (MNRH);

[33] Table 8.2

Decongest the Mulago National Referral Hospital (MNRH) by focusing on provision of tertiary, specialized maternal and child healthcare services in obstetrics/gynecology.

The construction works were undertaken by M/s Arab Contractors (Osman Ahmed Osman & Co) and works started on 15th May, 2015 at a sum of US$ 24,460,004.99 (VAT Inclusive). M/s Joadah Consults Limited at a sum of US$ 440,350 (VAT exclusive) supervises the works. The initial project contract period was extended from 7th October 2016 to 7th October 2017, and subsequently 28th February 2018. This end date has not been achieved.

The facility was partially handed over to MoH in October 2017 and the defects liability commenced then. However, an addendum worth US$ 1,302120.37 for additional works was awarded to the contractor. These works included: construction of a retaining wall, integration of ICT requirements; completion of civil works in the 10 operating theatres, improvement and completion of the electro mechanical works to the InVitro Fertilization (IVF) unit.

Performance

Project performance was very good at 98.2% for the construction of the maternal and neonatal hospital, equipping, and provision of leadership and governance training to the health staff. There were delays in delivery and installation of equipment with some contracts expiring before final delivery of the equipment. Delays in training staff was also noted. Detailed project performance is indicated in table 8.2.

Table 8.2: Performance of Specialized Neonatal and Maternal Unit in Mulago Hospital as at 19th February, 2018

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Maternal and neonatal hospital construction undertaken	100	17,640	0.9	35.69	Physical performance of the civil works was at 99% completion. Construction works were ongoing for the above-mentioned addendum. However, the Solicitor General was yet to approve the addendum contract, although the contractor was already executing works under the addendum.
Monitoring and supervision of civil works	100	1,319	0.9	2.67	This was fully achieved and the project was running at a no cost extension period, however there were outstanding payments to the consultant.
Specialized machinery and equipment procured	100	29,579	0.2	59.85	The procurement of service providers to supply, install, test and commission medical equipment and furniture was completed in December 2017. Two service providers (STAR Pharmaceuticals and

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
					Footsteps Furniture Company) had delivered some equipment. The other contractors including: Joh Achelis and Sohne GmbH; Microhem Scientific and Medical Supplies Limited had not delivered any equipment by 31st December 2017. The value of the delivered equipment could not be ascertained, as the delivery notes were not readily available. Other service providers were yet to deliver the equipment.
Consultancy services, Leadeship Training and Governance	100	882	0.25	1.25	The consultant had submitted the inception report on leadership and management trainings to MoH.
Total		**48,539**		**98.2**	**Good physical performance**

Source: Field findings

Clockwise: Medical beds on the ward, maternal neonatal hospital; Paint peeling off on some of the hospital window seals and a Retaining wall under construction

Challenges

- **Outstanding arrears**: Approximately US$2,591,248.32 excluding the addendum remained outstanding by end of February 2018. The Islamic Bank had fulfilled all its financing obligations for the civil works except for the variations. This left GoU with the obligation to clear the debt.
- **Delayed approval for additional funding to the supervising consultant for the project extension time:** The extension of the construction period from 7th June 2017 to 28th February 2018 to have all works completed requires a supervising consultant to continue with supervision. The consultant submitted a request for additional funding which MoH was yet to approve and the PMU noted that supervision was at a no cost extension.
- **Delayed payment of Value Added Tax (VAT)**: GoU failed to fulfil its VAT obligations which had accumulated to US$2,356,230.91 (contractor) and US$ 2,403,788.71 for the consultant.
- **Omission of helipad for patients arriving by air:** While the building was originally designed to have a helipad for air referrals, the Civil Aviation Authority did not permit its construction due to failure to acquire security clearance.
- **Omission of gender and equity concerns**: The facility did not have provision for people with disabilities especially in toilets nor assisted baths in all bathrooms from level two and above.

Recommendation

- The MoH should prioritize funding to address the project financial requirements and facilitate completion and utilization of the facility in a timely manner.

8.2.1.2: Italian Support to Health Sector Development Plan (HSDP) and Peace Recovery and Development Plan (PRDP) – Project 1185

Background

The project works consist of construction of 34 blocks of 2 bedroomed semi-detached staff houses for 68 staff at Health Centre IIIs in Karamoja sub-region. M/S Zhonghao Overseas Construction Engineering Co. Ltd was awarded the contract to undertake the works and supervised by M/S Joadah Consult Ltd. The entire project contract sum was USD 5,592,885.18 (18% VAT inclusive). Works commenced on 20th June, 2016 with an expected completion date of 12th December, 2017. Beneficiary districts include: Kaabong (3 No.), Kotido (8 No.), Abim (5 No.), Moroto (3 No.), Napak (7 No.), Amudat (4 No.) and Nakapiripirit (4 No.).

Physical performance

Project performance was poor with 47% of the semi-annual targets achieved. The contractor had abandoned site by close of FY 2016/17 due to financial constraints. However, the GoU paid Ug shs 4,689,038,249.00 (USD 1,304,322.18) to the contractor in July 2017 and he resumed works on 14th July, 2017. Detailed project performance is indicated in table 8.3.

Table 8.3: Physical Performance of Italian Support to Health Sector Development Plan (HSDP) as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs-Mil)	Weight Based on Budget	Physical Weighted Score (%)	Remarks
Staff houses constructed	100%	5,970	1.000	47.17	Abim registered steady progress at an average of 92%, followed by Kabong at 88%, Napak 57%, Kotido at 56%, Moroto 20%, Nakapiripirt 19% and at Amudat at 45%. Works had again stalled at Namalu and Lemusui HCIIIs in Nakapiripiriti district. Kosiroi HCIII in Moroto district and Loro HCIII in Abim district. At Kangole HCIII Latome HCIII and Lokopo HCIII in Napak, the sub-structures of the two unit staff houses were complete, pending works included roofing, plastering, floor, glass doors and window works.
Total		**5,970**		**47.17**	**Poor physical performance**

Source: Field findings


Left: Foundation of the staff house at Kosiroi HCIII-Moroto District. Right: Staff house at Alek HCIII-Abim District at substantial completion

Challenges

- Financial constraints with development partner (Italian government) not releasing funds as expected. This led to slow project implementation and abandonment of sites.

- Poor service delivery partly due to lack of staff accommodation. In Lemusui HCII-Nakapipirit District several health workers like midwives turned down job appointments due to lack of accommodation. Health workers in Loroo HCIII, Moroto District sleep in the OPD.

Recommendation

- The Government of Uganda through MFPED and MoH should lobby the Italian Government to release project funds to avoid further delays.

8.2.1.3: Support to Mulago Hospital Rehabilitation (Project 1187)

Background

The Government of Uganda (GoU) received a loan from the African Development Bank and Nigerian Trust Fund to increase access to quality and affordable health care services for the population of Kampala Metropolitan Area. The project commenced in January 2012 and was expected to end in June 2017, however it was extended to February 2018 to enable the contractor complete civil works at lower Mulago Hospital. Project completion date was again revised to September 2018.

The total project cost is US$ 86.8 million. The African Development Bank (ADB) finances 82% (US$ 71.3 million), while the Nigerian Trust Fund (NTF) finances 18% (US$ 15.5 million). The project has also had several addendums for additional works financed by GoU totaling to US$ 5,995,148.94 (Ug shs 22,037,567,990) these increased the total project cost to US$ 92.795million.

Performance

The performance was very good as 95% of the semi-annual targets were achieved. Disbursement rate was 79.1% by 31st December 2017. A total of US$ 64.15 million was disbursed and 63.71% spent.

Although the project registered very good performance at 95% of the planned targets, it was behind schedule and granted several time extensions with the latest ending September 2018. Kawempe and Kiruddu were 99% complete, while lower Mulago was 85% complete.

A number of equipment were delivered and installed for Kawempe and Kiruddu, while some was delivered for Mulago. A number of snags and lack of proper sewerage systems undermined service delivery for both Kawempe and Kiruddu hospitals. At Kawempe Hospital, there was sewerage leakage through the theatre ceiling, thus compromising the safety of its clients. Detailed performance is presented in table 8.4.

Table 8.4: Performance of Support to Mulago Hospital Rehabilitation Project 28th February 2018

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs million)	Cum. Quantity Achieved	Weighted physical performance Score (%)	Remarks
Supervision of civil works for Lower Mulago Hospital undertaken	100	1,792	50%	0.99	A number of supervision reports were reviewed. Both the consultants and the Project Management Unit undertook supervision of the civil works. Clerk of Works were present at project sites to review the works.
Rehabilitation of lower Mulago	25	47,067	10%	40.54	Rehabilitation works were ongoing. During the half year, the entity achieved 10% of the planned 25%. Cumulatively 85% of the civil works were completed. The project was affected by many end user changes in the design and scope of works which increased the cost amidst lack of funding for the additional works.
Kawempe General Hospital completed	3	5,384	2%	4.95	Cumulatively 99% of the civil works were completed. The contractor was attending to snags and finalizing works under the defects liability period. However, some defects were not rectified, cracks in the terrazzo were evident, and the quality of some doors was poor. Drainage issues with water stagnating in various parts of the hospital water channels were noted. The hospital continued to suffer from lack of a proper sewerage system affecting service delivery, some theater surgeries were suspended due to sewerage leakages into the theater. The hospital had heavily depreciated due to limited maintenance.
Kirrudu General Hospital completed	2	5,292	1%	4.86	Rectification of snags was on going. Cumulatively 99% of the civil works were completed. Terrazzo works remained poor despite the rectification done by the contractor.
Procurement of medical equipment	100	49,351	30%	44.59	The majority of equipment for Kawempe and Kirruddu was delivered and in use. Some equipment like metallic shelves delivered had rusted, counter shelves

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs million)	Cum. Quantity Achieved	Weighted physical performance Score (%)	Remarks
					and furniture were broken. Imaging, nuclear, laundry, dental and anesthesia equipment, plus office furniture were delivered. However, some could not be tested and installed due to pending civil works at the facility. Payments to such suppliers could not be finalized. The 160 body mortuary fridge was also delivered at Mulago hospital and installations were ongoing.
Total		**108,886**		**95.9**	**Very good performance**

Source: Field findings

Clockwise: Mechanical installations at the Pediatric ICU, Installation of furniture on Block K, Laundry equipment and completed section of Block B at Lower Mulago Hospital

Intermediate Project Outcomes

- Improved access to health services at both Kawempe and Kirrudu general hospitals. Outpatient attendance for both hospitals was at 64,428 while outpatient attendances was at 24,189 in the first six months of FY 2017/18. The increase in attendances was attributed to increase in services provided by the facilities, availability of health workers, new equipment and medical supplies.
- Improved skills for over 3,000 health workers, of which 3% were masters in medicine and surgical skills.
- Improved availability of ambulance services in Kampala Metropolitan Area. Ten ambulances procured under the project were handed over to Kampala Capital City Authority to manage their operation. To improve access to the ambulances, Uganda Communication Commission issued a short code for emergency medical services and is now in use.

L-R: Rusted metallic shelves and a clogged broken drainage channel at the Services Block, Kawempe Hospital

L-R: Installation of the UPS for the imaging equipment; Broken shelf at Kirruddu Hospital

Implementation Challenges

- Variations arising from the numerous changes from the end users led to additional works, time, and costs overruns at the lower Mulago Hospital. The additional cost requirement is Ug shs 22,037,567,990 (US$5,995,148.94).
- Failure to rectify some snags like terrazo works due to presence of patients at both Kawempe and Kiruddu General Hospitals.
- Funding gap: The fluctuation of the exchange rate led to reduction in the available project funds. The loan was acquired in the Unit of Account at a rate of 1 U.A =1.55 US$ at the time of the loan acquisition this translated into US$ 86.8 million. Over the period of implementation this has reduced to US$ 79million, thus creating a funding gap of over US$ 6million, reduction in equipment planned for procurement and an urgent need for government to bridge the gap.

- Delayed payments to suppliers of various equipment and furniture due to failure to install, test and train users. This failure was attributed to lack of space and ongoing works at various hospitals. The equipment remained in the stores of Lower Mulago, Kawempe and Kirrudu hospitals.
- Damage and breakdown of facilities in both Kawempe and Kirruddu hospitals due to poor usage of the installations. The most affected were the mechanical and electrical installations.
- Delayed completion of rehabilitation works for Lower Mulago leading to several time extensions with the latest extension ending in June 2018.
- Sewerage disposal challenges: Kawempe and Kirruddu hospitals were overwhelmed with the challenge of disposing off waste. The constructed septic tanks were only temporary measures with a capacity of handling waste for only 200 patients. However the number of patients increased to 370 inpatients and 350-400 outpatients on a daily basis at Kirruddu, while the numbers double at Kawempe thus overstretching the capacity of the septic tanks. The PMU was emptying the septic tanks but it’s not sustainable due to the high costs involved.

8.2.1.4: Institutional Support to Ministry of Health (MoH) - Project 1027

Background

The main objective of the project was to undertake partial repairs and maintenance of the MoH building. In addition; to develop and install network systems to enable the health ministry fully utilize ICTs, procurement of transport equipment, and facilitate the development of strategic plans for health institutions. The project was allocated Ug shs 8.7billion, of which Ug shs 4.3billion (49.5%) was released and 68% spent. Project expenditures include 85% of the payments made to NMS for stationery and uniforms of health workers.

Physical Performance

Project performance was poor at 37%. Most of the planned items were under procurement. These included uniforms, HMIS forms, furniture and fittings as well as ICT equipment. Refurbishment of 3rd Floor (Burnt floor) and service garage were at substantial completion. Detailed project performance is indicated in table 8.5.

Table 8.5: Physical Performance of Institutional Support to MoH as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Weighted Score (%)	Remarks
MoH headquarters rehabilitated (3rd floor that was burnt and construction of service garage). Payment of outstanding contractual obligations for various local governments	100%	3,008	83%	35.74	Renovation of 3rd floor was at 95%, works were done by M/s MUGA Services Ltd. Installation of a new elevator at the MoH Headquarters building was done by M/s Uganda Elevator Company. Construction of MoH staff canteen was under procurement, while construction of MoH staff garage and service bay was 85% complete by M/s Pera Investment (U) Ltd. Re-roofing of Wabigalo workshop control buildings were 95% complete and renovation of vector Control Buildings were under procurement. The project also transferred Ug shs 158 million to enable completion of constructions in two local governments (Buhweju and Kalangala). This was for Butare HCIII to complete the presidential pledge for the construction of the maternity ward and Ug shs 58 million to clear outstanding obligations for Mazinga HCIII in FY 2014/15 in Kalangala District.
HMIS forms procured	100%	2,000	0	0.00	All funds were transferred to NMS. Stationery was under procurement.
Uniforms for medical staff procured	100%	3,000	0	0.00	All funds were transferred to NMS. Uniforms were under procurement, while delivery for those procured last FY2016/17 was ongoing.
Office and ICT equipment procured	100%	55	10%	0.13	Some equipment was procured and the other was under procurement process.
Furniture and fittings procured	100%	211	0	0.53	Under procurement
Health Systems monitored	4	122	2	0.07	This was undertaken by health services top management.
Motorcycles procured.	2	20	0	0.00	Procurement of motorcycles was ongoing.
Total		**8,416**		**36.5**	**Poor physical performance**

Source: Field findings


L-R: Service garage under construction and improved 3rd floor of the MoH (initially affected by fire in 2017)

Implementation challenge

- Procurement delays leading to failure to achieve planned targets.

Recommendation

- The Accounting Officer should ensure timely initiation of procurements by the Procurement and Disposal Unit (PDU) to avoid delays in project implementation.

8.2.1.5: Rehabilitation and Construction of General Hospitals

Background

The main objective of the project is; to improve quality of the general hospital infrastructure in all districts. Emphasis was on; minor repairs, rehabilitation, maintenance, and painting. In FY 2017/18, 22 out of 28 LGs were monitored. These were: Apac, Bundibugyo, Kabale, Kabarole, Kamwenge, Kanungu, Kibaale, Kumi, Kyenjojo, Luwero, Mpigi, Mukono, Pallisa, Tororo, Ibanda, Oyam, Bududa, Lyantonde, Kibuku, Butambala, Kagadi, Kyotera, and Entebbe Municipal Council. Monitoring teams also followed up on Bugiri and Kumi district hospitals that failed to achieve targets of FY 2016/17 and works on ground were not commensurate to financial inputs.

Performance

The performance was poor at 45% of the semi-annual targets. Districts that performed better included; Bundibugyo, Ibanda, Kiboga, Bududa, and Lyantonde. The good performance was attributed to early initiation of procurement, phasing of works and use of force on account.

Districts that awaited all funds before signing contracts such as Luwero performed poorly. At Bugiri General Hospital, the quality of works was still poor characterised by leakages in the antenatal clinic and mini-laboratory among other areas. Weak door locks and poor ventilation in the theatre. The entire hospital did not have water yet water works were part of the contract. This had greatly constrained service delivery.

The contractor at Atutur HCIV, Kumi district did not complete works, these were prioritised for completion using force on account. Other works were awarded to M/s Mankiya Boys Uganda Ltd at a sum of Ug shs 108m. Detailed project performance is indicted in table 8.6.

Table 8.6: Performance of the Rehabilitation and Construction of General Hospitals Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Apac Hospital district Construction of a modern laboratory, theater, mortuary, two VIP latrines and renovation of the OPD at	100%	900	10%	4.09	Both new construction and renovation works had just started and were expected to end by 31st March, 2018. Renovation of the OPD and construction of the modern laboratory unit were by M/S Greenland Building Contractors and Civil Engineers Ltd. Renovation of the mortuary, supply of six body capacity refrigerators fitted with a stand by solar power and construction of two 5 stance pit latrines were contracted to M/S Robbling Enterprises Ltd.
Bududa Hospital Rehabilitation of a store and administration block at	100%	300	40%	5.45	Works commenced in December 2017. Works on the new administration block were at 40%, partitioning, plastering and plumbing works were ongoing by 15th January 2018. Works at the store had just commenced.
Bundibugyo District Hospital rehabilitated	100%	300	56%	7.64	The project performed fairly at 56% physical progress against 55% financial progress. Works were of fair quality and the contractor was on schedule.
Butambala District Gombe Hospital rehabilitated(water pump and Maternity ward	100%	400	0	0.00	The contract was signed on 16th January 2018 with M/s Pharm Investments Ltd for a period of five months (22nd June 2018). The works had not commenced and contractor was not on site by the 22nd January 2018.

rehabilitation)					Delays in commencement of civil works were due to the delayed shift of patients from the maternity ward to pave way for renovations. Delayed initiation of procurement by user departments affected timely implementation of the project.
Entebbe Municipal Council. Grade A Hospital Rehabilitated	100%	500	0	0.00	Procurement had not been initiated due to delays in development of BoQs and receipt of clear guidelines from MoH regarding utilization of the funds.
Ibanda District (Ishongoro HCIV rehabilitated)	100%	300	25%	3.41	The project was behind schedule with physical progress 25% against 0% financial progress. The contract for the maternity ward was not signed. Works on the mortuary and pit latrine were at roofing level. Delayed signing of contract was noted. These were attributed to prolonged negotiations between the client and Best Evaluated Bidder whose quotation was higher than budget.
Kabale District Health facilities rehabilitated (Kakomo HCIII)	100%	200	0	0.00	Mismatch between the budget and BoQs of the best-evaluated bidder (BEB) led to prolonged negotiations regarding project implementation. The two parties (client and BEB) agreed to a reduction in the scope of works. The contract was therefore in advanced stages of procurement (award stage).
Kabarole District NGO Hospital Rehabilitated	100%	300	0	0.00	Works at the NGO hospital had not commenced. Although funds were released for the project, the hospital management and board had not yet agreed on the fund utilization plan. Works were expected to commence in March 2018.
Kagadi District Hospital Rehabilitated	100%	300	5%	0.68	The project performed poorly at 5% physical progress against 0% financial progress. The contractor M/s Karukana Enterprises commenced works on 27th December 2017 for a period of six months. The works on the wards had not commenced.
Kamwenge District Health	100%	200	57%	5.18	The funds for FY2017/18 were to facilitate completion of works that rolled

facilities rehabilitated					over from FY2016/17. Majority of works were completed and payments made except for the retention. Absence of clear documentation on the project extensions were noted.
Kanungu District hospital rehabilitated (Kambuga Hospital)	100%	300	0	0.00	Under procurement (evaluation stage) and signing was anticipated in Q3 FY 2017/18. The delay in procurement was in part due to lack of a substantive Contracts Committee Chairperson. The district had not transferred the Q2 funds to the hospital.
Kibaale District (General ward and Maternity ward at Kibale HCIV) rehabilitated	100%	272	0	0.00	Delays in approvals of BoQs by MoH. The district submitted the BoQs on 20th July 2017 and approval was received on 2nd October 2017 from MoH upon which procurement for the contractor was initiated. The commencement order was given on 11th January 2018.
Kiboga District Hospital Rehabilitated (OPD and Wards)	100%	400	40%	7.27	The project performed fairly at 40% physical progress against 21% financial progress. The district was implementing the project using force on account. The works were of fair quality.
Kibuku District Construction of the district medicine store at district	100%	300	0	0.00	Contract agreement between the district and M/S Mass Technologies Limited was signed on 21st November 2017 at a sum of Ug shs 300million. Works were expected to end on 10th March 2018. By January 15th 2018, excavation of the foundation was ongoing. Contractor had mobilized both materials and the workforce.
Kumi District Hospital rehabilitated	100%	200	0	0.00	Under procurement. The contract was not awarded by 31st December 2017. BY 15th January 2018, the M/S Mankiya was identified to undertake the works, however the contract was not signed. The initial contract was poorly managed, the contractor left a lot of pending works characterized by poor quality doors and hinges, water works among others. The district tried to attend to some of the defects under Force on Account in July and October 2017. It was noted that the replaced external doors had weak handles,

					glasses were not fixed, while finishing was not completed by the supplier (Hwang Uganda Limited). Other corrective works including renovations at the staff quarters and water works were expected to be handled under the new contract.
Kyenjojo District Hospital Rehabilitated (Gate constructed, Complex consisting of ART clinic, Dental and Administration block constructed)	100%	300	0	0.00	The Partner Baylor Uganda Ltd is managing the procurement for Ug shs 1.686 billion project (ART Clinic, Dental and Administration block). It had not commenced. The GoU was expected to counter-fund the same project with Ug shs 300 million in FY2017/18.
Kyotera District (Kalisizo Hospital Rehabilitated- Mortuary constructed, Painting works)	100%	300	20%	2.73	The project performed poorly at 20% physical progress. Renovation works were ongoing at the different wards, while the pit latrine was substantially completed while the mortuary was at roofing level. Contract had an addendum including provision of water tanks, and walkway construction among others as additional works. It was due for signing on 24th January 2018.
Luwero District health facilities rehabilitated (Luwero HCIV)	100%	300	0	0.00	The procurement was at contract signing stage. The DLG was awaiting confirmation of the availability of all development funds before signing of the contract. The district did not have a substantive engineer competent to assist in development of BoQs for construction works.
Lyantonde District Hospital Rehabilitated (OPD block completed, theatre, Administration block, Placenta pit constructed)	100%	500	57	7.50	The project performed fairly at 57% physical progress against 75% financial progress. The quality of work was good. Renovation of the OPD and construction of the staff latrine was complete, while the administration block was 90% complete. Construction of the male ward was 60% complete. Other civil works such as remodeling of the theatre had just commenced.

Masindi District Hospital (Rehabilitation of a Female ward)	100%	200	0	0.00	The project was behind schedule. The Best Evaluated Bidder (BEB) had a higher cost than the budget and this was interpreted by the politicians as connivance by the technical staff to mismanage government money. This delayed commencement of works. The commencement order was not issued by 31st January 2018, three months after contract signing (7th November 2017).The district did not also plan for the retention funds for the contractors of the previous FY2016/17. Contractors were therefore threating to take legal action.
Mpigi District Health Centre IV rehabilitated	100	500	0	0.00	The project was behind schedule with a likelihood of not meeting the June end date. One contractor who responded to the advert was noted to be incompetent and the MoH Health Infrastructure Department (HID) advised the district to re-advertise the works. Non-responses to advertised bids was reportedly due to the poor packaging of works that discouraged involvement of competent contractors.
Mukono District	100%	300	0	0.00	Works had not commenced. The MoH condition to seek clearance or No-objection before utilization of funds partly affected implementation. The correspondences seeking clearance and guidance on the utilization of funds written between October 2017 and January 2018 were not adequately responded to by MoH to allow implementation of the planned activities.
Oyam District Construction of an X-ray unit and procurement of an x-ray machine at Anyeke HCIV	100%	300	0.05	0.68	Works for construction of the X-ray unit at Anyeke HCIV had not commenced. The district was awaiting approval from MoH to commence works. Procurement of the X-ray machine was ongoing.
Pallisa hospital Rehabilitation of a OPD and procurement of	100%	350	0	0.00	Under procurement. The contract was not awarded by 31st December 2017. Delays were caused by the late approval of the District's Contracts

the solar system					Committee.
Tororo district Construction of a male ward at Hospital	100%	512	0	0.00	Construction works for the male ward commenced on 23rd January 2018 by M/S Mamerich Investment at Ug shs 600m. The contractor had mobilized both materials and the workforce and had commenced excavation works foundation.
Total				**44.6**	**Poor physical performance**

Source: Field findings

Rehabilitation of female and male wards at Bundibgugyo Hospital

Left: Completed OPD and right administration block at Lyantonde Hospital

Implementation Challenges

- Late initiation of procurement processes led to delayed implementation of planned projects in most local governments visited.

- Poor planning characterized by allocation and release of funds without clear utilization plans. For example Entebbe Municipal Council was allocated Ug shs 500million but had not been utilized for lack of clear guidelines on utilization. Construction of the X-ray Unit at Anyeke HCIV, Oyam District could not be undertaken for lack of clearance from the MoH. Works at Mukono Health Centre IV could not commence due to delayed communication from MoH.
- Mismatch between the budgets and the actual costs in the BoQs led to stalling and re-scoping of some projects. In Ibanda District, connection of power was omitted from the BoQs because the budget was less than cost quoted , while in Masindi District works had stalled after signing the contract as the politicians perceived the high quotation as a connivance to reap off government funds.
- Lack of substantive district engineers to assist in preparing BoQs affected works. In districts where they were available, it was evident that they did not effectively participate in planning and budgeting of these projects.
- Mismanagement of government funds: the contractor meant to complete water works at Bugiri hospital failed to complete contracted works. Users complained of lack of value for development funds allocated to the hospital. The roof in some hospital areas was still leaking. Defects in the doors of the children's ward, drainage challenges and poor finishes on various water tanks at Tororo Hospital.

Recommendations

- Improved planning by both LGs and MoH. District work plans and BoQs should be submitted to MoH and approved during planning stage to avoid unnecessary delays in procurement and budget execution.
- The PPDA should investigate contractual agreements for various DLGs and hospitals.
- The Office of Auditor General (OAG) should also undertake value for money and forensic audits on various hospitals. Administrators guilty of misusing public funds should refund and be apprehended.
- The health sector entities at grassroots levels should increase efforts in disease prevention. This will help in reduction of the medical drugs and supplies budget. Reduction of mortality rates and overall improvement of health indicators.

Box 8.1: Service Delivery Constraints in Local Government Hospitals

a) Lack of water in various health facilities compromised service delivery. These included Pallisa, Kumi, Apac, Bugiri General Hospitals; and Lira Regional Referral Hospital. Equipment in such facilities could not be effectively utilised.

b) Lack of staff accommodation compromising attraction, retention and motivation of health workers.

c) Lack of equipment including medical and delivery beds, patient trolleys, drug cabinets, x-ray machines among others. Equipment withdrawn from various health facilities by

MoH under the Uganda Health Systems Strengthening was never replaced.

d) **Non-functionality of equipment:** Xray equipment at Kambuga, Gombe, and Kagadi hospitals was not functional. In Kambuga, the control interface does not power, and the manual film was non-functional. The MoH contracted Dash-s Technologies to maintain the equipment in Kambuga Hospital but had never visited the facility. The radiographer at the hospital had been idle for about one year; the hospital also lacks an operating table and had resorted to using the delivery bed.

   The dental units were faulty or not fully functioning at 70% of the general hospitals monitored. In Lyantonde and Kambuga hospitals, the dental services were reduced to simply extractions. The x-ray equipment was closed by the Atomic Energy Council due to lack of licences and high leakages of the x-ray radiations.

e) **Drug stock out of ARVS especially second line. This mainly between September and November 2017 leading to** rolling back of the patients from the second to the first line and the associated effects of the deteriorating health of the patients. The anti-TB and ACTs also reported some intermittent stock outs. In Kyenjojo anti-TB drugs such as; GH, RHZ60, 30,50mg, Rifampin Isoniazid tab 60/30mg had stocked out for three weeks after the last supply in December 2017.

f) **Inadequate staffing:** Especially for key cadres such as anaesthetic officers, sonographers and radiographers in most of the districts monitored.

g) **Non-deliveries of medicines to some health facilities:** Maisuka HCIII in Kibale District completed in FY 2016/17 was not included in the NMS list for health centres III that receive medicines, thus constraining service delivery.

h) **Lack of uniforms for health workers:** All LG health facilities had not received uniforms from MoH/NMS.

i) **Stock out of blood and blood products**

j) **Inadequate funding for PHC non-wage, this affected operation and maintenance of general hospitals.**

k) **Lack of transport at both districts and health facilities to carry out outreache programmes in the districts.**

l) Inadequate allocation to the interventions of maternal and child health such as medicines, sundries

Source: Field findings

8.2.1.6: Rehabilitation Kawolo and Busolwe General Hospitals (Project 1243)

Background

The project is funded by Uganda-Spanish Debt Swap Grant in which Kawolo and Busolwe hospitals will be refurbished and equipped. It is estimated to take a duration of 4 years between 2015-2019.

The overall objective of this project is to contribute to the delivery of the Uganda National Minimum Health Care Package through improvement of the Accident and Emergency, and Reproductive Health Services at Kawolo and Busolwe General Hospitals.

These constructions will also address the following: staff motivation and retention through improvement and provision of staff housing; improvement of accident and emergency services through provision of a new casualty ward with an emergency theatre, mortuary with a nine capacity body fridge and an ambulance; improvement of reproductive health services through expansion of the delivery suites and provision of an obstetric theatre; improvement of hygiene through provision of solar powered boreholes including a 144,000litres water reservoir; improvement of outreach and referral services through provision of a double cabin pickup. Semi-annual monitoring focused on Kawolo Hospital as works at Busolwe had not commenced.

Physical performance

In FY2017/18, the project was allocated Ug shs 450m, of which Ug shs 110m was released and Ug shs 55.028m spent by the 31st December 2017. Overall project performance including supervision and construction was very good at 90%. Physical progress was 36% for the construction works. The ongoing works included construction of the causality unit, new OPD, mortuary, placenta pit, four-unit staff house, obstetric theatre among others. Detailed performance of the project is shown in table 8.7.

Table 8.7: Performance of Kawolo Hospital Rehabilitation by 6th February, 2018

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Monitoring, supervision and evaluation of health systems done	0.667	150	0.36	0.57	The bi-national committee comprising of Ugandan and Spanish consultants conducted supervision of civil works. There was however no resident supervision consultant.
Hospital rehabilitated	0.6667	19,282	0.36	89.93	Physical progress was on schedule at 36% completion. The quality of civil works was

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
					good.
Total		**19,432**		**90.5**	**Very Good Performance**

Source: Field findings

Clockwise: Staff quarters; obstetrics theatre; completed placenta pit and pit latrine; and an aerial view of the new OPD, casualty, and theatre at Kawolo Hospital

Project Implementation challenges

- Delayed payments to the contractor.
- Lack of effective participation in project implementation by key stakeholders. The hospital management as the final users were not furnished by BoQs to follow up project activities.

Service delivery challenges

- Inadequate staff accommodation: only 30% of the 158 staff in the hospital were accommodated.
- Inadequate staff: The hospital is 78% staffed but lacks critical cadres like the medical officers special grade for gynecology and surgery, there were only five medical officers out of the 11 that are supposed to be at a general hospital.
- Shortage of medicines and medical supplies. The hospital lacks EmOC supplies yet they deliver over 370 mothers a month, of which at least 20 are caesarian births. Medical supplies like switchers, blood, oxytocin, gloves, misoprostol which affect maternal health are in short supply. Patients were often requested to buy medical sundries like switchers, gloves and gauze from private service providers which affects timely delivery of services.
- Lack of equipment in the orthopedic department. The hospital receives so many accident victims but lacks equipment for bone alignment. Hospital staff therefore resorted to use cardboards to align bones.

Recommendations

- The MoH should ensure that key project stakeholders like hospital management are provided with the BoQs to enable effective participation, monitoring and supervision.
- The National Steering Committee should urgently ensure that a resident supervising consultant is assigned to the project for effective project implementation.

8.2.2 Clinical and Public Health (Vote Function 0804)

Background

The department of Clinical and Public Health implements the Vote Function programmes and projects. It is mandated to coordinate implementation of the basic package, routine surveillance, and management of epidemics, health disasters and public health emergencies. It is also involved in development of policies and technical guidelines for service delivery for the Basic Health Care Package among other things.

The department implements a number of activities under five programs and two development projects. Programs are: Community Health (Programme 06); Clinical Services (Programme 07); National Disease Control-NDC (Programme 08), Shared National Services (Programme 09) and Nursing Services (Programme 11). Projects are: Uganda Sanitation Fund Project (Project 1218) and East Africa Public Health Laboratory Network Project Phase I (Project 1413). Semi-annual budget monitoring focused on one development project (East Africa Public Health Laboratory Network Project Phase II); and Programme 07- Clinical Services.

8.2.2.1 Clinical Services (Programme 07)

Activities undertaken by the program include: Maintenance of medical and solar equipment; Coordination of clinical and public health emergencies including the response to the nodding syndrome; Clinical health services provided (infrastructure, pharmaceutical, integrated curative), and technical support, monitoring and evaluation of service providers and facilities,

Performance

The approved budget for the programme in FY2017/18 is Ug shs 39.20 billion, of which 48.3% was released and 83.7% spent. The programme performance was good at 81.7%. The good performance was attributed to the payment of interns' allowances during the period under review[34].

The other outputs such as maintenance of medical and solar equipment, responses to public health emergencies, among others performed poorly. A number of imaging equipment and solar power systems had not been maintained inspite of the release of Ug shs 894,507,637 during the first half of the year.

The MoH deployed 1,045 interns for 12 months and their allowances were paid.[35] The interns noted that stock out of medicines, laboratory reagents and medical supplies particularly for theater procedures constrains their learning and service delivery. Table 8.8 shows detailed performance of selected program outputs by 31st December 2017.

Table 8.8: Performance of the Clinical Services Program outputs by 31st December 2017

Output	Annual Planned Quantity or % age Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
Clinical health services provided	100	2,000	40.00	7.52	The health workers were trained in management of Hepatitis B, although with turnover of staff and transfers, refresher trainings were demanded even among the 39 districts. The MoH had commenced preparatory meetings and engagements with the stakeholders in the 11 districts of Busoga. By 3rd January 2018 only Namutumba and Kaliro were yet to receive the MoH team in preparation for the health workers training in hepatitis B management. The trainings were also

[34] The activity took up 65% of the programme budget

[35] Clinical Services Program implemented the output although it was planned under Shared National Services

Output	Annual Planned Quantity or % age Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
					completed in all the regional referral hospitals and the hospitals were guided to open up HEP B clinics. The health workers also received hepatitis B vaccination in the districts of Busoga.
Coordination of clinical and public health emergencies	100	2,000	20	3.67	This component performed fairly with some interventions in the management of emergencies and provision of treatment and or vaccination to the public. MoH supported Kachorwa and Kween districts during the outbreak of Marburg and also supported coordination meetings at the National Level. Investigations and response to Cholera outbreaks in Kasese and jiggers in Busoga region.
Maintenance of medical and solar equipment	100	2,700	10	3.97	The benefiting facilities especially in western and northern Uganda were yet to receive the maintenance services for the solar systems. The users had only received visitors from MoH who were assessing functionality of the solar systems but no maintenance was done. Requisitions to purchase solar batteries, invertors, charge regulator, and solar panels were prepared and submitted to the Permanent Secretary for approval (Box 8.2 below). Dash-S Technology Limited had not visited all the health facilities with Philips equipment for maintenance during the first half of the FY2017/18; and where they visited particularly at the regional referral hospitals. Incomplete maintenance was done. Only one of the two-x-ray machines was maintained (Box 8.3 below).
Medical intern Services	100	13,609	50	66.33	The MoH had deployed 1,045 interns. The internship training centres had paid the allowances to the interns. The interns however observed that the

Output	Annual Planned Quantity or % age Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
					allowance is inadequate, and also taxed. Some hospitals like Moroto failed to attract interns due to lack of consultants (Box 8.4 below).
Technical support, monitoring and evaluation of services providers and facilities	100	210	10	0.19	This was not fully done due to the funding constraints.
Total		**20,519**		**81.7**	**Good physical performance**

Source: Field findings

<u>Box 8.2: Maintenance of Solar Systems By MoH Contractors</u>

Maintenance of solar systems was poor, as 57% of the monitored facilities had not received maintenance services from the MoH contractors. It was established that staff from the MoH HID had visited most of the facilities to carry out solar systems verification and not maintenance. The facilities therefore continued to face challenges lighting for few hours and other faults on the system.

At Busunga HCII in Bundibugyo, the solar equipment was not maintained. The users noted that the batteries were weak and could only support lighting for six hours. At Kikyo HCIV however, the contractor (Intercross Agencies Limited) had serviced the solar system and was working well by the 18th January 2018. There is need to connect solar power to effectively functionalise the theatre donated by Save the Children.

At Biso HCIII in Buliisa, the solar system was functioning fairly. It could not light for more than six hours. The contractor had not maintained the solar system in the last one year.

Intercross Agencies last visited and maintained solar systems in Kimengo HCII, on 13th July 2016 and Masindi Port on 28th July 2017 in Masindi district. Some components such as sensor security lights were however not functioning, while Ikooba HCIII and Kijenga HCII in Masindi District had not received maintenance of the solar systems and were not functioning optimally with their associated effects of inability to easily aid delivery of mothers at night. The midwives resort to use of phone torches for delivery of mothers.

Recommendation

- MoH should prevail on the contracted companies to ensure they fully maintain the equipment and solar system to avoid funds wastage.

Source: Field findings

Box 8.3: Maintenance of Philips Imaging Equipment By Dash-S Technologies

The MoH contracted Dash-S Technologies to maintain all Philips equipment in health facilities /hospitals in Uganda. It was however, noted that several facilities had imaging equipment that was not Phillips that required maintenance, and the MoH did not have clear plans for their maintenance

Despite the incomplete coverage of all the equipment in health facilities, it was noted that the contracted company had also not fully maintained or visited all health facilities stated in the contract for maintenance of all Philips equipment. The Regional Referral Hospitals were ignorant about the terms and conditions of the contract for Dash-S Technologies and yet the contractors did not provide a compressive report about the status of the equipment and their next course of action leading to uncoordinated decisions. For instance, Practix 160 Xray machine in Kabale RRH was disposed off in October 2017 before the Dash-S delivered the spare part which had already been purchased leading to loss of funds.

At Fort Portal RRH, the contractors carried out general trouble shooting on the equipment. Cleaned serial changer errors and replaced the Vertical Bucky. The PCR system in the Radiology Department was neither functional nor received maintenance. The computer and image readers were faulty, while the printer did not have films. Maintenance was done at Masaka RRH in November 2017.

At Hoima RRH, the Dash-s Technologies contractors had not serviced the imaging equipment between July and December 2017. The duo diagnostic x-ray machine was not functioning well. The serial changer and the examination table were faulty. It was last serviced in June 2017. The hospital has not provided fluoroscopy services for 3 years. The Dash-s has been promising to import the spare parts for the last six months. The software for the PCR system was corrupted which made use very difficult, in addition, there are no digital films for the PCR printer, and sono paper.

At Mubende, the contractors maintained some equipment on 12th December 2017, where they took the backup of the generator and cockpit. The system was left functioning.

In Masaka RRH, the Practix 160 xray machine was not functional and was not maintained.

In Kambuga GH in Kanungu District, the x-ray machine was not functional. The control interface does not power, and the manual film non-functional. Dash-s Technologies had never visited the facility. The radiographer at the hospital has been idle for about one year.

In Kakindo HC IV, Kibale District, the ultra sound scanner was serviced on 28th June 2017 though not in use. The facility continued to refer mothers to Hoima that is 52Km away due to inadequate operational space. In Kagadi GH, the x-ray machine was non-functional. The equipment was last checked on 30th June 2017 where a stand-alone board was replaced, and crosschecked the battery connections where they established that the battery voltage was low and the mains were unstable. By 16th of January 2018, the batteries had never been replaced and patients continued to be referred to private service providers.

In Kalisizo GH, the fixed x-ray was serviced on 13th September 2017 by fixing the earthing connection to address the electric shocks from the battery unit. The xray machine was functional although the user lacked dosimeter for safety monitoring of exposure to radiations.

At Bundibugyo GH, the contractors last maintained the system on 24th November 2016, where they replaced spare parts (Charger board, stand-alone board PCB). The old parts were picked by the contractors on 26th June 2017. The equipment was still functional.

Although the ultra sound scanner at Ntwetwe HCIV in Kiboga district had not been maintained over a year, it was functioning. However, due to lack of sonopaper and ultra sound gel, the service was charged at Ug shs 10,000 leaving out patients that could not afford.

Source: Field findings

<u>Box 8.4: Medical Interns</u>

The Ministry of Health deployed 1,045 interns during the period under review. These consisted of 15 dental surgeons, 552 medical officers, 107 pharmacists, and 371 nurses/midwives distributed among the 35 training centres. They had received their allowances up to 31st December 2017 in all the training centres visited, although they had not received the January allowances by the 9th February 2018.

The consultants were available to facilitate learning except for stock out of medical supplies, which compromised their learning. In many instances, the practical aspects are missed once the necessary supplies stock out.

Challenges

- Lack and/or stock out of medicines, sundries, and other materials that facilitate learning.
- Lack of accommodation/interns mess affected their learning as they were staying very far from the facility, yet they are called at times late in the night for emergencies.
- Inadequate allowances, which are also subject to taxation.
- No lunch provided at some training centres such as Kabale RRH. Others like Masaka RRH was providing meals to the interns.
- Increasing number of interns against few supervisors. This affects amount of time, guidance and supervision given to interns.

- Lack of consultants in some hospitals like Moroto which failed to attract any medical interns.

Recommendations

- The MoH should ensure that medical interns are efficiently supervised. This could be done through recruitment and motivation of supervisors (Medical of Special Grade, Consultants, and Senior Consultants) for the different specialties especially at RRH levels.
- Increase funding for medical supplies and medicines, especially those for the theatre procedures to ensure the intern doctors leave with adequate practical skills
- MoH/RRH should provide lunch to the interns while on duty.
- RRH with support from MoH should expand and or construct interns mess so that they are within near reach from the hospital.

Source: Field findings

Clockwise: Non-functional PCR system at Fort Portal RRH, Unutilized but serviced ultrasound at Kakumiro HCIV, and serviced solar system at Kityo HCIV in Bundibugyo District

8.2.2.2: East Africa Public Health Laboratory Network Project Phase II (Project 1413)

Background

Phase II of the project is funded by the World Bank at a tune of US$ 15million. Financing became effective on 31st March 2016 with an expected completion date of 31st March 2020.

The project aims to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of TB and other communicable diseases. This project is implemented in the five East African countries including Uganda, Kenya, Tanzania, Rwanda, and Burundi. The project had improved laboratory services at various sites through provision of laboratory equipment, reagents, routine servicing, and adequate support supervision.

Performance

Physical performance was fair at 42.8% of the semi-annual targets achieved. This was attributed to procurement delays. Table 8.9 illustrates performance of the East Africa Public Health Laboratory Networking project by end of December 2017.

Table 8.9: Performance of East Africa Public Health Laboratory Network Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remarks
Regional diagnostics Surveillance Capacity enhanced.	100%	2,323	10%	3.47	This component involved; Execution of civil works, procurement of medical equipment, consumables, supplies, regional diagnostics, mentorship and support to surveillance works. Support to surveillance and case management through rapid response to various Viral Haemorrhagic Fevers including Marburg outbreak in Bukwo and Kween districts. Four double cabin Mitsubishi pick-ups were procured and allocated to National Disease Control (NDC) department in the MoH. Support to regional level surveillance and mentorship activities through conducting cross boarder meeting. One meeting was

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remarks
					held between Karamoja and Turkana region in Kenya. However, out of pocket payments for laboratory officials had not been made a month after the meeting. Mentorship was given to laboratory personnel in the seven satellite sites. Performance Based Financing support to beneficiary laboratories was achieved at 50%. All civil works (Mulago, Mbale, Arua, Mbarara, Moroto, Lacor and Entebbe) had not commenced by 31st December. They were at different levels of procurement. Most of the equipment for the temporary isolation units, temperature scanners, medical equipment and ambulances were under procurement. Procurement of ICT equipment for Moroto and Fort Portal RRHs was done at 100%, the equipment was installed and in use[36]. Progress was also noted on procurement of medical equipment and supplies for NTRL six thimble canopies and stands for biosafety cabinets were procured and in use.
Joint training and capacity building of health workers conducted	100%	1,348	0	0.00	A number of trainings were not done. These included Training of Trainers and Satellite lab mentorship training.
Implementation of joint, knowledge sharing , regional coordination and Program management conducted	100%	3,030	0.87	39.34	This involves project management, training and recruitment of staff. Training of satellite sites in research was done. Two officers were supported to attend the Regional Surveillance Technical Working Group (TWG) in Bujumbura and Burundi.
Total		**6,701**		**42.8**	**Poor physical performance**

[36] FY 2016/17 target

Source: Field findings

Implementation Challenge

- Delayed procurement hence failure to achieve set targets. Most of the planned targets under civil works and equipment were not achieved.

Recommendation

- The accounting officer of MoH should ensure that procurements are initiated and implemented in a timely manner. Both MFPED and MoH should seek support from various stakeholders including development partners.

8.3: Health Service Commission (Vote 134)

Background

The Commission is responsible for Human Resources for Health (HRH) matters in national, regional referral hospitals, and auxiliary institutions of the MoH. It has the mandate of ensuring that the health institutions under its jurisdiction get the right number of human resource with the right skills, in the right place, and at the right time. The mission is to build a fundamentally strong and competent human resource base for efficient and effective health services delivery.

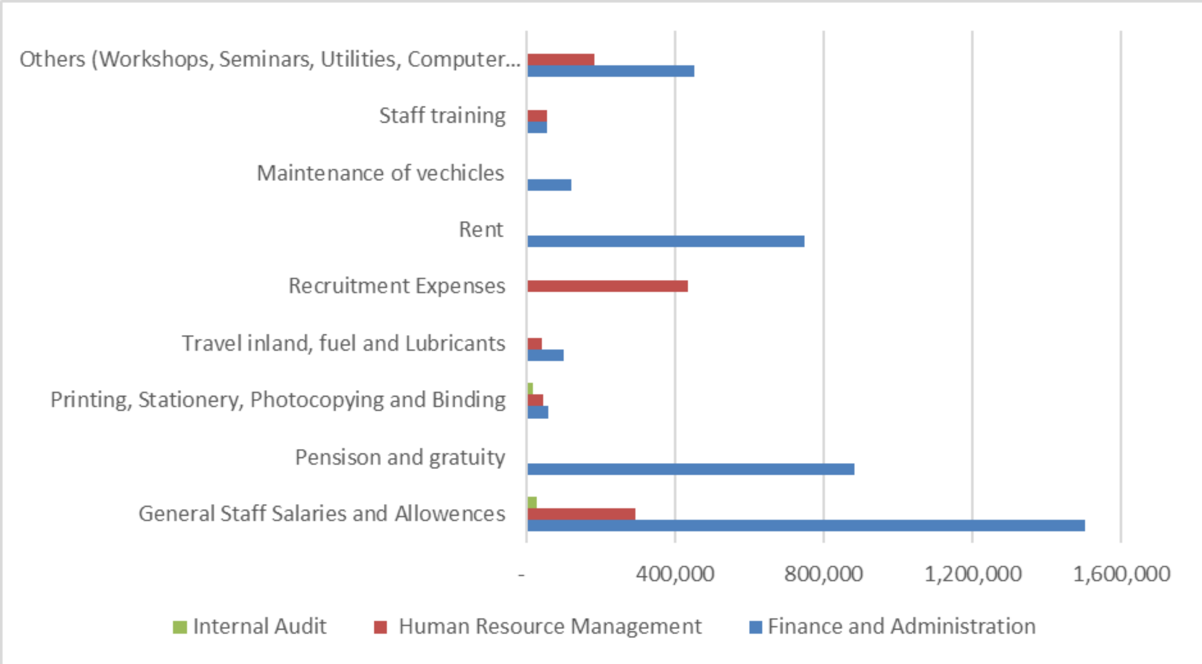
The semi-annual monitoring FY 2017/18 focused on Human Resource Management (HRM), and the Health Service Commission Development Project.

Financial Performance

The Commission was allocated Ug shs 5.4billion for FY 2017/18, Ug shs 2.825 billion (52%) was released and Ug shs 2.4billion (85%) spent by 31st December 2017.

Over 80% of the HSC budget is recurrent given the nature of work undertaken. Figure 8.1 indicates distribution of resources under the three sub-programmes, 55% of the Commission's budget goes into salaries, allowances, pension and gratuity; 14% goes into rent while only 8% was allocated to recruitment expenses, yet it is the core activity of the Commission.

Figure 8.1 Budget allocation for HSC Sub-programmess FY 2017/18



Source: Approved Estimates-FY 2017/18

Physical Performance

Semi-annual physical performance was poor (29%). Recruitment of health workers was ongoing, some posts were advertised in December 2017. No development targets were achieved and no payments were made by end of Quarter two FY 2017/18. The Commission embraced the E-recruitment system and had received over 571 applications through the system. It was noted to be a more efficient and time saving system. Table 8.10 shows the physical performance for HSC project and HRM sub-programme by 31st December 2017.

Table 8.10: Performance of Human Resource Management Program and the Development Project of the Health Service Commission by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Transport equipment procured	1	183	0	0.00	Under procurement. Contract was signed in January 2018. Expected to be delivered by end of February 2018.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Machinery and Equipment procured	1	40	0	0.00	The Commission planned to buy a heavy duty paper shredder. This was in advanced stages of procurement.
Office furniture procured	100%	40	0	0.00	Under procurement.
Health workers recruited and Human Resource for Health Management Services undertaken	800	955	143	24.44	71 health workers were regularized under PEPFAR. 460 decisions were made, out of which 392 were validation of KCCA health workers at both Kawempe and Kiruddu general hospitals.
Technical Support and Support Supervision	84	199	31	5.19	Supervision in 31 districts and seven RRHs
Total		**1,417**		**29.1**	**Poor physical performance**

Source: Field findings

Challenges

- Delays in submitting recruitment requests to Health Service Commission. The MoH submitted the recruitment request on 3rd January 2017, six months into the FY. The submission was further not accompanied by necessary requirements including some job descriptions. This made it very difficult for the Commission to proceed with recruitments in a timely manner.
- E-recruitment System shortcomings. It doesn’t eliminate the manual recruitment processes like sorting, shortlisting, interviewing. The Commission continues to do all these activities manually causing delays.
- Limited funding: the Commission’s budget was not adjusted to undertake new recruitments for additional entities like Kawempe and Kiruddu general hospitals.
- Limited supply of specialist health cadres like pathologists, Ear Nose and Throat (ENT) surgeons, neurologists, oncologists, radiologists and dental technologists among others. This makes it difficult for the HSC to fill all vacant posts.
- Understaffing at the HSC Secretariat which leaves few staff heavily overloaded during recruitment periods.

Recommendations

- Improved planning; planning in the financial year should take care of recruitment needs of the subsequent FY, this means that adequate recruitment fees should be budgeted by the HSC and released by MFPED to enable timely recruitment and deployment of health workers.

- The Health Service Commission should clearly spell out and disseminate recruitment processes with clear timelines to avoid delays in submissions by various entities.
- The Commission should officially come up with the unit cost of recruitment, this should be tagged to recruitment expenses during planning and budgeting to enable Government finance activities with clear and measurable targets.

8.4: Uganda Cancer Institute (UCI) - Vote 114

Background

The UCI offers super specialised services in areas of; cancer treatment, research and prevention. It has a three-fold mission; Research into all aspects of common cancers in Uganda; Provision of optimal evidence based clinical care; Provision of training for health care professionals using endemic cancers as model disease for training. Semi-Annual monitoring focused on: Sub programme two and four- Medical Services and Radiotherapy respectively. The Uganda Cancer Institute Project (1120), African Development Bank (ADB) Support to UCI and Institutional Support to UCI.

The UCI budget was Ug shs 52billion, of which Ug shs 15billion was released (29%) and Ug shs 12billion (80%) spent by 31st December 2017. Approximately 80% of the expenditures were made of Uganda Cancer Institute Project and African Development Bank (ADB) Support to UCI.

Performance

Overall, the UCI performed poorly (20%), targets under Cancer Services, Institutional Support to UCI and the two development[37] projects were not achieved. However, construction of the radiotherapy bunker was in advanced stages (90%) complete. Works had slowed down by February 2018 as the contractor awaited installation of the Linear Accelerator Machine and fittings which were under procurement supported under the ADB project. Poor performance was attributed to delays in procurement processes, breakdown of machinery, limited supplies among others. Table 8.11 indicates detailed performance of the UCI by 31st December 2017.

Table 8.11: Performance of UCI by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
Radiotherapy Services provided	63,462	115	3,035	0.0	Poor performance was attributed to equipment break down. The Cobalt 60 machine started working in early

[37] Uganda Cancer Institute Project and ADB Support to UCI

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
					December 2017.
Cancer outreach services provided	52,103	178	8,156	0.1	Not achieved. Some planned sites were not visited.
Cancer care services provided	379,376	451	127,006	0.7	Performance attributed to insufficient human resource, consumables like X-ray film and contrast medium and inadequate chemotherapy drugs.
Basement store repaired (Project 1120)	100%	10	0%	0.0	Not done, the item was not adequately budgeted and could not be implemented.
Structural designs and artistic impressions for the service support building developed and constructed (Project 1120)	100%	3,549	56%	5.2	M/s ROKO Construction Limited was awarded the contract to construct the auxiliary building at a sum of Ug shs 14billion. Works commenced in December 2017 and expected to be completed by May 2018. Works were ongoing, the contractor had heavily deployed both manpower and materials by February 2018. Contractor was paid 21% of the contract sum.
Water pipeline channeling, streamlining and plumbing for UCI carried out (Project 1120)	100%	400	20%	0.2	The UCI experienced chronic water shortages and enormous water expenditures due to co-sharing of meters between the entity and Mulago Hospital Complex. The UCI engaged National Water and Sewerage Corporation to undertake the works at a sum of Ug shs 85million. Survey water works were completed. Separation of water meters between Mulago Hospital and UCI was underway.
Master plan for UCI designed (Project 1120)	100%	80	10%	0.0	Activity was scheduled for quarter three FY 2017/18.
Radiotherapy bunkers constructed and supervised. (Project 1120)	100%	4,770	73%	7.9	Civil works for the Radiotherapy Bunker were at 90%, however overall project implementation was at 73%. Works had slowed down by February 2018 as the contractor awaited installation of the Linear Accelerator Machine and fittings. The contractor

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
					had therefore redirected his efforts to the auxiliary building. Cumulative payment to M/s Roko (the contractor) was 46% of the contract sum against 150% time progress.
Assorted medical and machinery procured *(Institutional Support to UCI Project)*	100%	897	24%	0.0	Procurement had not started for most of the planned equipment like Blood bank refrigerator, Centrifuge Laryngoscopy scope and Cryotherapy among others. The UCI had procured light accessories like 30 padlocks, 2 ladders, 20 plastic pallets and box trolleys. Most of them were at a level of specification development.
ICT Equipment procured *(Institutional Support to UCI Project)*	100%	234	0%	0.0	Local Purchase Order (LPO) for 12 desktops, one photocopier, and seven laptops was awarded in December 2017 and deliveries were expected by February 2018. Procurement had not commenced for the Vocal Communication System due to lack of specification and technical description from user departments.
Current occupants of land where the multipurpose building will be housed relocated. *(ADB Support to UCI Project)*	100%	712	0%	0.7	The UCI signed an MoU with Mulago hospital complex to relocate doctors and interns by contributing towards finalization of the 100block units and renovation of the interns mess. Initial arrangements to have interns relocated were underway by December 2017. The UCI was expected to release Ug shs 750million towards payment of Block Services Limited. These funds had not been released by 31st December 2017.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
Multipurpose building for the East Africa Oncology Institute Constructed. Structural designs for the Multipurpose building developed and construction supervised. *(ADB Support to UCI Project)*	100%	22,067	0%	0.0	The designs and BoQs were finalized and submitted to ADB for a no objection in December 2017, however by February 2018 the project had not been cleared. The bank realized that the estimated project cost was exceeding the budget. The bank halted the process until the GoU commits to pay the expected shortfall. The UCI had spent USD 880,761 (53%) of the funds that ADB released to the Special Account.
Assorted ICT Equipment for Training and Telemedicine procured and installed *(ADB Support to UCI Project)*	100%	934	0%	0.0	Development of specifications for the equipment was underway.
Assorted medical Equipment for outreach centres (Arua & Mayuge) procured, supplied and installed in the two cancer centers. *(ADB Support to UCI Project)*	100%	1,872	0%	1.4	Contracts for the equipment were signed and deliveries were expected by end of February 2018. The centers were expected to enhance cancer research, screening, registry and referral of complicated cases to UCI. The monitoring team visited Mayuge and Arua Cancer Centre. The newly constructed center at Mayunge was housing medical interns from a neighboring nursing school. There was no Center in Arua, however cancer services were housed by the Arua RRH.
Cancer Institute operations supported *(ADB Support to UCI Project)*	100%	9,078	5%	3.6	Over 72% of the released funds were spent on allowances for the various committees at the UCI
Total		**44,604**		**19.8**	**Poor physical performance**

Source: Field findings

Ongoing construction works of the Auxiliary building at the Radiotherapy bunker, UCI-Mulago Hospital

Implementation Challenges

- Slow project implementation translated into low disbursement rate (8%) against time progress under the ADB project. The loan was approved in 2014 and project implementation commenced in February 2016, no civil works commenced over 12 months later.
- Limited budget against newly developed BoQs. The funder objected to continuation of the procurement process for construction of the multi-purpose building due to limited budget allocated against tentative costs in the BoQs.
- Limited budgets leading to slow progress of the Radiotherapy Bunker, only 46% of the contract sum was paid to the contractor against time and physical progress of 150% and 73% respectively. The UCI was allocated Ug shs 11billion for FY 2018/19, these funds will not cover all outstanding contractual obligations related to the bunker. This means that effective use of the bunker will move to subsequent FY 2019/20.
- Procurement delays leading to failure to achieve planned targets under various projects.
- Duplication of outputs under the non-wage grant and various development projects. For example recurrent expenditures on items like stationery, allowances, ICT equipment and computer supplies were not satisfactorily explained.
- Limited staffing for various cadres including nurses. This contributed to underperformance of Cancer Care Services.
- High patient numbers without adequate chemotherapy supplies compromising quality of service at the UCI.

Recommendations

- The UCI should improve planning and have clear plans to cover multi-year commitments. Timely project implementation, effective and efficient utilization of funded projects should take precedence during planning and project implementation.
- The GoU should fast track timely implementation of the ADB project through further engagements with the funder to find ways of re-scoping the project to fit within the budget or find alternative financing mechanisms.
- The Accounting Officer-UCI should ensure timely procurements by the Procurement and Disposal Unit (PDU) to avoid delays in project implementation.
- The UCI and MoH should revitalise referral services in Arua, Mayuge and Mbarara, and introduce cancer centres at all regional referral hospitals. This will go a long way in reduction of congestion at the UCI, easy follow up of patients and reduction in stock outs of supplies, drugs and sundries.
- The Office of the Auditor General should undertake a forensic audit on the UCI non-wage and development expenditures.

8.5: Uganda Heart Institute (UHI) - Vote 115

Background

The UHI was set up to serve as a centre of excellence for the provision of comprehensive medical services to patients with cardiovascular and thoracic diseases at an affordable cost. Half year monitoring focused on heart services and the Uganda Heart Institute Project (Project 1121) which commenced on 1st July 2010 and was expected to end on 30th June 2015, this project was extended up to June 2020. This project is expected to provide convenient and affordable heart treatment.

Performance

The approved budget for the vote in FY2017/18 is Ug shs 12.095, of which 63.5% was released and 47.3% spent as at 31st December 2017. Performance of the vote was good at 82.8%.

The UHI procured a number of specialised medical equipment some, which were in use. The equipment included; Clinical chemistry analyser, syringe pumps, infusion pumps, patient monitors, centrifuge, blood gas analyser, and ventilator machines among others. With the purchase of some specialised medical equipment and training offered to the health workers, the Uganda Heart Institute conducted the first-ever highly specialized open-heart surgery known as coronary artery bypass grafting surgery in January 2018. Coronary artery bypass grafting (CABG) is a type of surgery that improves blood flow to the heart.

The institute also offered other heart care services such as Echocardiography, Stress test ECG, Holter monitoring, Pace maker programming, General admission, Cardiothorathic/vascular catheterization. A summary of performance is presented in table 8.12.

Table 8.12: Performance of the Heart Institute Project as at 31st December, 2017

Output	Annual Planned Quantity no. or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
No. of Thoracic and Closed Heart Operations	600	1,333	213	10.69	Good performance. The institute also conducted the first-ever highly specialized open-heart surgery known as coronary artery bypass grafting. This is an opportunity to reduce on the referrals abroad. The UHI has the potential to deal with 85% of heart conditions for children and only refer 15% who had complex congenital issues. For the adults on the other hand, the institute can deal with 95% of heart conditions and only refer 5% who require heart transplant.
Heart operations /Open Heart Surgery	100	1,333	36	10.84	
No. of Outpatients	20,000	1,333	9,196	13.85	
Purchase of Office and ICT Equipment, including Software(5 desktop computers,5 laptops,10 UPS, procured)	100%	150	50%	0.88	The institute reprioritized to purchase of 20 computer sets, and two pieces of heavy-duty printer, which were delivered.
Purchase of Office and Residential Furniture and Fittings (Metallic shelves and other assorted furniture procured)	100%	150	70%	1.24	Metallic open shelves were delivered from Footsteps Furniture at a cost of Ug shs 21,680,000. Other furniture was not procured.
Purchase of Specialized Machinery & Equipment (Assorted medical equipment procured)	100%	4,200	75%	45.34	The various suppliers had delivered majority of the medical equipment such as Clinical chemistry analyzer, syringe, infusion pumps, patient monitors, centrifuge, blood gas analyzer, ventilator machine, pace maker, and stress test machine. The others such as heater cooler machine, cell saver machine, heart lung machine, and heavy duty echo machine, Hemostasis analyzer and x-ray machine was still under procurement at the different levels of progress. The Institute also made a final payment to Victoria Motors for a double cabin GLS2.5cc car procured in FY2016/17 at Ug shs 44,236,211.
Total		**8,500**		**82.8**	**Good physical performance**

Source: Field Findings

Clock wise: Chemistry analyzer, Ventilator machine, Lean computers, and blood gas analyzer at UHI

Challenges

- Inadequate space to deal with the large numbers of patients in need of heart care services. The Institute cannot for instance admit any children who need surgery as the 2018 calendar year is fully booked.
- Inadequate funding to procure sufficient sundries and other supplies for service delivery. The emergencies consumed most of the sundries in the ICU and a request for supplementary was made.
- Budget cuts under the short-term consultancy budget line. These funds were to provide trainings, outreach programmes and motivation of the cardiologist. As a result, the institute is weakened to offer holistic treatment to patients with cardiovascular and thoracic diseases. Demotivation of the cardiologist might lead to brain drain.

Recommendation

- The MFPED and MoH should prioritise funding for the UHI infrastructure needs to ensure effective service delivery. Insufficient funding and unfavourable working environment puts Uganda at a risk of losing the medical professionals through brain drain.

8.6: Uganda Blood Transfusion Service (UBTS) - Vote 151

Background

The UBTS is mandated to collect, process, store, and distribute safe blood to all transfusing health units in the country. It operates through a network of six Regional Blood Banks: Gulu, Mbale, Mbarara, Fort Portal, Arua, Nakasero and seven collection centres at the RRHs of Jinja, Soroti, Masaka, Lira, Hoima, Rukungiri, and Kabale.

The UBTS undertakes national blood donor education, training and recruitment campaigns aimed at increasing the annual blood collection to meet the increasing blood requirements of patients in the hospitals countrywide. The monitoring focused on performance of regional blood banks and the development project. The following was established;

Performance

The UBTS was allocated Ug shs 9.3billion out of which Ug shs 5.5billion (57%) was released and Ug shs 4.4billion (80%) spent. Expenditures were mainly 30% on general staff salaries, allowances, gratuity expenses, incapacity, death benefits and funeral expenses among others. Travels, fuel and lubricants at 18%. Expenditure details are indicated in table 8.13. Verification of expenditures could not be completed for lack of payment vouchers by the UBTS accounts team.

Table 8.13: Budget Performance of the UBTS budget-FY 2017/18

Item Name	Approved Budget	Total Warrants/Release	Total payments	% expenditure of released funds
Donations, special meals and drinks	823,848,000	610,109,000	610,109,000	11
General Staff Salaries, allowances, gratuity expenses, incapacity, death benefits and funeral expenses. Pension for General Civil Service and arrears (Budgeting)	4,271,065,687	2,508,124,209	1,682,470,652	30
Travels, fuel, lubricants and oils	1,922,248,531	1,031,124,500	1,031,124,500	18
Printing, Stationery, photocopying, workshops, seminars, advertising and Public Relations	613,381,076	326,690,500	326,690,500	6

Item Name	Approved Budget	Total Warrants/Release	Total payments	% expenditure of released funds
Cleaning, Sanitation, Computer supplies and Information Technology (IT)	187,566,795	122,997,454	122,997,454	2
Maintenance - Civil, - Machinery, Equipment, Vehicles & Furniture	920,000,000	492,241,454	492,241,454	9
Uniforms, Beddings, Protective Gear, Rent (Produced Assets) to private entities	85,000,000	75,000,000	50,000,000	1
Machinery, Transport, Equipment, Furniture & Fixtures	370,000,000	253,600,000	33,320,786	1
Others (Staff training, Medical expenses, small office equipment, welfare and entertainment	528,237,771	164,567,771	118,281,753	2
Total	**9,721,347,860**	**5,584,454,888**	**4,467,236,099**	

Source: Field Findings

The UBTS performance was poor at 42% of the semi-annual targets. The entity collected 33% of the annual blood targets. Targets planned under the development project including procurement of transport equipment were not achieved. Details of performance are indicated in table 8.14.

Table 8.14: Physical Performance of the UBTS by 31th December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical (Weighted Score %)	Remarks
Units of blood collected, tested and issued	240,000	3,802	78,898	37.82	Under performance, over 80% of the health facilities visited lacked blood. Loss of lives due to anemia among children and mothers was recorded by various facilities.
Laboratory Services provided (Cleaning, travel inland and maintenance of machinery)	100%	110	50%	2.56	Field teams travelled in various parts of Uganda to collect blood. Machinery like centrifuge, water distiller were maintained.
Blood operations monitored and evaluated	4	22	0	0.00	No evidence of monitoring and evaluation of blood operations

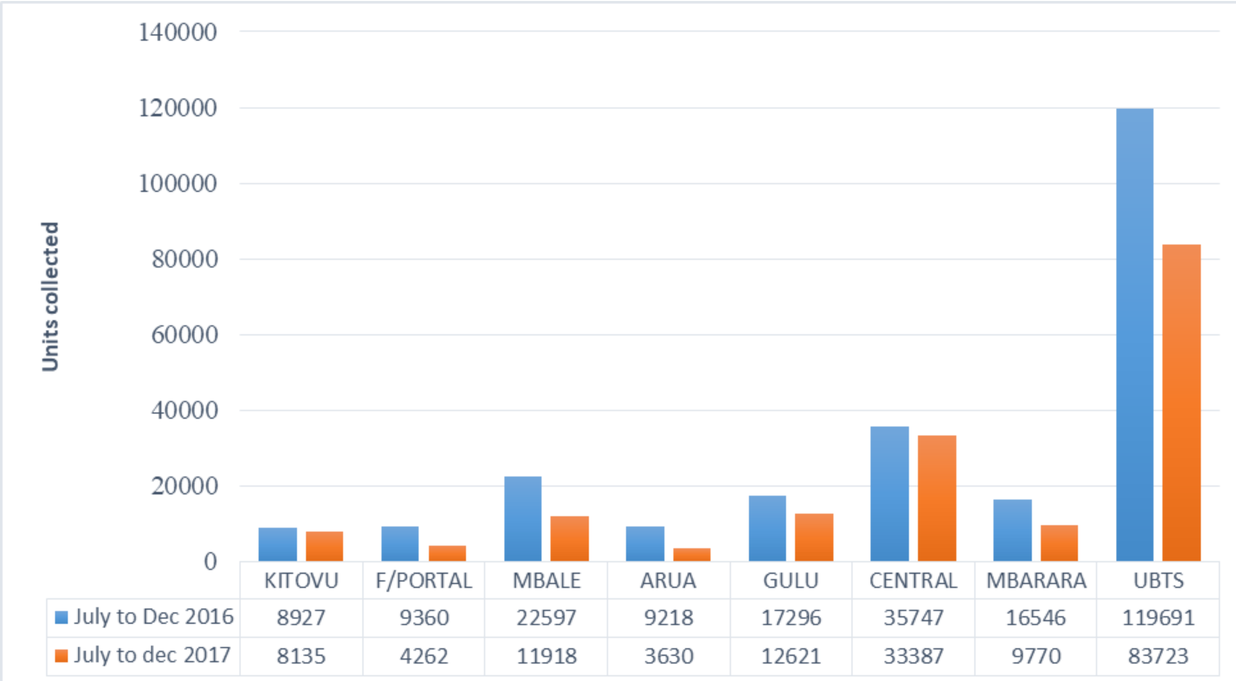
Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical (Weighted Score %)	Remarks
					were seen.
Office equipment procured	1	20	0	0.00	Not procured.
One station Field blood collection Vehicle procured	1	250	0	0.00	Under procurement. Call for bidders for the vehicle was advertised on 18th January 2018. Not achieved
Machinery and equipment procured	1	100	1	2.32	Surveillance system of Ug shs 74million was delivered and installed by Kata Technologies and Logistics Limited.
Total		**4,304**		**42.7**	**Poor physical performance**

Source: Field Findings

Blood collection increased from 238,000 in 2014 to 247,711 in 2015/16. Units collected then dropped to 235,000 in FY 2016/17. The reduction in blood collection was in part due to closure of the PEPFAR and Centre for Disease Control (CDC) that was funding the operations.

Figure 8.2 shows comparison of achievement between FY 2016/17 to FY 2017/18.

Figure 8.2: Units of blood collected by various Regional Blood Banks between July-December 2016 and July –December 2017



Source: UBTS

Box 8.5 : Regional Blood Banks/Collection Centres

There was acute blood shortage between July and December 2017. Severe stock outs of blood was noted in the various health facilities visited. The shortages run up to seven days for various blood groups in health facilities. The major causes for the shortage were the long school holiday, limited logistics and publicity of the need for blood across the country.

An improvement was however registered resulting from media campaigns and other political and cultural leaders' campaigns. The increased supply overwhelmed Mbarara Blood bank, which has inadequate storage facilities leading to wastage of some blood.

Constraints to service delivery

- Under staffing: there is only one collection team instead of two which results into few units of blood collected.
- Inadequate funding to the regional blood banks which declined by 70% after closure of the funding from PEPFAR and CDC. This led to scaling down of operations to about 40%.
- Inadequate and faulty equipment: cool boxes, couches, vacutainers, reagents, and test kits were inadequate while equipment like architects, lazer machines for analysis and

screening of transmissible transfusion infections were faulty at the Fort Portal and Mbarara regional blood banks.

- Inadequate storage capacity at the regional and collection banks.
- Lack of laboratory sundries and reagents, lack of blood testing kits at the blood collection centers/regional blood banks, lack of staff to carry out the blood groupings and cross matching together affect the efficient functionality of the collection centre.

Recommendations

- The UBTS should prioritise publicity, and sensitization of the population to donate blood, this should be done through making donation of blood a noble cause. Corporate companies and the private sector should be put on board. This should be coupled with adequate allocations to blood screening and supplies.
- The UBTS should prioritise procurement of blood collection supplies and laboratory equipment.
- The MoH should increase funding to UBTS to bridge the gap that was left as a result of the closure of funding from development partners to UBTS.

Source: Field Findings

8.7 Mulago National Referral Hospital (MNRH) - Vote 161

Background

The MNRH is mandated to provide super-specialized health care, training and conduct research as per requirements of MoH. The half year monitoring focussed on medical services and Project 392-Mulago Hospital Complex Project. The hospital was allocated a budget of Ug shs 75billion, of which 48billion (64%) was released and Ug shs 36million (75%) was spent by 31st December 2017.

Performance

The physical performance was fair at 63%, medical services were achieved at 25% while the development project achieved 38%. Mulago Hospital Complex was supporting addendum works under Support to Rehabilitation of Mulago Hospital (Project 1187). Construction works were ongoing. These included; rebuilding of Outpatient Department and Intensive Care Unit (ICU) at 90% complete; additional floor on the theatre extension block at 98%. Construction of new pathology department was substantially completed at 98% while the Organ Transplant Unit on Block A level 6 was at 90%. Detailed project performance is indicated in table 8.15.

Table 8.15: Performance of Mulago Hospital by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remarks
Inpatient Services provided	1,006,319	26,567	228,873	24.5	Hospital achieved 27% of the planned deliveries, 26% admissions and 25% surgical operations.
Outpatient Services provided	798,648	416	172,391	0	The hospital attended to 30% of the emergencies, renal dialysis sessions 29% and outpatient attendances.
Diagnostic Services conducted	509,572	142	131,703	0	The hospital conducted 26% laboratory investigations and 31% images.
OPD and other ward construction and rehabilitation	100%	22,020	84%	37.6	Works in addendum two financed by Mulago Hospital Complex were ongoing with Organ Transplant Unit at 60% Pediatric, ICU and theater extension at 90% y and pathology department at 98%. Organ Transplant Unit was on on Block A level 6.
Total		**49,145**		**62.6**	**Fair physical performance**

Source: Field Findings

Ongoing works at Mulago Hospital Complex

Challenges

- Delays in completion of planned works by M/s Roko Limited; several time extensions were granted to the contractor with the most recent ending in February 2018, however the team noted a lot of outstanding works at various blocks.
- Poor performance of the medical services attributed to a strike by health workers.
- Failure to pay suppliers of medical equipment. Most of the equipment delivered Mulago was stored in various uncompleted structures for lack of space. Final payment certificates of suppliers could not be cleared since delivered equipment could not be installed and tested. Some of this equipment includes mammogram, xray machines among others.

Recommendations

- The MoH and Mulago Hospital should encourage the contractor to complete works in the new extension period to avoid further delays.
- The MoH and Mulago Hospital should task the contractor to fasten works and hand over completed structures to enable equipment supplied to be installed and tested to facilitate payments to affected suppliers.

8.8: Butabika National Mental Referral Hospital (Vote 162)

The hospital is mandated to provide super specialized tertiary health care, train health workers and conduct mental health research as per the requirements of the MoH. The monitoring team focused on outputs under Provision of Mental Services under Management-Program one, Butabika Remodelling Project (0911), and Institutional Support to Butabika Hospital (1474).

During FY 2017/18, the hospital was allocated Ug shs 12.5billion, of which Ug shs 5billion was released and 100% spent. Performance was good at 87%. The construction of the Alcohol and Drug Unit was in its advanced stages. Inpatients, outpatient and community outreaches were achieved. Summary of performance is presented in table 8.16.

Table 8.16: Performance of Butabika Hospital as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance Weighted Score (%)	Remarks
Completion of the Alcohol and Drug Unit (Project 0911)	100%	1,400	90%	28.13	Works were done by M/s Muga at a sum of Ug shs 1.7billion. Started in March 2017 and expected to be completed within 12 months. The contractor was on schedule and expected to handover the facility in March 2018. The facility was roofed, floor works, mechanical and electrical works were done. Pending works included general finishes, external works and water connection.
Transport Equipment procured (Project 1474)	100%	200	0.00	0.00	No funds were released for the item.
Medical Equipment procured (1474)	100%	100	80%	1.61	Medical equipment worth Ug shs 99million was procured from MEDEQUIP Uganda Limited and received on 4th January 2018. No funds were paid to the supplier by 31st December 2017. This equipment included autoclave, wheel chairs, weighing scales, and trolleries among others.
Machinery and equipment procured (1474)	100%	20	0.00	0.00	Not achieved.
Furniture and fixtures procured	100%	68	0.00	0.00	Funds for the equipment were not released.
ICT Equipment procured (Project 1474)	6	20	40%	0.03	A Local Purchasing Order (LPO) was issued to procure five computers and one photocopier. Ug shs 19 millon was paid before deliveries were made.
Mental Health inpatient Services provided	53,603	2,895	21,653	54.08	The hospital achieved 42% of the planned male and female admission. However, 0% was achieved on X-ray investigations. This was attributed to breakdown of the x-ray machine that

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance Weighted Score (%)	Remarks
					was down for over three years. All patients were transferred to Naguru Hospital for x-ray services.
Specialized outpatient and PHC Services Provided	475,202	108	30,952	0.28	Output was averagely achieved at 35%. The hospital achieved more. Female outpatient clinic attendances at 49%, followed by male attendances at 48%. General attendances was at 3%.
Community Mental Health Services and Technical Supervision undertaken	4,503	155	2,836	3.13	The hospital conducted outreach programs in the areas of Nkokonjeru, Nansana, Kitetika, Kawempe, Katalemwa and Kitebi. 70% of the targeted female were seen, while 65% of the male were also seen during the camps.
Children immunized	2,006	10	8,356	0.20	Overly achieved. Immunization was carried out in the schools surrounding RRHs visited during the period under review.
Total		**4,976**		**87.4**	**Good physical performance**

Source: Field findings

Challenges

- Lack of equipment like an x-ray machine, so the hospital did not undertake any x-ray services during the period under review.
- Understaffing and drug stock outs of mental health supplies.

Recommendations

- Butabika Hospital should prioritise procurement of an x-ray machine to improve health service delivery in the imaging department.

8.9: Regional Referral Hospitals (Vote 163- 176)

Background

Regional Referral Hospitals offer specialist clinical services such as psychiatry, Ear, Nose and Throat (ENT), ophthalmology, higher level surgical, medical services, and clinical support Services (laboratory, medical imaging, and pathology). The FY 2017/18 semi-annual monitoring focused on outputs under the medical services, development grant-Rehabilitation of Regional Referral Hospitals (Project 1004) and Institutional Support to Regional Referral Hospitals (Retooling projects).

Regional Referral Hospital programs are expected to contribute towards provision of quality, inclusive and accessible services through provision of specialized curative, preventive, promotive and rehabilitative health services. The development and retooling projects are expected to contribute to the following;

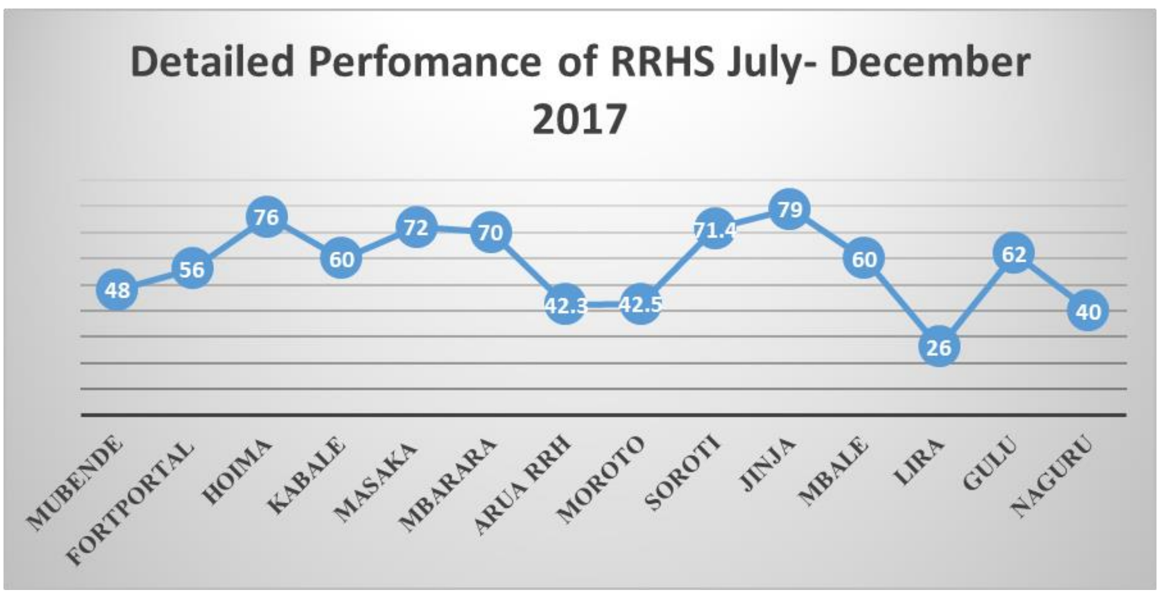
1. Rehabilitation of old and broken infrastructure.
2. Construction of vital infrastructure including staff accommodation.
3. Adequately equip the hospitals with medical equipment, office equipment and furniture.
4. Provide appropriate transport for the performance of hospital activities.
5. Provide alternative/backup power and water sources.

The RRHs were allocated Ug shs 94.7billion and a total of Ug shs 56billion (59%) was released and Ug shs 40billion (72%) spent. Approximately 51% of the budget allocation for RRHs was wage, non-wage was 27% while development activities were financed to a tune of 23%.

Performance

Regional Referral Hospitals achieved 57% of the semi-annual targets. Jinja RRH performed best at 79%, followed by Masaka 72% and Soroti Hospital at 71%. Lira RRH performed worst at 26%, followed by Naguru Hospital at 33%. Achievement of targets set under medical services of various health facilities were affected by the industrial action by health workers during the period under review. Detailed performance of hospitals is indicated in Figure 8.3.

Figure 8.3: Detailed performance of RRHs July-December 2017



Source: Field findings

8.9.1: Vote 163 Arua Regional Referral Hospital

The hospital was allocated Ug shs 6.5billion, of which Ug shs 3.5billion (55%) was released and Ug shs 2.5billion (69%) spent by December 2017. However, physical performance was poor (42%), medical services were achieved at 35% while the development outputs were at 7%, construction works and transport equipment were under procurement. Table 8.17 indicates detailed performance of the hospital.

Table 8.17: Detailed performance of Arua RRH July-December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical performance (Weighted Score %)	Remarks
Outpatient services Provided	185,000	150	83,495	8	Only 34% of planned outpatients visited the outpatient department during the period under review.
Inpatient services provided	23,900	322	16,729	19	Refugees accessing services in West Nile contributed to the increase in admissions and deliveries.
Prevention and rehabilitation services provided	20,700	39	10,787	2	On course, family planning contacts were higher than planned due to awareness creation through the media.
Immunization services provided	30,100	39	25,205	2	Performance attributed to health promotion and education in the district
Diagnostic services provided	108,080	46	70,527	3	No availability of x-ray supplies affected performance of the imaging department.
Staff houses construction (7storey) and rehabilitation (Foundation works done)	100%	600	-	0	Designs were done by M/S Quatum Associated Engineers Limited at a sum of Ug shs 178million. Design works commenced in August 2017 and completed in December 2017. These were submitted to the hospital and the process of obtaining a contractor was underway. The hospital planned to undertake works in a phased manner for a period of six years.
Staff toilets constructed (other structures)	100%	66	0	0	No funds were released for the output. The hospital had however started on the procurement process for the 12 waterborne toilets.The lowest evaluated bidder's price was Ug shs 78million way above the budget. The hospital wrote to

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical performance (Weighted Score %)	Remarks
					MFPED on 17th January 2018 seeking for authority to reallocate funds Ug shs 10million (Gap) from the development project. However, no response was recieved by 31st January 2018.
Transport Equipment (Station Wagon) procured	1	270	0	0	Under procurement.
Machinery and Equipment procured	100%	123	100%	7	M/s Circular Supply Uganda Limited supplied equipment worth Ug shs 123million. These included delivery beds, pediatric beds, instrument trolleys, blood pressure machines, autoclave, glucometer, drip stands among others. These were received on 2nd October 2017 and were already in use.
Total		**1,655**		**42.3**	**Poor physical performance**

Source: Field Findings

8.9.2: Vote 164 Fort Portal Regional Referral Hospital

The hospital was allocated Ug shs 6.519billion, of which 55.4 % was released and 81.8% spent. Performance was fair at 56.5 % of semi-annual targets achieved. The implementation of major civil works at the staff quarters was ongoing at 30% physical progress against 42% financial progress.

The OPD and inpatient among other services were provided at limited scale due to the high demand from self-referrals amidst inadequate supplies. The non-functionality of some imaging equipment also affected service delivery. For instance, the PCR system in the radiology department was non-functional. The computer and image readers were faulty while the printer did not have films. The summarized performance for the selected outputs monitored is presented in table 8.18.

8.18: Performance of Fort Portal RRH by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Inpatient services provided	40,085	482	15,487	19.56	The hospital executed the planned works. The funding constraints limited provision of the demanded services. There were noted cases of self-referrals especially from patients near the hospital.
Outpatient services	300,000	233	49,374	4.03	
Diagnostic services provided	270,000	81	141,185	4.28	
Prevention and rehabilitation services provided	160,000	40	35,168	0.91	
16 units of storied staff quarters constructed	60%	860	30%	27.75	Physical progress was 30% against 42% financial progress with an intended end date of March 2019. Steel and formworks were ongoing in preparation for concrete works; for the final slab of the super structure. The quality of work was good at a lower cost of supervision from the MoH engineer.
Construction of staff quarters supervised	100%	10	0	0.00	MoH Infrastructure Division undertakes supervision. The cost is cheaper than hiring consultants.
Engineering and Design Studies and Plans for Capital Works done	100%	12	0	0.00	The preparation for the BoQs had not commenced for new works.
Other structures (Selected wards renovated)	100%	39	0	0.00	The hospital had not initiated procurement for the rehabilitation works of the wards. However, 100% of the budget was released. Expenditures were at 0%.
Medical Equipment procured	100%	138	0	0.00	Procurement had not started. The hospital was preparing the specifications before initiation of procurement.
Total		**1,895**		**56.5**	**Fair performance**

Source: Field Findings

L-R: Staff quarters under construction: Non-functional PCR system at Fort Portal RRH

Implementation challenges

- The civil works were intermittently affected by heavy rains.
- Inadequate funding which cannot facilitate full payment of the contractor's interim payment certificates of the contractor.

8.9.3 Vote 166: Hoima Regional Referral Hospital

The hospital was allocated Ug shs 7,072 million, of which 58.46% was released and 70.3% spent. Performance was good at 76%. Civil works (perimeter wall and sewerage system) were ongoing at various levels of completion. The hospital provided services to both inpatient and outpatient clients.

Notable at the hospital was inadequate staffing especially for obstetrics and gynecology leading to maternal deaths. Inadequate staffing made the health workers leave attendants to monitor their own patients after surgical operations. The hospital does not have a consultant, senior consultant, and medical officer special grade for obstetrics and gynecology. The summary of performance is presented in table 8.19.

Table 8.19: Performance for Hoima RRH by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Inpatient services provided	30,000	657	22,000	31.8	Reduction in patients due to the doctor's strike and inadequate medical supplies.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Outpatient services provided	240,000	191	87496	9.2	The hospital experienced maternal deaths occasioned by post-partum hemorrhage. Due to inadequate staffing the health workers leave attendants to monitor their own patients after delivery. These are normally ignorant letting mothers bleed to death.
Diagnostic services provided	105,000	18	36,930	0.9	
Prevention and rehabilitation services provided	16,400	139	8,877	6.7	
Hospital fence constructed	100%	450	82	17.8	Physical progress was cumulatively 82% against 79% financial progress. The Municipal engineer was supervising the works. The hospital had however not concluded his terms of service.
Hospital lagoon constructed	100%	510	40	9.8	The project was ahead of schedule with physical progress of 40% against 28% financial progress. Excavation and laying of sewer pipes was ongoing.
Medical equipment procured	0	100	0	0	The procurement process had not started
Total	**2,065**	**2,065**		**76.4**	**Good performance**

Source: Field findings

L-R: Section of the completed fence and excavated chambers of the lagoon at Hoima RRH

8.9.4: Vote 167- Jinja Regional Referral Hospital

The hospital was allocated Ug shs 8.3billion, of which Ug shs 4.9billion (59%) was released and Ug shs 3.1billion (83%) spent by 31st December 2017. The hospital's performance was good at 79% semi-annual targets achieved. Medical services were achieved at 52%, this was partly attributed to availability of medical supplies.

No major drug stock outs of the 41tracer medicines were noted during the period under review. Table 8.20 indicates detailed hospital performance by end of December 2017.

Table 8.20: Detailed Performance of Jinja Hospital by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
Outpatient services provided	270,000	120	124,524	5	Substantially achieved half year target.
Inpatient services provided	34,000	1,123	20,735	44	Half year targets achieved
Prevention and rehabilitation services provided	22,000	22	6,006	1	Target not achieved
Immunization services provided	15,000	1	2,028	0	Target not achieved
Diagnostic services provided	232,000	97	87,581	3	Target not achieved, some of the patients interviewed carried out diagnostic tests from private facilities. These included renal functionality tests, cardiac and liver functionality tests, lipid tests among others.
Acquisition of Land by Government	100%	20	0%	0	Case still in court and land could not be transferred as planned. Funds for the activity were also not released.

Completion of private wing	100%	815	80%	26	M/S Mercy Commercial Agencies Limited was awarded a contract to undertake some extra and variation works on the private wing. Works commenced on 13th March 2017 and completed 28th November 2017 at a sum of 546million. A total of 503million was paid to the contractor and another contract to finalize other pending works was under procurement. Contractor expected on board by March 2018.
Assorted IT equipment procured	100%	35	80%	1	Delta Communications and IT Limited supplied laptops at Ug shs 28million.Supplier had not been paid by 24th January 2018.
Total		**2,233**		**78.9**	**Good physical performance**

Source: Field Findings

Private wing at Jinja Referral Hospital

Implementation Challenge

- Delays in project execution; Works in the private wing of Jinja commenced on 11th January 2011 and were expected to be completed by 30th January 2013. However, by FY 2017/18, the facility had not been completed and put to use. This facility had already depreciated with a need for refurbishment before use.

Recommendations

- The Office of the Auditor General (OAG) should undertake a Value for Money Audit on the construction of the private wing at Jinja Hospital.
- The MFPED should not approve projects without clear budgeting and release frameworks to avoid stalling of projects, depreciation of facilities and loss of government resources.

8.9.5: Vote 168 - Kabale Regional Referral Hospital

The hospital was allocated Ug shs 5.985 billion, of which 62.75% was released and 72.08% spent. The hospital performed fairly at 59.9% of the semi-annual targets. Construction of the intern's hostel and installation of water tanks was ongoing by 11th January 2018.

Service delivery was constrained by the exhaustion of sundries, which take a large share (70%) of the hospital budget. Table 8.21 summarizes the performance of the hospital for selected outputs monitored.

Table 8.21: Performance of Kabale Hospital by 11th January 2018

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Inpatient services	14,090	317	6,154	10.12	Inadequate medical supplies were responsible for the poor performance.
Outpatient services provided	76,550	207	34,024	6.47	
Diagnostic services provided	128,455	81	13,927	1.20	
Prevention and rehabilitation services provided	15,600	102	7,840	4.66	
Interns hostel constructed	0.40	1,090	0.23	29.39	The project was ahead of schedule at 23.4% physical progress against the target of 22.81%. Block work for the ground floor was ongoing without supervision from the supervising consultant. This created a risk of poor quality work as the contractor continued to execute the works.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Construction for interns hostel supervised	1.00	100	1.00	4.55	Supervision works were contracted to Fencon Consulting Engineers. These were not on site by the 11th January 2018. This could compromise the quality of works due to inadequate supervision. The consultant was last on site on 14th December 2017.
Two water borne toilets and Attendants shelter constructed	3	133	0	0.00	The works were awarded to Geses Uganda Limited in November 2017. Works had not commenced due to change in activity from a water borne toilet to sinking a pit latrine. The hospital was awaiting clearance from the Municipal Council to allow sinking of pit latrines instead of the required water borne toilet for the municipality while the BoQs for the attendants' shelter were not finalized. The need to sink pit latrines was due to the continuous misuse and blockage of the water borne toilets at the hospital.
Final payment of the Mitsubishi Double cabin made.	1	55	1	2.50	Funds were paid. This was balance of payment made for the car that was procured in FY 2016/17 from Victoria Motors Limited.
Nonresidential buildings (renovation of the administration block and medical ward and inpatient pharmacy completed	100%	38	41%	0.71	The labor suit at the maternity ward was remodeled into an inpatient pharmacy; furnishing of the pharmacy was however pending.
Two water harvesting tanks installed and staff house renovated	1	62	0	0.00	The installation of two 24,000litre tanks was 90% complete.
Specialized furniture purchased		10	0.53	0.24	The hospital procured a photocopier and a copier stand from ROBISOFT Technology Associates Limited
Total		**2,190**		**59.9**	**Fair performance**

Source: Field findings

Project Implementation Challenges

- **Ineffective supervision of the contractor:** The supervising consultant had not been on site since 14th December 2017. At the time of the monitoring (January 11th 2018), the clerk of works for the consultant had been away for about two weeks. This is likely to compromise the quality of civil works of the intern's hostel as the contractor progresses without keen supervision.
- **Poor planning and budgeting:** The amount allocated to the supervising consultant was less than the value of the works under supervision. Additional money for payment was being drawn from another budgetline, leading to mischarges.

8.9.6: Vote 169 - Masaka Regional Referral Hospital

The hospital was allocated Ug shs 6.479billion, of which 51.76% was released and 86.7% spent. It performed well at 71.8% of the semi-annual targets achieved. Construction of the maternal complex was at 64% physical progress, while the staff hostel was at 7%.

Progress of works was affected by poor cash flows. Service delivery to the inpatients surpassed the semi-annual targets. Outpatient and diagnostic services however performed fairly due to insufficient budgets for supplies. The stockout and unreliable supplies of antibiotics are contributing to prevalence of sepsis in the surgical wards. Self-referrals increased the demand for medical care from the referral hospital. Table 8.22 summarizes the performance of the hospital for the selected outputs monitored.

Table 8.22: Performance of Masaka Hospital by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Inpatient services provided	47,747	501	24,212	17.3	Blood shortages, inadequate medical supplies and sundries affected performance.
Outpatient services provided	259,947	199	111,262	6.9	
Diagnostic services provided	573,,764	109	189,829	3.7	
Prevention and rehabilitation services provided	19,101	49	8,718	1.7	

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Civil works for construction of the maternity complex supervised	100%	25	0.40	0.8	The supervising consultants were on site and the quality of works was good.
Maternity ward complex constructed	100%	1,533	0.34	38.2	Cumulatively the progress of works was at 64% against the target of completion of June 2018. The works were of good quality. Progress is constrained by inadequate funding to the project.
5 storied 40 units staff hostel constructed	25%	470	0.163	2.9	Overall, physical progress was 7%. Major works were at foundation level where the sub-structure was 50% complete. Raft foundation reinforcement works were ongoing under the supervision of MoH engineers.
Total		**2,886**		**71.8**	**Good performance**

Source: Field findings

L-R: Maternity complex and Raft Foundation for the staff hostel at Masaka RRH

Project challenges

- **Inadequate funding to keep pace with the scope of works**. This has led to time overruns. The maternity and children's complex should have been completed in June 2017, however this was not possible and further extended to June 2018. This target will not to be achieved.

8.9.7: Vote 170 Mbale Regional Referral Hospital

The hospital was allocated Ug shs 11billion, of which Ug shs 7billion (63%) was released and Ug shs 4.8billion (68%) spent by December 2017. The performance was fair at 60% of the semi-annual targets. Under performance was noted on medical services, development and retooling targets. Detailed hospital performance is highlighted in table 8.22.

Table 8.22: Performance for Mbale RRH by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remarks
Inpatient services provided	63,089	476	28,230	12	Construction works led to reallocation of services. This affected service delivery.
Outpatient services provided	112,000	386	41,297	10	Half year target achieved, however issues related to congestion and availability of medical supplies continued to constrain service delivery.
Diagnostic services provided	146,500	77	106,560	2	Target achieved partly due to availability of testing regents at the hospital.
Surgical complex constructed	40%	2,000	18	22.5	Works were done by M/s Global Networks Limited at a sum of Ug shs 20.7billion. Supervised by M/s Fencon Consulting Engineers together with Joadah Consult at Ug shs 1.8billion. Physical and financial progress were 18%. Columns were erected, contractor fully mobilized. Approximately 5% (Ug shs 930million) of the contract sum covered preliminaries, these included payments to project manager with an allocation of Ug shs 10million per month, handling fees of Ug shs 15million among others. Such allocations increased the project cost.
Incinerator constructed	100%	400	66	9.5	M/s Biomed Systems Centre Limited was contracted to construct and install an incinerator at a sum of Ug shs 669million. The machine

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remarks
					was fixed, however, pending works included painting, external finishes, internal doors and windows, general finishes. Works were expected to be completed in November 2017, however by January 2018, works had not been completed.
Office equipment	100%	130	36	1.2	Seven Laptops and one photocopier were procured at a sum of Ug shs 25million and 21million respectively.
Medical equipment	100%	327	0	0.0	No equipment was procured in the first half of the financial year.
Machinery and equipment	100%	200	0.7	3.5	A pickup of Ug shs 176million was procured from M/s Cooper Motors Uganda Limited. Although payments were already made, the vehicle had not been delivered by 08th January 2018.
Total		**3,996**		**60.7**	**Fair physical performance**

Source: Field findings

8.9.8: Vote 171 - Soroti Regional Referral Hospital

The hospital was allocated Ug shs 5.7billion, of which Ug shs 2.4billion (42%) was released and Ug shs 1.3billion (54%) spent by December 2017. In terms of planned outputs, the hospital's performance was good (71%) with construction of staff houses at substantial completion[38].

Works on the staff houses commenced on 4th April 2013 and were initially expected to have ended within 24months. Detailed hospital performance is indicated in table 8.23.

[38] This activity had more weight because it took up 44% of the budget

Table 8.23: Performance for Soroti RRH by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Weighted Score (%)	Remarks
Outpatient services provided	90,800	165	40,961	6.9	Hospital noted a drop in the disease burden during the dry season
Inpatient services provided	100%	254	83%	12.2	Shortage of blood especially in the maternity and pediatric ward, medical supplies with stock outs of gloves, switcher materials, thermometers, blood pressure machines and limited staffing affected services at the hospital.
Diagnostic services provided	164,000	165	77,840	7.4	Unreliable supply of reagents coupled with non-functional ultra sound machine.
Immunization Services provided	15,000	43	4,734	1.2	Target not achieved
Renovation of administration block two wards	100%	322	0	0.0	Activity not done.
Other structures	100%	78	0	0.0	The hospital failed to account for funds released and spent on this activity.
Continued construction and supervision of 24unit Staff houses construction	100%	909	0.95	43.7	The staff houses were substantially complete. The contractor was undertaking general final finishes including final painting, external works, polishing terrazzo, fitting mosquito nets and power connection. Completion was expected at the end of January 2018. Project contract sum was Ug shs 4.6billion and the contractor was paid 89%. Houses had not been allocated to staff, the housing committee was yet to sit, prioritize and allocate houses.
Furniture and fixtures procured	100%	140	0	0.0	Under procurement
Total		**2,079**		**71.4**	**Good physical performance**

Source: Field findings

Implementation Challenges

A 24-unit staff house at Soroti RRH at substantial completion

- Poor planning characterized by delays in project implementation. The hospital signed a Ug shs 4.6billion contract to be executed within 24months without corresponding MTEF allocations to enable timely payments to the contractor and execution of works.
- Failure to account for released and spent funds under other structures-rehabilitation of Soroti Hospital (Project 1004). Efforts to verify this information remained futile.

Recommendations

- The MFPED should not approve projects without clear budgeting and release frameworks to avoid stalling and delayed implementation of projects.
- The accounting officer Soroti RRH should provide evidence of utilization of the funds for FY 2017/18.

8.9.9: Vote 172 - Lira Regional Referral Hospital

The hospital was allocated Ug shs 6.4billion, of which Ug shs 4billion (62.5%) was released and Ug shs 2.3billion (57.5%) spent by December 2017. In terms of planned outputs the hospital's performance was poor, with only 21% of the semi-annual targets achieved. Poorest performance was recorded in achievement of the both development and retooling projects of the hospital. This was attributed to delayed procurement processes. Detailed hospital performance is indicated in table 8.24.

Table 8.24: Performance for Lira RRH by 31st December 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical Performance (Weighted Score %)	Remarks
Inpatient services provided	100,000	476	27,773	14	Targets were not achieved, this was attributed to the strike by health workers, patients therefore preferred to seek services from other health care facilities.
Outpatient services provided	226,000	386	138,687	0	The hospital overly achieved the half year targets, this was largely attributed to the availability of a wide range of services and the breakdown of the referral system resulting into presentation of simple/non specialized ailments that can be handled by the lower health facilities
Diagnostic services provided	156,800	77	20,350	0	Shortages of reagents, breakdown of the Complete Blood Count (CBC) machine affected deliverables in the Diagnosis Unit.
Prevention and rehabilitation services provided	40,000	39	18,987	2	Underperformance
Immunization services provided	30,100	61	5,653	2	Underperformance
Phase one of the staff house (16units) Construction completed	100%	578	0	8	Procurement process stalled for lack of a procurement officer at the RRH. Expenditures were made on payment of M/S Block Services Limited for staff houses completed end of FY 2016/17.
Revamping of the Sewerage system	100%	100	0	-	No works had commenced, however part of the funds (Ug shs 74million) was used to pay for a washing machine, which was not in use by 4th January 2018.
Machinery and equipment	100%	800	0	-	Not achieved
Total		**2,415**		**26**	**Poor physical performance**

Source: Field findings

Implementation Challenge

- Lack of a procurement officer led to delays in initiation of procurement processes.

Recommendation

- The MFPED through the Accountant General should post a procurement officer to Lira RRH to fast track procurement and implementation of planned outputs.

8.9.10: Vote 174 - Mubende Regional Referral Hospital

The Regional Referral Hospital was allocated Ug shs 5.505 billion, of which 66.12% was released and 64.32% spent. The poor performance (48.1%) was attributed to limited availability of funds for the major construction project of the Pediatric and Mortuary Complex. The approved budget of Ug shs 675 million for complex was all released, and spent on previously completed works. Construction of the Pediatric Ward and Mortuary Complex in FY2017/18 had therefore stalled due to inadequate funding. The contractor is in debt with commercial banks and the total project arrears due to the contractor in FY2017/18 totaled to Ug shs 2, 318,655,613.

In terms of medical services, the hospital had acute blood shortages, which accounted for 92% of maternal deaths and 80% of the out referral cases. Table 8.25 summarizes the performance of the hospital for the outputs monitored.

Table 8.25: Performance of Mubende RRH by 15th January, 2018

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Inpatient services provided	18,889	241	8,486	12.63	Inadequate funding and medical supplies contributed to the low performance. Acute blood shortages leading to maternal death and exhaustion of the fuel budget during transportation of referrals.
Outpatient services provided	152,000	106	12,635	1.00	
Diagnostic services provided	109,200	55	43,352	2.20	
Prevention and rehabilitation services provided	10,130	150	8,230	9.31	
Construction of the pediatric/mortuary building continued	100%	675	55%	23.01	The works stalled at roofing stage due to inadequate funding. The budget and releases for FY17/18 was paid to the contractor for previously completed works. The contract is due to expire and Solicitor General guided for drafting of new one.
Station wagon procured	1	300	0	0.00	Awaiting approval from the Solicitor General for a contract of Ug shs 298million with Toyota Uganda.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Medical equipment procured	1	85	0	0.00	Planned for quarter three, however, the hospital was in the process of getting specifications for the equipment.
Total		**1,612**		**48.1**	**Poor performance**

Source: Field findings

Left: Pediatric and mortuary complex and right Ultrasound scan at Mubende RRH

Implementation Challenges

- **Cost and time overruns.** The prices of construction materials had changed over time as the construction of the complex that began in FY 2013/14 was not completed todate. The total estimated variations todate are Ug shs 1,122,521,767.
- **Inadequate funding:** Development funds allocated to the hospital were often inadequate to allow timely execution of the project. The initial works were contracted out to Ms ACE Consult Limited at a contract sum of Ug shs 7,483,473,444. Todate, the total value of works executed is Ug shs 4,681,155,613, of which Ug shs 2.7billion (57%) was paid. The hospital has a debt of Ug shs 2,318,655,613 to the contractor while arrears for the recurrent budget totaled to Ug shs 290,611,108.

8.9.11: Vote 175 - Moroto Regional Referral Hospital

The hospital was allocated Ug shs 5.9billion during FY 2017/18. A total of Ug shs 3.3billion (57%) was released, and Ug shs 1.4% (42%) spent by 31st December 2017. The performance of the hospital was also poor at 42% of the semi-annual targets. Poor performance was attributed to delayed procurement processes. By quarter two FY 2017/18, the contract for the staff house was not awarded, while procurement for the maternity ward was in its initial stages. Detailed project performance in table 8.26.

Table 8.26: Performance for Moroto RRH by 31th December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical performance (Weighted Score %)	Remarks
Inpatient Services provided	14,557	23	4,419	10	Patients in the maternity ward acknowledged that the hospital had better facilities, staff and equipment required for safe delivery and child survival compared to other health facilities in Karamoja.
Outpatient Services provided	75,000	159	28,170	8	Patients noted improved service delivery with availability of more staff and drugs. Staff were noted to be motivated due to a better work environment.
Diagnostic Services provided	103,893	54	39,040	3	Underperformance. These were achieved at 37%.
Prevention and rehabilitation services provided	3,250	75	3,050	5	Substantially achieved at 93%.
Staff houses construction and rehabilitation	50%	1,000	0.09	16	Contract to undertake civil works was under procurement. M/S Plantech Consult Limited was awarded the design and supervision contract in October 2017. Tender documents were submitted and the hospital was in the process of getting a contractor to undertake civil works.
Maternity ward construction and rehabilitation	50%	200	0	0	Works were under procurement.
Furniture and fixtures procured	100%	88	0.1	0.591	Conference chairs, tables and high stools were procured from M/s Global Media Connections Limited. These were delivered and in use by 31st December 2017.
Medical equipment	100%	200	0	0	No funds were released for the output

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Physical performance (Weighted Score %)	Remarks
procured					
Total		**1,799**		**42.5**	**Poor Physical Performance**

Source: Field findings

Implementation Challenge

- Procurement delays, whereby all contractors for planned civil works not contracted by beginning of quarter three.

Recommendation

- The accounting officer of Moroto Regional Referral Hospital should fast-track all procurements in a timely manner to avoid failure to utilise allocated funds within the FY and implementation of planned outputs as well.
- The MoH should ensure replacement of withdrawn equipment from various health facilities under the Uganda Health Systems Strengthening Project (UHSSP) for improved health service delivery.

8.9.12: Vote 176 - China-Uganda Friendship Referral Hospital (Naguru)

The hospital was allocated Ug shs 6.302 billion, of which 54.8% was released and 60.3% spent. It performed poorly at 33.2 % achievement of the semi-annual targets. The major development works had not commenced due to delayed initiation of procurement. The delay in initiation was attributed to design changes of the staff quarters by the new administration from 8 to 16 units of staff houses within the available budget.

Rehabilitation of the theatre and OPD was ongoing at 60% physical progress. The hospital also fairly performed in delivery of services. Quality care was constrained by stock out of sundries and lack of functioning equipment such as mammography and fluoroscopy. A summary of performance is presented in table 8.27.

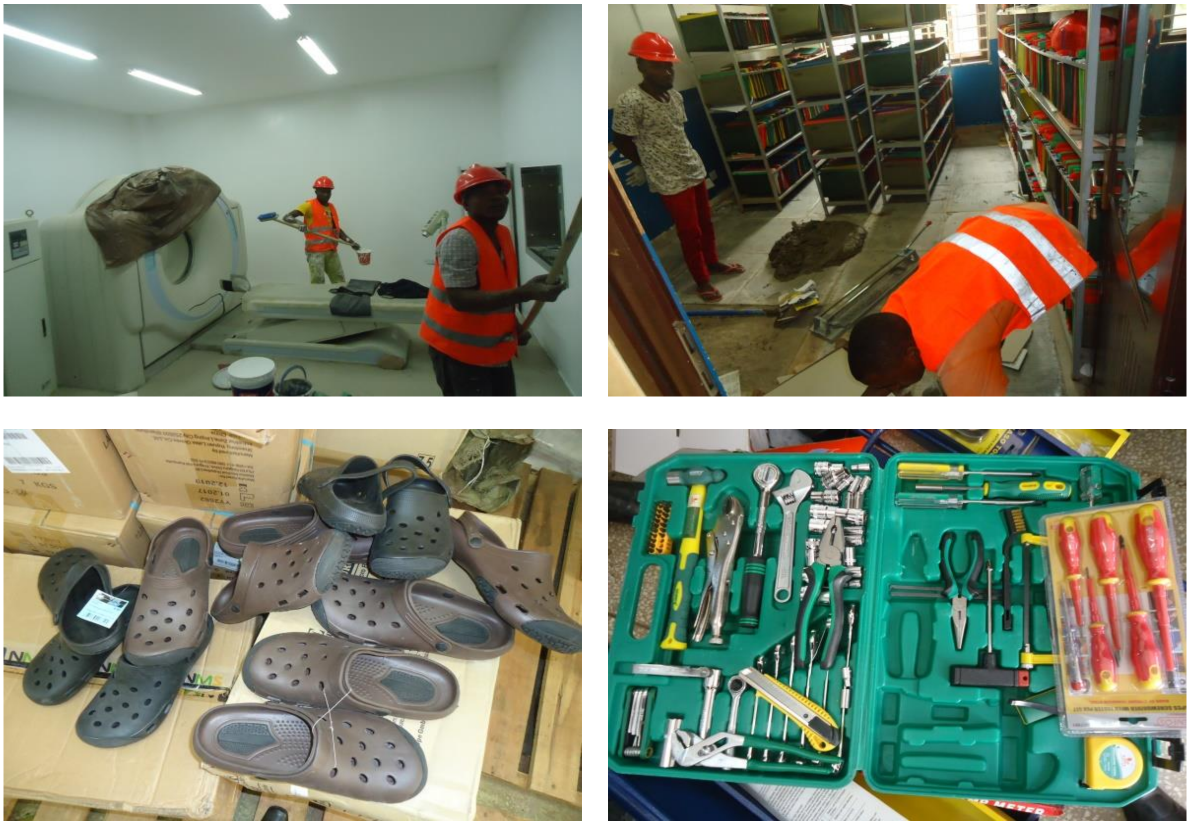
Table 8.27: Performance of Naguru RRH by 31st December 2017

Output	Annual Planned Quantity no. or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Inpatient services provided	19,619	175	9,094	11.71	The hospital also fairly performed in delivery of services. The hospital receives funding for a general hospital yet the services provided
Outpatient services provided	272,218	44	99,777	2.29	

Output	Annual Planned Quantity no. or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
Diagnostic services provided	150,707	55	61,505	3.21	are for a regional referral hospital. This has greatly affected service delivery.
Prevention and rehabilitation services provided	41,506	76	36,892	5.43	
Staff houses construction and rehabilitation supervised	100%	45	0.00	0	Construction of the staff houses had not started.
Government buildings and administrative infrastructure (Retention for the drug store paid)	100%	25	0.00	0.00	Retention was not paid.
16 units of staff houses constructed	27%	444	0.00	0.00	Works had not commenced. The hospital was awaiting advance payment guarantee. The hospital mischarged the line item for construction of staff house by paying for construction of store and administration block.
OPD and other ward rehabilitated	100%	52	60%	0.00	Physical progress was 60% against 0% financial progress. The contractor (SAKI Technical Services) was on site implementing civil works. The works were of fair quality.
Theatre rehabilitated	100%	30	60%	1.28	
Government buildings and administrative infrastructure (shelter for the generator constructed)	100%	10	0	0.00	By February 2018, the hospital was waiting for bids from service providers.
Staff houses construction and rehabilitation (Retention paid for completed staff houses)	100%	38	0	0.00	Retention was not paid.
Specialized machinery and equipment	100%	104	59.36	7.42	Machinery and equipment, assorted payments, tools and test equipment,

Output	Annual Planned Quantity no. or Target	Annual Ouput Budget (Ug shs million)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remarks
procured					plumbing tool kit, mechanical tool kit, electrical tool kit, refrigeration, assorted engineering tools were delivered from various suppliers.
Office and residential furniture and fittings procured	100%	69	0	0.00	Procured curtain clothes, partitioned labor suit and doors for the teenage centre room 1. The rest of furniture (tables and chairs) were under procurement.
Medical equipment procured	100%	168	0.056674	0.97	Theatre clogs were delivered while procurement for the other medical equipment, which accounted for over 97% of the budget was at LPO stage in preparation for signing.
Office and ICT equipment ,including software procured	100%	70	0.1768	0.88	Paid for delivered assorted items of stationery and computer supplies such as cartridge, tonner, external drives. Other funds, which accounted for over 97% of the budget were to facilitate procurement of a medical records system that was at approval stage.
Total		**1,405**		**33.2**	

Source: Field findings



Clockwise: Renovation works at imaging unit, records office, a set of tools and theatre clogs at Naguru RRH

Implementation Challenge

- **Delayed procurements process due to changes in administration;** the delays were associated to design changes of the staff quarters from eight units of two bedrooms to sixteen units of one bedroom by the new administration. The contracts committee was also not fully constituted.

Box 8.6: Service Delivery Challenges Affecting Regional Referral Hospitals

1. **Stock-out of sundries and other essential medicines /supplies**: Kabale RRH only had 5 pairs of surgical gloves by 11th January, 2018 while ultrasound gel had stocked out. In Mubende RRH, the hospital noted medicine stock-outs in the first four weeks after delivery. The sundries for the x-ray such as the dark room chemicals, x-ray films are usually not available and it was worse for fixers, which had never been supplied since August 2017.

   In Masaka RRH, supplies like switchers and surgical gloves, diabetes and hypertension medicines, and laboratory reagents stocked out. This is caused by their high consumption due to self-referrals and accidents. The inadequate laboratory supplies such as basic test kits, blood (haemoglobin) and machines. Patients were often required to obtain them from private service providers.

In Mbarara RRH, ARVs such as ATV/r 300mg/100 mg, LPV/r200mg/50mg, Nevarapin syrup for the exposed infants stocked for two months. The hospital was rationing by giving out medicines fortnightly. Anti-TB for babies was also stocked for six weeks.

In Hoima RRH, by end of January, the hospital was experiencing inadequate medical supplies due to inadequate funding. What is supplied by National Medical Stores (NMS) under the hospital budget only lasts for three weeks for a two-month cycle.

In Naguru RRH, it was noted that the NMS usually supplies less drugs (worth Ug shs 115 million) than their budget (Ug shs 154million). The hospital usually runs out of switchers, gloves gauze and other medical sundries.

In Arua RRH, lack of blood giving sets, gloves among other supplies affected service delivery. The hospital also experienced drug stock outs, these included Artesunate (Malaria Injectable), stocked out on 10th July, 2017 for 16 days, and ran out again on 18th September, 2017 for 28 days. TB drugs included Levofloxacin 250mg, Kanamycin, Cycloserine tablets (250mg). ARVs included; Abacavir Sulphate 120mg+Lamivudine 60mg tablets; Atazanavir/Rotinavir 300mg; Lopinavir/Rotinavir-Oral suspension; Niverapine-Oral suspension; Contrimaxazole for under-fives; Dapsone 100mg; and Fluconazole among others. Stock-outs of family planning supplies like implants (68mg) were generally available.

In Lira RRH, stock outs of various medical supplies including ARVs (Abacavir/Lamivudine, the hospital experienced a stock out for three months); Atazanavir/Rotinavir 300mg (three weeks stock out); and Niverapine Syrup among others. In the Reproductive Maternal and Child Health basket, Mama Kits stocked out from 1st -30th August 2017 and 10th October; 10th October to 18th October 2017. Amoxicillin dispersible250mg tablet (for children) from July 2017 and was not delivered by 4th January 2018.

2. **Poor dental services due to inadequate supplies and or delivery of incomplete packages among others.** At Kabale RRH, the supplies such as amalgam *''cement''* and other root filling materials were last delivered in 2015. In many incidences such supplies were delivered without complementary processing materials.

The dental x-rays were not functional due to lack of x-ray films. In Mbarara RRH, the dental clinic is housed in a section designed for laundry services.

In Hoima RRH, there were no dental x-ray films for over a year. One of the three dental chairs had malfunctioned abd the unit did not have dedicated sterilization equipment yet it had a very high patient turn up. The hospital often attended to 60-70 patients a day yet available instruments could work on a maximum of 30 patients.

Inadequate supplies from NMS especially conservation materials, and lignocaine for local anaesthesia.

Lack of dental workshops rendered Dental Technologists at various RRH idle.

3. **Non-functionality of imaging equipment:** In Mubende the portable X-ray was closed due to absence of a registration license. In FortPortal, the PCR system in the Radiology Department was neither functional nor received maintenance from the MoH. The computer and image readers were faulty, while the printer did not have films.

   In Masaka RRH, the fluoroscopy was faulty, it needed replacement of some parts. The Automatic Processor and Drier were faulty and as a result, the films are sun dried. This was therefore limited to day services. No X-rays were taken at night. The whole process was lengthy leading to long waiting hours which constrained service delivery.

   In Mbarara RRH, the CT scan has been faulty for three years. In Hoima RRH, the duo diagnostic x-ray machine was not functioning well. The serial changer and the examination table were faulty. It was last serviced in June 2017. In Naguru RRH, the fluoroscopy was non-functional, but spare parts were ordered from China. Equipment breakdown including service X-ray machine, Gene Expert Machines was noted in Arua. In Lira RRH, equipment like autoclaves for lack of spare parts and water were not operational. In addition, the X-ray was non-functional.

4. **Inadequate staffing:** whereas some hospitals like Hoima RRH were fairly staffed at 72%, there were structure challenges, which made service delivery very difficult. It was noted that due to high numbers of caesarean cases, caretakers were the ones moving their patients to the post operational ward from the theatre instead of clinical staff.

   The hospital does not have a consultant, senior consultant, and medical officer special grade for obstetrics and gynaecology. In Naguru RRH, whereas the staffing was 83%; the distribution was not good for example the staff for diagnostic equipment are very thin on the ground, which affected timely diagnosis of various conditions. In Arua RRH, the hospital lacked key staff like pharmacists, while Moroto RRH lacked consultants.

5. **Inadequate and irregular supplies of consumables** such as processing chemicals for the radiology department, ultra sound gel, stationery, developers and fixers.

6. **Blood shortages:** Blood shortages accounted for 71% of the referrals and 91% of the maternal death in Mubende RRH. Nakasero Blood Bank often provided 20 (33%) of the 60 units requisitioned. Similar shortages was noted in Kabale, Hoima, Lira and Gulu RRHs among others. Most of the maternal deaths recorded in Hoima RRH are due to postpartum haemorrhage, which could be prevented with timely availability of blood.

7. **Inadequate staff accommodation across the country:** Only 3.5% of the staff are accommodated at Mubende RRH and 22% in Arua RRH.

8. **Unreliable power supply:** Mubende RRH experiences erratic power supply/load shedding, this increased reliance on a generator and associated high fuel costs.

9. **Limited capacity from the regional maintenance workshops:** At all the regional hospitals, it was observed that the workshops lack the requisite capacity to repair all the medical equipment and in many instances, the equipment that they attempt to repair completely fails.

10. **Poor referral systems:** There are so many self-referrals into the regional referral hospitals

facility due to system weaknesses. The referrals out of hospitals were hampered by the poor state of ambulances characterised by high maintenance costs and frequent breakdowns. In Mubende, the fuel budget was often exhausted partially due high number of referrals.

11. **Inadequate transport:** In Mubende RRH, the vehicles are old vehicles with very high maintenance costs.
12. Communication delays regarding reallocation of funds between MFPED and implementing entities like Arua RRH.
13. Limited equipment with some of the equipment like beds, patient screens. The MoH withdrew the bedside lockers which had not been replaced for more than two years in various general and Moroto Hospital.

Recommendations

1. The MFPED should ensure timely responses to communications in relation to guidance on implementation of planned outputs to avoid delays in budget execution.
2. The HSC should ensure timely recruitment of specified health workers to reduce the staffing gap at the hospital.
3. The UBTS should step up blood collection campaigns and opening of various blood collection centers with support of various stakeholders including the general public, MFPED and MoH.
4. Lira RRH should prioritize functionality of key equipment through procurement of spare parts for improved health service delivery.
5. The NMS should roll out the supplies tracking tool to various RRHs to minimize unnecessary drug stock outs. It will also enable government deal with actual causes of stock outs of medical supplies.

Source: Field findings

Sector Challenges

- Poor planning characterised by allocation and release of funds without clear utilisation plans. For example Entebbe Municipal Council was allocated Ug shs 500million under the PHC transitional grant for rehabilitation for general hospitals. These funds were released but not utilised by 31st December 2017. The MoH didn't send clear guidelines on project implementation and utilisation of released funds.
- Stalling of government projects due to various reasons including poor planning and limited financing. Staff houses under the Italian Support Project in Karamoja, Surgical Complex at Mubende Regional Referral Hospital (RRH), and staff houses at Lira RRH

among others stalled for such reasons. Other projects like the maternity ward complex in Masaka, private wing in Jinja, staff houses under Mulago Hospital Complex and Gulu staff houses have outlived their contractual periods resulting in endless extensions. All this contributes to loss of time value for money, depreciation of facilities and become more expensive in the end.

- The regional maintenances workshops are both ill equipped and the staff had inadequate skills to handle complex medical equipment such as dental units, Xray and other imaging equipment. Attempts to repair a number of equipment remained futile. For instance Xray equipment at Busolwe GH, Manafwa GH, and Kagadi GH, among others.
- The Health Service Commission recruited 143 out of 850 (16%) health workers. Enormous delays in submission of recruitment requests by the various entities were noted. The MoH submitted the recruitment request on 3rd January 2018, six months into FY2017/18. These were further not accompanied by the necessary requirements including some job descriptions making it difficult for the HSC to proceed with timely recruitments.
- Global Alliance for Vaccines Initiative (GAVI) supported investment in construction of staff houses and medicine stores in various parts of the country including Namayingo, Nakapiripirt, Kanungu, Isingiro, Pallisa, and Buhweju among others. Contracts ended last FY and no cost extension was granted up to August 2017. The facilities were not handed over to beneficiaries for use. Some like Malongo HCIII in Mayuge District lacked basic items like pit latrines yet the area did not have water to enable use of the flash toilets installed.
- Severe stock outs of blood in the various health facilities visited. The UBTS collected 32% of the planned blood targets by 31st December 2017. The shortages run up to seven days for various blood groups in health facilities. The major cause for the shortage was inadequate logistics such as coaches, cold boxes, vacutainers, fridges, screening machines among others, and severe understaffing at the regional blood banks and blood collection centres.
- Drug stock outs lasting between two to eight weeks in various districts and RRHs. In Arua RRH Artesunate (Malaria Injectable) stocked out on 10th July 2017 for 16 days, and ran out again on 18th September 2017 for 28 days. Stock outs of family planning supplies like implants (68mg) in Arua, Depovera for over a month in Bududa. Lack of test kits. Facilities also lack other supplies like gloves, cotton, gauze, jik among others.
- Understaffing of national, regional referral hospitals and lower level health facilities. There is general lack of critical cadres like pathologists, ENT surgeons, neurologists, anaesthetists, consultants, midwives, oncologists, radiologists and dental technologists at RRHs among others. The staffing norms are outdated and the Ministry of Public Service has taken over five years to review the structure.
- Lack of water in various health facilities compromised service delivery. These included Pallisa, Kumi, Apac, Bugiri General Hospitals; and Lira Regional Referral Hospital. Equipment in such facilities could not be effectively utilised.
- Mismanagement of government funds, the contractor meant to complete water works at Bugiri hospital failed to complete the works. Users complained of lack of value for development funds allocated to the hospital. The roof in some hospital areas was still

leaking. Defects in the doors of the children's ward, drainage challenges and poor finishes on various water tanks at Tororo Hospital.

- Lack of equipment including medical and delivery beds, patient trolleys, drug cabinets among others. Equipment withdrawn from various health facilities by MoH under the Uganda Health Systems Strengthening Project had never been replaced.
- Lack of staff accommodation compromising attraction, retention and motivation of health workers. In Lemusui HCII-Nakapipirit District several health workers like midwives turned down job appointments for lack of accommodation. Health workers in Loroo HCIII, Moroto District sleep in the OPD. Only 30% of health workers in Bududa were housed.

8.10: Overall Sector Performance

Physical performance for the health sector was fair with 56% of the semi-annual targets achieved. This performance was attributed to poor planning characterized by late initiation of procurements by various entities. Detailed vote performance is indicated in table 8.28.

Best performing vote was Butabika Hospital which achieved 87% of the planned targets. The Alcohol and Drug Unit at Butabika Hospital was substantially completed as planned, medical equipment supplied and specialized mental services provided to targeted population. This performance was attributed to hiring capable contractors, involvement of administration in the monitoring and supervision of planned works, proper planning and timely procurements.

Other good performing entities include: The Uganda Heart Institute (UHI) at 83%. Preparations for the first-ever highly specialized open-heart surgery known as Coronary Artery Bypass Grafting Surgery (CABG) were concluded by 31st December 2017. This was undertaken in January 2018. Good performing RRHs included Jinja at 79%, followed by Masaka at 70% and Soroti at 71%. Targets under medical services and development projects were substantially achieved. Detailed performance of RRHs is indicated in table 8.28.

The districts that performed better under the PHC transitional development grant included; Bundibugyo, Ibanda, Kiboga, and Lyantonde. The good performance was attributed to early initiation of procurement, phasing of works, use of force on account, and/or committing government with the hope that all the budgeted funds would be released by the end of the financial year.

Fair performers included Mulago National Referral Hospital (63%), MoH and Regional Referral Hospitals at 55% respectively.

Poor performing votes included: Uganda Blood Transfusion Services (43%), Health Service Commission (30%) and Uganda Cancer Institute (20%). Among the RRHs, Lira performed worst at 29% followed by Naguru Hospital at 33%. The HSC recruited 143 out of the planned 850 recruitments planned. Lira Regional Referral Hospital did not commence procurement of contractors to undertake construction of the planned staff houses. Works planned under Mubende Regional Referral Hospital were not undertaken, the hospital was paying arrears for previous construction works.

The performance at districts hospitals that benefited from PHC transitional development grant was poor in most (90%) local governments. These included Luweero, Pallisa, Zombo, Kibuuku, Mukono and Entebbe Municipality. Late commencement of works due to procurement and delays in approval of Bills of Quantities (BoQs) by MoH affected service delivery.

Table 8.28: Sector Performance by 31st December, 2017

Item	Score (percentage)
Ministry of Health	57
Uganda Blood Transfusion Services (UBTS)	43
Uganda Cancer Institute (UCI)	20
Uganda Heart Institute (UHI)	83
Health Service Commission	29
Mulago National Referral Hospital	63
Butabika National Mental Referral Hospital	87
Arua RRH	42.3
Fort Portal RRH	56.5
Gulu RRH	62
Hoima RRH	74
Jinja RRH	79
Kabale RRH	60
Lira RRH	26
Masaka RRH	72
Mbale RRH	61
Mbarara RRH	70
Moroto RRH	42.5
Mubende RRH	48
Naguru RRH	33
Soroti RRH	71.4
Overall Sector Performance	**56.10**

Source: Field Findings

CHAPTER 9: INFORMATION AND COMMUNICATION TECHNOLOGY

9.1 Introduction

The mission of the Information, Communications Technology (ICT) sector is to promote the development of ICT infrastructure and services throughout the country. The mandate of the sector is to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for sustainable, effective and efficient development, as well as harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals.

The sector is composed of the Ministry of Information, Communications Technology and National Guidance (MoICT&NG), National Information Technology Authority (NITA-U), Uganda Communications Commission (UCC), Uganda Post Limited (UPL- operating as Posta Uganda), Uganda Media Centre, Uganda Broadcasting Corporation (UBC) and Uganda Institute of Information and Communications Technology (UICT).

The Semi Annual Monitoring for FY 2017/18 in the ICT sector covered the Ministry of ICT and National Guidance (MoICT&NG) and National Information Technology Authority-Uganda (NITA-U).

9.1.1 Sector objectives and priorities

The overall sector objectives as outlined in the National Development Plan II are to:

- Increase access to ICT infrastructure to facilitate exploitation of the development priorities.
- Enhance the usage and application of ICT services in business and service delivery.
- Increase job creation through ICT research and development.
- Increase the stock of ICT skilled and industrial ready workforce.
- Improve the information security system to be secure, reliable, resilient, and capable of responding to cyber security threats.
- Improve the legal and regulatory frameworks to respond to the industry needs.

9.1.2 Overall Sector Financial Performance

The overall budget for the ICT sector comprising of Wage, Non-Wage Recurrent, Development, Gross Tax, and Appropriation in Aid (A.I.A) for FY 2017/18 is Ug shs 136.264 billion out of which Ug shs 46.311 billion was for Vote 020 (Ministry of ICT&NG) and Ug shs 89.953 billion is for Vote 126 (NITAU).
The release and expenditure performance was good (44.5% and 74.4% respectively). Table 9.1 shows the half year sector financial performance.

Table 9.1: Sector budget allocation and outturn by 31st December, 2017 (Ug shs billion)

Institution	Approved budget	Budget Outturn	% Released	Expenditure	% Spent
NITA-U	89.953	41.319	45.9	29.870	72.3
MoICT	46.311	19.323	41.7	15.286	79.1
Total	**136.264**	**60.642**	**44.5**	**45.156**	**74.4**

Source: MoICT, NITA-U and IFMS, December 2017

9.1.3 Scope

This chapter reviews progress of selected programmes, policies and projects implemented by the Ministry of ICT&NG and NITA-U for the first half of FY2017/18. Under NITA-U, all programmes and one development project; Regional Communication Infrastructure Programme (RCIP) were monitored. Under the MoICT&NG, two development project; Strengthening Ministry of ICT (0990) and Support to Information and National Guidance (1006) were monitored.

The programmes monitored were: Enabling Environment for ICT Development and Regulation, Effective Communication and National Guidance, General Administration, Policy and Planning, Electronic Public Services Delivery (e-transformation), Shared IT Infrastructure and Streamlined IT Governance and Capacity Development.

9.1.4 Limitations

- Lack of detailed quarterly work plans and targets for some programmes/projects.
- Lack of disaggregated financial information for some outputs which might have affected the scores.

9.2. National Information Technology Authority (NITA- U – Vote 126)

The agency's mission is to "*coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda".* The vote has one development project namely; Regional Communication Infrastructure Programme (RCIP) which is co-funded by the World Bank and GoU.

The objectives of the agency are to:

1. To provide high quality information technology services to Government;
2. To promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services, to ensure uniformity in quality, adequacy and reliability of information technology usage throughout Uganda;
3. To provide guidance and other assistance as may be required to other users and providers of information technology;

4. To promote cooperation, coordination and rationalization among users and providers of information technology at national and local level so as to avoid duplication of efforts and ensure optimal utilization of scarce resources;
5. To promote and be the focal point of co-operation for information technology users and providers at regional and international levels; and
6. To promote access to and utilization of information technology by the special interest groups

The agency is organized into six directorates namely: Technical Services, E-government Services, Information Security, Regulation and Legal Services, Planning Research and Development, Headquarters and Finance and Administration.

9.2.1 Performance

Financial performance

The approved budget for NITA-U FY 2017/18 is Ug shs 89.953 billion, of which Ug shs 41 billion (46%) was released and Ug shs 29.8 billion (72%) of released funds spent by 31st December 2017. Table 9.2 shows the approved budget, release and expenditure performance by sub-programme. The highest releases were under RCIP where 60% of the annual budget was released.

Table 9.2: Performance of NITA-U Programmes and Projects by 31st December, 2017 (Ug shs)

Directorate/Project	Annual budget	Release	Expenditure	% Release	% Spent
Technical Services	36,999,229,208	11,673,463,376	11,597,986,397	31.6	99.4
Headquarters	241,951,080	64,670,362	33,252,000	26.7	51.4
Information Security	154,000,000	51,551,516	49,517,050	33.5	96.1
E-government	2,516,400,000	554,396,956	299,711,268	22.0	54.1
Regulation and Legal	207,450,000	44,563,022	181,680,439	21.5	407.7
Planning &Research	501,993,643	151,529,640	140,863,080	30.2	93.0
Finance & Administration	13,078,522,153	6,689,460,182	5,577,359,679	51.1	83.4
Project					
Regional Communication Infrastructure Program (RCIP)	36,253,256,188	21,991,396,009	11,978,445,448	60.7	54.5
Total	**89,952,802,271**	**41,221,031,063**	**29,858,815,361**	**45.8**	**72.4**

Source: NITA-U & IFMS

9.2.2 Regional Communication Infrastructure Program (RCIP)-Project 1400

Introduction

The Regional Communications Infrastructure Programme (RCIP) is a World Bank funded initiative that became effective in May 2016. The five year project aims to transform public service delivery using Information and Communications Technologies (ICT) to improve the lives of Ugandans. It will complement existing ICT initiatives in the country, including the National Backbone Transmission Infrastructure (NBI) and private sector investment by helping to bridge the financing and technical gaps. The RCIP intends to support the GoU in improving: (i) Coverage for IT infrastructure in the country; (ii) The delivery of public services by improving efficiency through government cloud infrastructure; (iii) Integration of Government IT systems (iv) Building capacity in management of IT programs and projects; (v) Improve policy and regulatory environment for ICT in the country.

The objectives of the RCIP Uganda are to: (i) Lower prices for international capacity and extend the geographic reach of broadband networks (connectivity); and (ii) Improve the Government's efficiency and transparency through e-Government applications.

The US$85m project is financed by credit from the World Bank (US$ 75m) and GoU (US$10m counterpart funding).

During the FY 2017/18, NITA-U planned to undertake the following activities: Develop Enterprise Security Architecture, 100% completion for information assurance for the Mobile ID solution technical specifications; Technical Support and Information Assurance provided for implementation of the RCIP 3.0 Components – Cloud and DC upgrade, EGP, Hub upgrade, UMCS, Bulk Bandwidth, e-Payment Gateway; Commence Implementation of missing links; Last mile of the NBI implemented to connect 700 sites in 40 districts; Unified Messaging and Collaboration System established in Eight (8) MDAs; Government Cloud implemented; and Shared Public Service Delivery Platforms established.

Financial performance

The approved budget for the RCIP Uganda for FY 2017/18 is Ug shs 36.25 billion, of which Ug shs 21.9 billion (60%) was released and Ug shs 11.9 billion (54%) spent by 31st December 2017. The release performance was very good while the expenditure was fair.

Physical progress

The overall physical progress for the project was rated at 35% representing poor performance. Procurement of most outputs was ongoing. Table 9.3 shows the implementation progress by 31st December 2017.

Table 9.3: Performance of Regional Communication Infrastructure Programme by 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Enterprise Security Architecture developed	1.00	3,295,750,563	0.20	1.82	Enterprise Security Architecture (ESA) bidding documents updated - awaiting approval from WB
100% completion for information assurance for the Mobile ID solution technical specifications	1	3,295,750,563	0.2	6.61	Preparatory works initiated for the MobileID technical specifications. Drafting of the MobileID technical specifications initiated. Information assurance for the Mobile ID technical specifications completed.
Framework contract for the National Information Security Framework (NISF) remediation in place (RCIP)	1	3,295,750,563	0.3	5.53	NISF bidding documents submitted to World Bank (WB) for approval.
National CERT Enhancement	1	3,295,750,563	1	9.09	Computer Emergency Response Team (CERT) enhancement bidding documents drafted for World Bank approval.
Framework Contracts in place for ISO 27001 Certification and e-Payment Gateway Assurance	1	3,295,750,563	0.1	0.91	ISO 27001 Assessment bidding documents drafted for World Bank approval.
Technical support and Information Assurance provided for implementation of the RCIP 3.0 Components – Cloud and DC upgrade, EGP, Hub upgrade, UMCS, Bulk Bandwidth, e-Payment Gateway	6	3,295,750,563	0.1	0.91	Information Security quality assurance provided for the E-GP solution requirements.

Commence Implementation of Missing links	1	3,295,750,563	0.1	0.91	Technical support provided for the provisioning and installation of the new equipment under the Bulk Bandwidth upgrade.
Government Cloud implemented	1	3,295,750,563	0.3	9.09	Technical support provided for the Cloud upgrade; Network design validated for the Hub Equipment; Provided technical assistance for the provisioning of the staging environment and firewalling for the UMCS.
Total		**36,253,256,188**		**34.9**	**Poor performance**

Source: NITA-U

Most of the planned project outputs were at initial stages of implementation. The procurement processes for most outputs were either in advanced stages or awaiting contract signing.

Implementation challenges

- Long delays in securing procurement approvals/no objection particularly from the WB.
- Low funds absorption.
- Low release of GoU counterpart funding to meet the financing needs of the projects as per agreement.

9.2.3 NITA-U Recurrent Sub-Programmes

The agency has seven recurrent programmes namely: Headquarters, Technical Services, Information Security, e-Government, Legal and Regulatory Services, Planning, Research and Innovations, and Finance and Administration.

Financial performance

The approved recurrent budget for NITA-U programmes FY 2017/18 (including AIA) is Ug shs 53.7 billion, of which Ug shs 19.2 billion (35%) was released and Ug shs 17.8 billion (93%) spent by 31st December 2017. The release performance was below average while expenditure was very good.

Physical performance

The disaggregated expenditures by recurrent outputs were not available to estimate actual physical performance. The recurrent programmes of NITA-U achieved an estimated physical performance of 66% of the half year targets; this was generally associated to low releases. The detailed performance is given by programme hereafter.

1: Headquarters

The headquarters' programme is headed by the Executive Director. It is responsible for the management and operations of the Authority; management of the funds, property and business of the Authority, and the promotion, training and disciplining of the staff of the Authority in accordance with their terms and conditions. 63% of targets were achieved.

Performance

NITA-U Strategic Plan FY 2018/19- 2023/24 developed: The draft assessment of the Strategic Plan was done. The agency held a two day strategy workshop from 4th - 5th October, 2017 where the measurability tests were done for all the strategic results and final NITA-U Results Map developed. The structure of the Strategic Plan is in place.

Support provided to the development of feasibility study for ICT parks: The draft ICT Park concept note is in place. Submitted revised profiles and feasibility reports to the Public –Private Partnerships (PPP) Unit. Engaged the Unit on development and submission of the relevant information for ICT parks. Held a meeting with the Unit where the ICT park screening template was reviewed.

NITA-U brand awareness assessed amongst the MDAs/LG and the public and branded materials procured and distributed to stakeholders: News item highlighting the strides NITA-U is undertaking to spur local innovators were aired on Urban TV. NITA-U participated in the MTN Marathon. NITA-U key stakeholders were identified and christmas hampers delivered to them.

Risk based audit conducted: The agency responded to audit queries for the Auditor General, and Internal Auditor General.

2. Technical Services

Background

The directorate's core roles are to provide first level technical support and advice for critical Government information technology systems including managing the utilization of resources and infrastructure for centralized data center facilities for large systems through the provision of specialized technical skills. In addition, it identifies and advises Government on all matters of information technology development, utilization, usability, accessibility and deployment including networking, systems development, information technology security, training and support; and provide guidance on the establishment of an infrastructure for information sharing by Government and related stakeholders.

Performance

150 MDA/LGs using services over the NBI: Thirty two (32) new MDA sites using services as follows; Mbarara CPS, NDA Mbarara, JLOS Mbarara, Immigration Mbarara, Masaka CPS, Uganda Human Rights Commission-Masaka, Lwengo, Lwengo DLG, Lyantonde TC, Lyantonde DLG, Mbarara TC, URSB Mbarara, Auditor General Mbarara, Judicial Studies Institute and Magistrates Court Nakawa, Mpigi DLG, NARO Kawanda and NARO Entebbe, NIRA, Naguru Referral Hospital, Ministry of Lands, KCCA Mabua road, National Medical Stores-Mbarara, Mukono DLG, Mukono Municipal Council, Masaka Municipal Council, Mbarara Regional Referral Hospital, and Mpigi Town Council.

Commercialization contract supervised: The inception report for hub equipment was approved and tax clearance letter for the hub equipment received.

Internet bandwidth usage was monitored for MDAs that had allowed graphing on their terminal devices. Service Level Agreements (SLA) of 99.8% achieved.

Wi-Fi Services implemented in 30 new sites: KCCA approvals for Right of Way for Wi-Fi sites implementation was obtained. The procurement of WI-Fi management system was completed. Three (3) new sites were activated namely; Golf Club, Mukansa House and Wills Ltd bringing the total number of sites connected to One hundred forty six (146)

Connect 55 new MDA/LG sites to the NBI: Sixteen (16) sites were connected to the NBI bringing the total number to three hundred twenty two (322) MDA/LG sites connected to the NBI.

Host twenty (20) applications in the Data Centre and Disaster Recovery Site: Four (4) additional applications were hosted for NIRA, UNMA, MoICT and UMCS. Nine (9) clients (Education, PPDA, PSC, UMCS, OPM-NUSAF, MEACA, UNICEF, NIISP and Gender) hosted. 35% of recurrent targets were achieved.

3. Information Security

Background

The directorate provides leadership, organizational structures and processes at the national level that safeguards information against accidental or unauthorized modification, destruction, or disclosure. It coordinates efforts to remediate security alerts and respond to information security related incidents and threats; Coordinate with other institutions including law enforcement to identify and plan for security in all aspects of data, application, hardware, telecommunication, and computer installation and to carry out information security assessment for other organisations.

Performance

Develop National Critical Information Infrastructure (NCII) Program: A consultative workshop on Critical Information Infrastructure in partnership with the Commonwealth Telecommunications Organisation was conducted and the Critical Infrastructure Protection Program drafted.

Coordinate National Information Security Framework (NISF) implementation in GoU: The NISF Assessments were conducted for seven (7) MDAs namely: FIA, CAA, URBRA, MAAIF, MoLHUD, MoJCA and MoICT&NG. The NISF remediation plans were developed for FIA, MoICT&NG, MAAIF, MLHUD, MoJCA, and URBRA.

NISAG Secretariat maintained: The National Information Risk Profile and Register was updated.

Provision of incident response, cyber security alerts, advisories and trainings to National CERT constituency maintained: 49 cyber securities advisories were developed and disseminated, 14 defaced websites were rectified and cyber security training on financial sector security focusing on open source intelligence and information analysis conducted in partnership with NRD Cyber Security for 120 participants.

At least two (2) Child Online Protection awareness campaigns held: Communication materials were developed for the Child Online Safety awareness. The child online safety awareness was carried out in the print media (28th and 29th October, 2017), in addition, social media awareness carried out on Child Online Protection.

Conduct at least one (1) annual information security and risk conference: Four (4) information security conferences were held namely:

1. The East Africa Information Security Conference organized at Speke Resort Munyonyo in partnership with ISACA Kampala Chapter.
2. The Cyber Defense East Africa Conference organized on 9th August, 2017 at Statistics House for 120 participants.
3. The Cyber Standards workshop organized on 23rd – 24th August, 2017 at Sheraton Hotel in partnership with the Commonwealth Telecommunications Organization for 57 participants.
4. The Critical Information Infrastructure Protection Conference held on 21st – 22nd August 2017 at Sheraton Hotel in partnership with the Commonwealth Telecommunications Organization for 60 participants.

Organize and hold at least one (1) cyber laws and eDiscovery workshop: The concept note was validated with JLOS Secretariat for the education and awareness on the Cyber Laws and Digital Forensics. e-Discovery workshop for JLOS Sector was held on 5th December, 2017 at the Information Access Centre (IAC).

Twenty (20) Awareness sessions conducted to improve understanding of the Information Security Risks, Vulnerabilities: Twenty One (21) information security awareness sessions were carried out during the half year.

Subscription to Cyber Security related International bodies (ISF, ISACA, EC-Council, and IWF): Half year installments for NITA-U ISF subscription were paid and the requests for renewal of NITA-U ISF (2nd installment) and ISACA subscription approved.

Information Security technical support provided to ten (10) MDAs: Technical support was provided to 11 MDAs as noted below:

- MoTIC on resolution of spam incidents
- NIRA on registration of pupils
- The VPN setup to URA for one stop center connectivity
- Firewall configuration and VPN setup support provided to NIRA for DR Site configuration
- Firewall Configuration support provided to Uganda National Meteorological Authority (UNMA) VM in Datacenter

- Ministry of Lands for Physical Planning and Urban Management Information System (PPUMIS) Implementation
- National Drug Authority on site configuration of the Fort iGATE Firewall
- Site to site VPN configuration for Government Citizen's Interaction Centre (GCIC) from Entebbe to the Data Centre (DC).
- Evaluation of design for DCIC DR setup in Jinja.
- Technical support to NRD on One stop Center project
- MFPED on IFMS security
- MoICT&NG on NLIS security assessment
- ITCO on security assessment of the certification engine
- Configured firewalling service for the National ICT Initiative Support Program
- Configured firewalling service for MoGLSD
- Provided technical support for the Gayaza High School ICT Strategy development
- VM set for hosting provided for UNMA hosting in the Data Center
- Provision of VM and security for the National ICT Initiative support Programme under MoICT&NG
- Oracle audit services provided for MoPS - IPPS
- Web application security audit provided for the National ICT Initiative
- Technical support provided for connectivity restoration for one stop center servers

Quality Assurance provided for the NBI: Technical support was provided for the maintenance of the AAA Server for MYUG; Technical support provided for the security of the Captive portal for MYUG; Honey net system maintained and data used to enhance NBI Blacklisting; NBI monitored via cacti, syslog, OSSEC and IP Plan management maintained; NISAG Mail server and mailing list setup implemented; Implemented the Microsoft Advanced Threat Analytics setup for NITA Domain Controllers; Provided technical support for the Seacom Link Latency troubleshooting; Finalized configurations for NITA virtual firewall and setting up remote access VPN for users; Evaluation of Bids for WIFI management system; Troubleshooting and resolution of NITA blacklisted IP addresses; Monitoring Seacom internet traffic; NBI monitored via cacti, syslog, OSSEC and IP Plan management maintained; Maintained the Microsoft Advanced Threat Analytics setup for NITA Domain Controllers; and Microsoft Operations Management Suite (OMS) activated for health monitoring of ten servers. 71% of recurrent targets were achieved.

4. E-Government

Background

Electronic government, also known as digital government, online government, or connected government is the comprehensive implementation of ICT in MDAs and Local Governments. The directorate's mission is "Integrating Uganda to provide quality services to citizens, and to improve the national competitiveness through administration innovation, and to reform unnecessary processes based on interconnected government and safe society".

Performance

Implement rationalization of IT services by supporting Consolidation of licenses under Microsoft Business and Services Agreement (MBSA) and Oracle Enterprise Agreement (OEA) for six (6) MDAs: Three (3) MDAs enrolled for MBSA that is; NMS, CMA and UDC. Created awareness to Posta Uganda. Conducted training for 18 MDA staff on Microsoft exchange server.

Develop thirty five (35) MDA/LG websites: Eleven (11) new websites developed namely; Ministry of Science, Technology and Innovations, Kirayandongo LG, Ibanda LG. Kagadi LG, Kibaale LG, MAAIF, Kasese LG, Ministry of Security, MEACA, Justice (Administrator General), Masindi LG, NIISP (MoICT&NG).

Provide support to 105 MDAs/LGs websites (hosting, technical support and security): A total of 25 MDA/LGs have been maintained and supported. Eleven (11) websites were supported as follows; Budaka, Ntoroko, Ministry of ICT, and National CERT, Ministry of Science and Technology, Masindi LG, and Kaliro LG websites, NCDC, MWE, Ministry of Justice and NDA. Fourteen (14) websites were maintained namely; MWE, MEACA, MoJCA, Ministry of Internal Affairs, NCDC, Uganda Coffee Development Authority, MAAIF, National Population Council, MoICT&NG ance, Wakiso DLG, Ministry of Public Service, UNMA, and E-Biz.

Conduct stakeholder sensitizations to promote the use of e-Government:

Awareness and sensitizations were carried out with nineteen (19) stakeholders as follows: Innovators and academia on Integration, E-Single Window team-National Medical Stores, URA Tax Appreciation Week, Mbale Institute for Higher Education, Members of Parliament from Malawi, Urban TV (Impact of E-Governance), Makerere Innovation and Incubation Centre (MIIC) under CoCIS, ICT Transport and Insurance Expo 2017, 11th East African Procurement Forum (EAPF), 10th East African Procurement Forum, Show case E-Govt at capacity Africa 2017, CEDAT Makerere University, Kampala Innovation Week, Swarm 17 (Tech Start up Summit), PMI Annual Conference on ICT and Agriculture, Local Area Network (LAN) Event with ICTAU, Brain Storm session on HMIS with Ministry of Health, Think Tank Session by URA and IMF on system integration and big data.

Promote the use of the Information Access Centre (IAC) for e-Government innovations: The contract for the IAC service provider is managed. The usage of the IAC promoted through hosting of the following eight trainings; Online Wealth declaration system, geographical information system by Ministry of Energy and KCCA, Uganda film training by UCC, case management training by Judicial services commission, cyber laws training by NITA-U, IFMS training for Accountant General's Office, IGG on the Online Declaration System (ODS) training and Geographical Information System training held by KCCA.

Hosted 12 events at the IAC which had a total of 318 participants. These events include; NPA data entry exercise, IPPS training and a National ICT infrastructural policy planning meeting, e-recruitment training by public service commission and a smart city consultation organised by the Ministry of ICT&NG.

Development and addition of at least two new e-services to the e-citizens web portal: The concept note on an e-service for Credit Reference Bureau was developed. The engagements held with the Ministry of Public Service, UNEB, Ministry of Education, UNICEF, Musawo innovation hub to identify e-services.

Support provided to new and ongoing projects in MDAs and LGs: Technical support was offered to Twenty three (23) Entities; Uganda Heart Institute- HMIS development, Lotteries and Gaming Board, Ministry of Health (Kamuli card), Ministry of Education(EMIS), Ministry of Education (BTVET), NIRA (Security assessment), IG's Office (compliance assessment), Judiciary (case management development), Ministry of ICT (AIMS system), Uganda Wildlife Authority- procurement of ERP, Presidential Initiative on Banana Industrial Development- Assessment for procurement of ERP, Micro Finance Support Centre, Ministry of Tourism (UWA IFMS project), URSB (online security interests in movable property registry system), UNRA - Projects and Portfolio Management System, Ministry of Public Service – HCM, Uganda Heart Institute - Hospital Information Management System (HIMS), MAAIF – e-Voucher system, Ministry of Works - Crash system, UIA – One Stop Centre, DCIC- E-Visa and E-Passport, Public Service Commissions- e-Recruitment, Ministry of Water and Environment (Billing System).

All MDA/LG ICT Approval requests processed within 7 working days in line with rationalization: A total of forty four (44) N7 forms were processed as per the process requirements. This includes review of terms of reference, MDA engagements, and analysis of technical requirements. This has minimised duplication of systems across government.

Supervision of BPO Centre to increase the number of BPO agents to 150: Analytics on media coverage and reach prepared that is; the BPO Website, the key media houses were engaged on the suitable programs for broadcasting BPO/ITES promotional and marketing content. The agency distributed BPO/ITES promotional material at four public engagement events which were EAPF, IT Legal colloquium, Global IACNET meeting in Korea and URA Tax payer's Appreciation week. Commenced initial discussions with Kafeero foundation, a local social media and promotion company. Reviewed NTF4 project document and feedback was shared with project management team. Seventy One (71) jobs were created at the BPO incubation centre. The BPO strategy was reviewed. Engagements with CICS to revive BPO think tank are underway. Engagement with Alliance for Trade in Information-Technology and Services (ATIS) on the status of the BPO industry in Uganda and opportunities available for exporting ITES.

Design of IT Parks completed and finance partner identified: The feasibility study of the IT parks was concluded. A draft feasibility study report was presented by the Transaction Advisor in December 2017. 67% of recurrent targets were achieved.

5. Regulation and Legal Services

Background

The programme is responsible for providing an enabling regulatory environment for the achievement of NITA's mandate and the implementation of the cyber laws and other related laws; Ensure the compliance and enforcement of the cyber laws, NITA Act, regulations and other related legislation; Arbitrate disputes between arising between suppliers of Information Technology solutions and consumers; Provide legal services to NITA-U; Provide corporate secretarial services to NITA-U; and ensure compliance with all laws, procedures and policies.

Performance

Carry out sensitization and awareness about cyber laws: Twenty Nine (29) sensitization activities conducted as follows: East African Information Security Conference- ISACA; Hoima DLG, Kibaale DLG, Kyenjojo DLG, Kagadi DLG, Kabarole DLG, Ntoroko DLG, Bundibugyo DLG, Magistrate Grade One Court-Kibaale, Resident State Attorney-Kibaale, Ministry of ICT & NG, Financial Intelligence Authority, Cavendish University Uganda, Mountains of the Moon University, Resilient Africa Network (RAN), IT, Communication & Information Officers-(Masindi DLG, Kaliro DLG, Mpigi DLG; MoLG, NEMA, Ministry of Water & Environment), Uganda Law Society; Innovation Hub; Uganda Christian University Mukono, Mbale Institute of Higher Education, Uganda AIDS Commission, Hive Colab, The New Vision, Makerere University Business School, Justice Law & Order Sector, An article on Cyber laws was published in "*Bukedde"* newspaper, An article on Cybercrime was published in MUBS newsletter magazine.

Twenty (20) Compliance assessments carried out on MDAs and other regulated entities to check compliance with IT laws and Standards: compliance assessments were conducted for the following entities: Website maintenance requirements under e-Gov't Regulations; a) Hoima DLG; (b) Kibaale DLG; (c) Kyenjojo DLG; (d) Kabarole DLG; (e) Bundibugyo DLG; (f) Kagadi DLG; (g) Ntoroko DLG, (h) Wakiso DLG; (i) Sembabule DLG; (j) Lwengo DLG.

IT Structured Cabling and Acquisition of IT Hardware & Software Standards: (a) Uganda Wildlife Education Centre, (b) Inspectorate of Government; (c) Ministry of Agriculture, Animal Industry and Fisheries; (d) National Medical Stores; (e) Lotteries & Gaming Regulatory Board; (f) Microfinance Support Centre Limited; (g) UNMA; (h) UEDCL; (i) Entebbe Municipal Council; (j) NCDC.

Develop laws and regulations to achieve NITA-U's mandate: The following two (2) regulations were gazetted and are under implementation to support operationalization of IT certification under the NITA-U Act: The NITA-U (Certification of Providers of IT Products and Services) Regulations, 2016; and The NITA-U (Authentication of IT Training) Regulations, 2016. 80% of recurrent targets were achieved.

6. Planning, Research and Innovation

Background

The roles of the directorate are: To support the development, monitoring and evaluation of National IT Strategies, Plans, Policies, Programmes and Initiatives in line with the NITA-U mandate. To lead change and provide a comprehensive approach in the development and implementation of IT strategic research & innovation agenda for the public sector in line with the NITA-U mandate and communicating corporate messages from agenda setting through impact assessment.

To formulate, enforce and monitor the implementation of national architecture blueprints, standards, certification and provide guidance for quality IT services including risk management and contingency planning. To create, implement and maintain an IT capacity building, training and awareness framework, Policy and Strategy in line with the NITA-U mandate.

To build and maintain a framework, model and process to provide centralized and coordinated support to programme management of all IT Projects across the Public Sector in line with the NITA-U mandate.

Performance

Five (5) new IT standards developed and forwarded for gazetting to facilitate systematic delivery of priority IT infrastructure and services: a technical committee meeting was held. Twelve (12) standards were reviewed, two (2) withdrawn, 10 replaced with current versions.

Seventeen (17) new standards were discussed and recommended for adoption as Uganda Standards. The standards were undergoing public review for the mandatory 30 days.

Carry out two (2) awareness /training sessions on standards: The Needs Assessment was carried out to determine specific requirements of MDAs. The materials for training were developed.

One Hundred (100) IT service providers certified: Sixty Seven (67) additional IT firms were certified bringing the total number of IT firms certified to one hundred sixteen (116).

Conduct twenty (20) stakeholder engagements on certification: Thirty six (36) stakeholder engagements conducted for certification in sensitizing MDAs and IT companies.

Conduct National IT Survey and other key demand driven surveys to inform decision making: The inception report was presented and approved by the EXCO. The stakeholder consultative workshop on data collection instruments and sample designs were conducted. The data collection instruments and sample designs for conducting the survey were finalised. The survey among households across the country was completed. A total of 2,749 citizens were interviewed compared to the target of 2,400. Information was collected from 22 LGs out of a sample of 33. Among the 109 targeted MDAs, 61 MDAs had so far responded (56% response rate).

Undertake two (2) user demand driven surveys in NITA-U and Compile the Annual NITA-U Statistical Abstract: The agency engaged the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs that is in charge of compiling UN E-Government index. A Questionnaire that aimed to seek the most recent information on Uganda's efforts in supporting e-government development was sent to NITA-U. Completed and returned the Member States Questionnaire for Uganda in preparation of the 2018 United Nations E-Government Survey.
The agency coordinated the public sector organisations assessment of NITA-U by OPM.

Compile the 2017 NITA-U Statistical Abstract: The directorate conducted desk review of key statistics related documents and identified some of the data to be collected. Collected data on current communications statistics that facilitated the reporting on RCIP outcome indicators. Collected data from URA and UBOS based on the revised definition for ICT sector for the past 5 calendar years up to 2016 and FYs 2016/17.

NITA-U Budget Framework Paper (BFP) and Ministerial Policy Statement (MPS) 2018/19 timely submitted as per the PFM Act requirements: The directorate consolidated and submitted the NITA-U BFP 2018/19 by 20th November, 2017.

Monitoring and inspection of three (3) NITA-U projects/initiatives conducted and status reports produced: Routine monitoring of two NITA-U initiatives, that is; MYUG, and IT certification project were conducted. The M&E framework was developed in consultation with department heads and project managers. Supported the environmental and social impact assessment scoping exercise for forty (40) districts where the Last Mile Project will be implemented.

100 % implementation of PPP structures for NITA-U PPP projects: The draft ICT Park concept note was developed. Engaged the PPP Unit on development and submission of the relevant information for ICT parks. The ICT park screening template was reviewed.

Conduct two (2) ICT training of Civil Servants: The Civil Service College was identified as a key training partner for training civil servants. NITA-U secured a slot on the training programme for Transformation of Public Relations and Customer Care.
The Directorate developed training materials on overview of ICT and e-governance and managing service quality and customer satisfaction: The One Stop Centre Approach to form part of the curriculum was expected to be finalized in Q3 and Q4 of FY 2017/18. In conjunction with the MOICT&NG provided input into the e-governance Masters Programme. Uganda Management Institute was identified as a partner in capacity building and a memorandum of understanding was drafted to concretize the cooperation.

Support provided to ten (10) trainings of all NITA-U Projects and initiatives including RCIP: The Directorate consolidated trainings to be conducted under RCIP and other ICT initiatives. Coordinated the web management training for MDAs/LGs by ensuring that training materials are in place, meals and all other logistics. Ensured that the training was conducted and evaluated. Developed a training report in collaboration with the user department. Ensured that the training in Microsoft Exchange server 2013 in MDAs was conducted and developed a training report in collaboration with the user departments. Coordinated the Microsoft Project Training for RCIP PMs and ensured training materials were developed and shared. The training was conducted and the evaluation report developed.

100% completion of procurement and preliminary activities for a consultant to develop a strategy for Institutionalization of the ICT Function in Government - Contract Signed: Identified, compiled and analyzed key stakeholders. Developed a stakeholder engagement plan for institutionalization of the ICT function. Received clearance for the TORs for the ICT Function in Government from the World Bank.

100% completion of procurement and preliminary activities for a consultant to conduct an ICT Skills Training and Needs Assessment (STNA) and develop An ICT Skills- Contract Signed: Key stakeholders were identified and an engagement plan for ICT skills training needs assessment developed. The TORs for STNA were submitted to the World Bank for clearance. An estimated 70% of half year targets were achieved.

7. Finance and administration

Background

The directorate is responsible for providing administrative and technical support to the Authority to optimally plan, generate, manage, deploy and account for all financial and other resources in the delivery of its mandate.

Performance

Preparatory activities of the Namanve ICT Hub (land acquisition, surveys and architectural design) completed: The procurements for fencing the land at Namanve, and roofing of the storage container were concluded. Engaged the landlord regarding fulfilment of the contractual obligations. Engaged the Ministry of Works and Transport on development of ToRs for architectural designs for the NITA-U Centre of Excellence.

Ensure retention of skilled, healthy and productive workforce: All staff employment contracts and related welfare services such as group insurance, and canteen services are managed. Salaries, gratuity and allowances promptly paid to staff at every end of month.

Recruit 15 priority staff: Eleven (11) staff were recruited by end of December 2017. Out of 17 RCIP staff, 14 staff were recruited. The following positions were at various stages of procurement: i). Legal expert, ii). Project Manager last mile, and iii). Network administrators.

Facilities and administrative support services provided for NITA-U operations: Parking slots were labelled and parking services properly coordinated for security purposes. Carried out general servicing of all fire equipment in preparation for the fire drill. Engaged different stakeholders for improvement in service delivery of their contracts these include; cleaning services, security, tenancy and drinking water. The server room and store for PDU was partitioned. Initiated the process for disposal of obsolete equipment and other non-usable materials at NITA-U. Conducted procurement for repair services on office furniture. Repaired the lighting system, extended power to the extreme of level 2. Maintenance services were undertaken on the Access Control System, generator, and air conditioning system and general facilities at NITA-U, BPO, and IAC Offices. Maintained office utilities. An estimated 76% of half year targets were achieved.

The overall performance of NITA-U was fair rated at 50% of half year targets.

Challenges

- Duplication of IT Systems across MDAs/LGs and resistance to change.
- Low staffing levels at NITA-U with only 50% of approved structure filled. This is affecting timely execution of planned outputs as the available staff are over stretched.
- Delays in receipt of ***"no objection"*** from the World Bank on a number of RCIP project components.
- Insufficient counterpart funding to meet the requirements of the RCIP.
- Inadequate budget to meet licenses for MDAs on the Microsoft Master Service Agreement (MBSA).
- Some of the Government sites connected to the National Backbone Infrastructure are not using the service because of lack of terminal equipment, cabling and computers.
- The NITA-U staff lack experience in handling World Bank funded projects.

Recommendations

- The NITA-U and MFPED should prioritise counterpart funding of the RCIP Uganda project to avoid delays in project execution.
- The Ministry of Public Service and NITA-U should review the staff ceiling for NITA-U to increase on implementation efficiency.
- The NITA-U should develop a change management strategy to ensure that duplication of effort is minimised on procurement and use of ICT installations.
- The NITA-U should regularly engage with the World Bank to ensure that *"no objections"* are secured in time. The World Bank should be implored to have a country based Task Team Leader (TTL) to speed up the process.
- The NITA-U should organise rapid capacity building sessions for staff working on the RCIP.

9.3 Ministry of ICT and National Guidance

9.3.1 Background

The Ministry of ICT was created in 2006 to provide strategic and technical leadership and coordination in all matters of ICT. The mandate of the ICT Ministry is ''*to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations, and strategy for the sector for sustainable, effective and efficient development, harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals*''[39]. The information and national guidance component was

[39] MoICT 2016

transferred to the Ministry of ICT in 2016 to form the Ministry of Information, Communications Technology and National Guidance (MoICT&NG).

The mission is "to promote development and effective utilization of ICTs such that quantifiable impact is achieved throughout the country". The MoICT&NG has four vote functions namely;

a) Information technology and information management services which is charged with developing enabling policies, laws and regulations as well as promoting, guiding and providing technical support, supervision, monitoring and evaluation to the development and use of IT;

b) Communications and broadcasting infrastructure which is charged with developing enabling polices, laws, regulations as well as quality assurance in infrastructure development for broadcasting and communications service delivery;

c) Policy, planning and support services which is responsible for ensuring that the sector complies with policy development guidelines and financial management standards in accordance with the Public Finance and Management legislations.

d) Information and national guidance.

The semi-annual monitoring FY2017/18 focused on the development components of the MoICT&NG.

Financial performance

The approved annual budget for the Ministry of ICT and National Guidance excluding arrears for FY 2017/18 is Ug shs 45.58 billion, of which Ug shs 18.6 billion (40%) was released and Ug shs 14.99 billion (80%) spent by 31st December 2017 representing good expenditure performance. Although some sub-programmes received more than 50% of the annual budget by half year, others received less than 30% (Table 9.4).

9.4: MoICT&NG Sub-Programme Financial Performance by 31st December, 2017

Sub-Programme	Annual budget	Release	Expenditure	% Release	% Spent
Headquarters	5,440,000,000	3,550,000,000	2,940,000,000	65.3	82.8
Information Technology	420,000,000	250,000,000	240,000,000	59.5	96.0
Information Management Services	7,300,000,000	3,150,000,000	2,650,000,000	43.2	84.1
Broadcasting Infrastructure	390,000,000	220,000,000	210,000,000	56.4	95.5
Posts &Telecommunication	410,000,000	238,500,000	230,000,000	58.2	96.4
Internal Audit	110,000,000	74,000,000	70,000,000	67.3	94.6
Uganda Media Center	1,110,000,000	560,000,000	470,000,000	50.5	83.9
National Guidance	540,000,000	280,000,000	250,000,000	51.9	89.3
Information	11,520,000,000	2,760,000,000	2,700,000,000	24.0	97.8

Total Recurrent	**27,240,000,000**	**11,082,500,000**	**9,760,000,000**	**40.7**	**88.1**
Development Project					
Support to Information &National Guidance	8,600,000,000	2,350,000,000	1,830,000,000	27.3	77.9
Strengthening Ministry of ICT	6,970,000,000	4,960,000,000	3,360,000,000	71.2	67.7
Total Development	**15,570,000,000**	**7,310,000,000**	**5,190,000,000**	**46.9**	**71.0**
Grand Total	**42,810,000,000**	**18,392,500,000**	**14,950,000,000**	**43.0**	**81.3**

Source: MoICT&NG

Physical performance

Formulation of enabling policies, e-government services and broadcasting services:

The Ministry completed the process of evaluation for expression of interest (EOI) for the consultancy for assembling and manufacturing computers in Uganda and initiated the process of procurement of a consultancy for assembling and manufacturing computers in Uganda with development of ToRs for the consultancy and arranging a bench marking study to Ethiopia.

The MoICT&NG held a meeting with the Public Private Partnership (PPP) Secretariat at MFPED on eWaste recycling and management, National Steering Committee Meetings. Consultations on e-waste management were held with other key stakeholders such as KCCA and NEMA.

An assessment of the current IT Trends and a report was produced. A workshop on new technologies for Heads of IT was held with Microsoft.

Construction of the ICT Innovation Hub at Nakawa was initiated. The project is being executed through a collaboration with the UPDF Engineering Brigade. By 31st December 2017, ground break, site preparation, earth works and construction of the foundation was ongoing.

A Selection Committee for the National ICT Innovations Support to determine the beneficiaries, comprising of 11 independent experts from the industry and academia was set up. At least 40 winning applications were selected from the total of 350 applicants; and two were supported during the first half of the financial year. These include Academic Information Management System (AIMS), by MUNU Investments and Business Process Outsourcing (BPO) by Zeenode Technologies.

The procurement for the Process Partner initiated and ToR for the Process Partner developed and approved. The Expression of Interest (EOI) for a Process Partner was issued and published in the newspapers and on the Ministry website.

The postal sector was monitored in West Nile and Eastern Uganda; Bench-marking study tours to South Africa on management of National Geographic Information System (GIS) and another to Ghana on Spectrum Management were undertaken.

The ministry provided technical support and guidance in the development of District ICT Policies to the LGs of Bukedea, Butaleja, Dokolo, Masindi, Bulisa and Hoima, and Uganda Police Force on their ICT innovation hub, public universities to deploy the Academic

Information Management System (AIMS), Public Service Commission, Uganda Business and Technical Examinations Board representation, MoGLSD consultation on Green Jobs and Ministry of Lands on the review of the Lands Information System.

Technical, Operational and Maintenance training on utilization of the content production and management centre was conducted for staff to be in charge of content production namely (Staff from GCIC, UBC and MoICT&NG.

The MoICT&NG conducted civic education workshops for appointed and elected district leaders (LCV, LCIII chairpersons, Sub-County chiefs, District Councilors, District Youth Chairpersons, District Community Officer, Opinion Leaders, Women leaders, District PWD representative) in Promoting Good Governance in a multiparty system in the districts of Katakwi and Amuria.

Campaigns and information sharing on tracking and sharing delivery of medicines by National Medical Stores (NMS) up to the Health Centre II and the releases MFPED were undertaken. The deliveries of medicines and releases of finances up to parish level were published on all the Ministry online platforms.

The Ministry undertook a pilot survey and produced a report on the level of awareness of Government policies and programmes in conjunction with the Directorate of Information and National Guidance.

The Q1 FY 2017/18 performance report was produced and submitted to MFPED and other authorities and the Ministry Budget Framework Paper for FY 2018/19 was prepared and submitted to MFPED.

The ICT and National Guidance Issues Paper for the Local Government BFP Workshops for FY 2018/19 was prepared and presented during the LG Regional consultative workshops.

A special audit of the Uganda Broadcasting Corporation (UBC) payroll was carried out, report produced and submitted to the Board of Directors for consideration and approval. Achievement of the recurrent targets by half year was estimated at 60%.

9.3.2 Strengthening Ministry of ICT: project 0990

Background

The objective of the project is to conduct ICT related research by creating an enabling environment to deliver ICT services to internal and external clients as well as re-tool the Ministry of ICT.

The approved budget for the project FY 2017/18 was Ug shs 6.97 billion, of which Ug shs 4.96 billion (71%) was released and 3.36 billion (68%) expended by 31st December 2017 representing a very good and fair release and expenditure performances respectively. Table 9.5 shows the overall project performance.

Table 9.5: Strengthening MoICT Project Performance by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Support for indigenous ICT innovators provided	40.00	2,200,000,000	2.00	6.94	Two local innovators were funded and a committee set up to review applicants.
ICT parks and Innovation Centres constructed starting with one at UICT Nakawa	1	4,000,000,000	0.04	32.12	Construction of the first Innovations hub at UICT Nakawa was at foundation stage.
Motor vehicle purchased	3	298,000,000	0.00	0.00	Procurement ongoing.
Indigenous ICT products, services and solutions for improved service delivery developed	10	99,000,000	1	1.42	Academic Information Management System (AIMS) developed by Munu Technologies.
Sector monitoring and other socio-economic studies carried out	5	125,000,000	0.8	0.75	Monitoring and inspections conducted in different parts of the country.
Computers and furniture procured;	45	172,000,000	1	0.00	Procurement process ongoing.
Relevant trainings and capacity building activities undertaken;	8	80,000,000	0	1.15	Capacity building in Egypt differed to Q3. Staff studying at local institutions supported.
Total		**6,974,000,000**		**42.4**	**Poor performance**

Source: IFMS & MoICT

The project physical performance against released funds by the end of December 2017 was rated as poor (42%). This performance was explained by the delays in concluding the MoU between the MoICT and Ministry of Defense which affected execution of the innovations hub

project.

Ongoing construction of the ICT Innovations Hub at UICT, Nakawa

Challenges

- The site for the ICT innovation hub required additional earthworks to make it ready for construction as well as retain the embankments.
- Poor planning leading to delays in initiation and concluding procurements.

Recommendation

- The MoICT &NG should initiate procurements in a time to avoid implementation delays.

9.3.3 Support to Information & National Guidance: Project 1006

The project was created to support and strengthen the operations of the Information and National Guidance and to retool the Directorate by way of acquiring necessary transport equipment, computers and furniture among others. In FY 2017/18, the project scope was adjusted to include the revamping of the Uganda Broadcasting Corporation (UBC) as a strategic National Broadcaster.

Objectives:

- To provide for funds to revamp the UBC as a Government`s strategic National Broadcaster.
- To retool the Information and National Guidance Directorate.
- To propagate the National Vision and mobilise the people to embrace National Values, National Interest, National Objectives and the National Common Good.
- To promote a positive mind set, attitudes, beliefs and perceptions of the citizenry.
- To conduct research and generate data for effective monitoring and evaluation of national transformation process.

The approved budget for the project for FY 2017/18 was Ug shs 8.6 billion of which Ug shs 2.35 billion (27%) was released and 1.8 billion (78%) expended by 31st December 2017 representing a poor release and good expenditure performance. The overall performance of the project was rated as fair (55%). Table 9.6 shows the half annual performance of the sub-programme.

Table 9.6: Support to Information & National Guidance Performance by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Revamping program of the Uganda Broadcasting Corporation Funded	1.00	7,000,000,000	0.16	48.23	Funds transferred to UBC. Procurement, delivery and installation of new equipment ongoing.
Office and ICT equipment for National Guidance procured	20	204,000,000	0.00	0.00	Procurement initiated for desktop computers, laptops, TV screens and accessories.
Transport Equipment for National Guidance procured	2	480,000,000	0.00	0.00	Procurement of one pick up vehicle substantially completed by December pending releases and payment.
Furniture for National Guidance procured	10	150,000,000	1	1.05	Procurement of furniture ongoing.
Positive mindset, National Vision, Values, Interest, Common Good and National Character propagated and promoted	16	642,000,000	0.8	4.99	National programmes on propagation of values, symbols, conducted in 11 Primary Teachers Colleges, publicize government programs, trained sub county and district leaders in several districts, talk shows held on UBC.
National guidance staff trained	7	124,000,000	3	0.82	3 staff trained at UMI and India.
Total		**8,600,000,000**		**55.1**	**Fair performance**

Source: MoICT &IFMS

Challenges

- Inadequate releases (27%) during the first half of the year.
- Poor planning leading to delayed initiation of procurements.

9.4 Progress on achievement of NDP II indicators

The key NDP II indicators for the ICT sector include: increase in proportion of sector budget, increase internet penetration, proportion of businesses using internet, increase in number of mobile lines subscription, proportion of districts with backbone, proportion of households with a television and tele-density.

Findings showed an increasing trend of ICT sector financing from Ug shs 17.01 billion in FY 2014/15 to Ug shs 104.34 billion in FY2017/18. The mobile and fixed telephony increased from 23,206,729 in 2016 to 24,625,514 in December 2017. This was above the NDP target of 13.6 in 2018.

Tele-density (lines per 100 population) growth increased from 63.1 in December 2016 to 65.4 in September 2017. This was less than the NDP II target of 80 for FY2017/18. The relative slow growth in tele-density is a result of decreasing market concentration, reducing market power and an increasing mobile market competition.

International bandwidth in country grew from 49,984.3 mbps in December 2016 to 68,360.1 mbps in September 2017. The sector witnessed a reduction in the cost of broadband internet bandwidth from US$ 300 per megabyte per second (mbps) in 2016 to $70 per Mbps in January 2018 supplied by NITA-U over the National Backbone Infrastructure (NBI). Other service providers introduced mobile data bundles with fairly competitive pricing.

A total of 14.8 million mobile internet users were recorded in September 2017 compared to 10.07 million in December 2016. The fixed internet users were 162,850 in September 2017 compared to 148,300 in December 2016. The growth in mobile internet access and usage is attributed to the increasing 4G and 3G coverage, drop in smart phone prices and drop in bandwidth prices. It was observed that the impressive progress on the indicators is a result of external factors largely from the private sector players and not necessarily from public sector interventions.

9.5 Overall ICT Sector Performance

The overall sector performance was fair estimated at 52%. The recurrent sub-programmes performed better than the development sub-programmes as most of the outputs under development were still at procurement stage. Table 9.7 shows the summary performance by project/programs across the sector.

Table 9.7: Physical Performance of the ICT Sector by 31st December, 2017

Vote	Rating	% physical performance
1. Regional Communication Infrastructure Programme	Poor	35
2. NITA-U Recurrent Programmes	Fair	66
3. MoICT Recurrent programmes	Fair	60
4. Strengthening Ministry of ICT	Poor	42.4
5. Support to Information and National Guidance	Fair	55.1
Average sector score	**Fair**	**51.7**

Source: Author's compilation

CHAPTER 10: INDUSTRIALISATION

10.1 Introduction

The industrialisation sub-sector is a component of tourism, trade and industry sector. The sub-sector operates through four votes namely; Vote 015 Ministry of Trade, Industry and Cooperatives (MoTIC); Vote 154 Uganda National Bureau of Standards (UNBS) and partly Vote 008, Ministry of Finance, Planning and Economic Development (MFPED) and Vote 023, Ministry of Science, Technology and Innovations (MoSTI). The Uganda Investments Authority (UIA) and Uganda Development Corporation (UDC) are subventions under vote 008 and vote 015 respectively.

10.1.1 Scope

This chapter reviews progress of selected projects implemented by the MoTIC, MoSTI, UNBS and MFPED. The selected projects were; United States African Development Foundation (USADF), and Development of Industrial Parks (DIP) under MFPED. Under MoTIC, the projects monitored included: Rural Industrial Development Project (RIDP), the Uganda Development Corporation projects of: Kiira Motors Corporation (KMC), Sheet Glass Project, Value Addition Tea (VAT) in Kabale and Kisoro, and Soroti Fruit Factory (SFF). Under the Uganda National Bureau of Standards; Construction of UNBS headquarters Phase two was monitored while the Presidential Initiative on Banana Industrial Development (PIBID) subvention was tracked under the Ministry of Science, Technology and Innovations.

10.1.2 Limitations

- Some information for donor funded projects especially financial information was not readily available for assessment.
- Some financial information was not aligned to outputs which might have affected the overall weighted scores.

10.1.3 Overall sector financial performance

The total allocated budget to the sub-sector was Ug shs 79.2 billion, of which Ug shs 29.3 billion (37%) was released and Ug shs 20.2 billion (69%) spent by 31st December 2017. The release performance was poor while expenditure was fair. Table 10.1 shows the sub-sector financial performance.

Table 10.1: Overall sector financial performance as at 31st December, 2017

Sub-programme	Budget	Release	Expenditure	% release	% expenditure
USADF	3,600,110,000	1,900,110,000	500,110,000	52	26
PIBID	22,471,349,969	8,844,455,620	8,844,455,620	39	100
UIRI	13952000000	6,443,000,000	4,933,000,000	46	77
UIA	4,240,000,000	2,120,000,000	600,000,000	50	28
Tea	8,000,000,000	510,000,000	510,000,000	6	100
Soroti Fruit Factory	4,482,787,000	1,288,000,000	421,400,680	28	33

Kiira Motors	10,000,000,000	2,250,000,000	1,718,122,147	22	76
Isingiro-Agro Health Products	2,000,000,000	2,000,000,000	1,700,000,000	100	85
Glass Sheet Manufacturing	477,000,000	394,812,737	59,537,037	82	15
UNBS	9,579,748,374	3450508096	769,148,071	36	22
RIDP	487,763,378	182,576,491	170,389,312	37	93
Total	**79,290,758,721**	**29,383,462,944**	**20,226,162,867**	**37.1**	**68.8**

Source: IFMS & Project Status Reports

10.2 Ministry of Finance, Planning and Economic Development

The mission of the Ministry of Finance, Planning and Economic Development is "To formulate sound economic policies, maximize revenue collection, and ensure efficient allocation and accountability of public resources so as to ensure sustainable economic growth and development" (MFPED, 2015).

The Ministry's mandate is to: formulate policies that enhances economic stability and development; mobilize local and external financial resources for public expenditure; regulate financial management and ensure efficiency in public expenditure; oversee national planning and strategic development initiatives for economic growth.

The Ministry's planned outputs are executed through several vote functions namely: macroeconomic policy and management, budget preparation, execution and monitoring; public financial management; development policy research and monitoring, Investment and private sector promotion, financial services; policy, planning and support services.

The semi-annual monitoring (FY 2017/18) focused on projects that had industrial interventions in MFPED namely; United States African Development Foundation (USADF), and Development of Industrial Parks under Uganda Investments Authority.

10.2.1 United States African Development Foundation

Background

The strategic partnership between the USADF and the Government of Uganda was established in November 2006 through a Memorandum of Understanding (MoU). The MoU was initially for five years but was subsequently renewed in April 2012 for another 5 years. The USADF and GoU each make equal contributions of US$ 1,000,000 per annum towards grants to targeted farmer groups and Small and Medium Enterprises (SMEs). The funds are transferred by USADF through grants made to individual selected projects/groups, which are developed and approved in accordance with USADF criteria and methodologies and with the goals and objectives of the MoU.

Overall project objectives

- To promote the development of farmer cooperatives, producer associations, smallholder agricultural producers, small scale agri-business (SSAs) and SMEs in Uganda and increase their market competitiveness, with a particular focus on the development of underserved and marginalized community groups and enterprises.
- To increase the participation of small scale agricultural groups and SMEs in investment relationships with US and other trading partners.

Selection criteria for the grant

All projects presented to USADF for funding are initially scrutinized by the project coordination office for their ability to meet two major priorities:

i) Applications must originate from a community group or organization that represents its own development priorities, and includes the participation of the poor in setting project objectives.

ii) Applications must represent projects with maximum benefits to an underserved and marginalized group.

To qualify for selection, the organization must be 100% African-owned and managed, and legally registered. Due diligence and technical backstopping is provided by a local partner, the Uganda Development Trust (UDET).

Support under this project is extended under two grants; Enterprise Development Investment (EDI) where funding does not exceed US$100,000 per project over a period of two years. The purpose of this grant is to strengthen the capacities of the beneficiaries (managerial, technical and financial).

Beneficiaries who successfully implement the EDI grant are eligible for funding under the Enterprise Expansion Investment Fund (EEI). The Enterprise Expansion Investment Fund has a maximum funding of US$250,000 per project and it's intended to enhance the business development of the beneficiaries in order to enhance their competitiveness. At the end of the grant, each project should be self-sustaining.

Performance

The GoU approved budget for the USADF sub-programme for FY 2017/18 is Ug shs 3.6 billion, of which Ug shs 1.9 billion (53%) was released and all spent by 31st December 2017.

A total of five groups were monitored namely; Kweyo Growers Cooperative Society, Katine Joint Cooperative Society, Kyazanga Farmers' Cooperative Society, Kitagatta Mixed Farmers' Cooperative and Kayonza Tea Factory. Table 10.2 shows the physical performance of the USADF project.

Table 10.2: Physical Performance of the USADF Project as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Processing plants/warehouses constructed	3.00	246,660,549	3.00	8.82	Civil works had commenced and substantially complete in the groups of; Kayonza Tea Factory, Kyazanga Growers Cooperative, and Kweyo Growers Cooperative.
Equipment and machinery procured and installed	15	1,133,495,305	10	40.52	Equipment was delivered to all the groups with the exception of Kyazanga Area Cooperative which hadn't received any of its equipment. Kayonza Tea Factory hadn't received its tea packaging equipment as well. This was attributed to stringent procurement terms to purchase the machinery. However a five tonne truck was delivered. The equipment delivered comprised of trucks, motorcycles, value addition equipment and post-harvest handling equipment.
Inputs shops setup and working capital provided (crop finance)	10	703,789,544	6	25.16	This component comprised of provision of working capital and establishment of an input shops by the beneficiaries. All groups received funds for working capital with the exception of Kweyo Growers Cooperative and were substantially utilized. However Kyazanga Cooperative and Kweyo had not yet received funds for establishing input shops as well.
Groups trained in governance, financial management, M&E and post-harvest handling	18	87,180,000	12	3.12	Trainings were partially conducted in all the groups. However they were still ongoing. The trainings covered; post-harvest handling' cooperative governance, monitoring and evaluation, and financial management.
Technical Assistance provided	14	171,506,723	10	6.13	Activities under this component included support to attain certification, upgrading of financial systems of a beneficiary, study

					tours and Business Plan Development. All activities were initiated with the exception of Kweyo Growers Cooperative and Kitagata Cooperative
Administrative Support provided	14	454,653,389	7	0.00	This support covers provision of office equipment, recruitment of staff, payment of office salaries for recruited staff for given period of time. All cooperatives had started receiving this support although it hadn't been concluded as projects were still ongoing.
Total		**2,797,285,510**		**83.7**	**Very good performance**

Source: Author's Compilation and Field Findings

Up Left- Right: Substantially completed peanut processing factory at Kweyo Cooperative Society in Omolo District; Bulked produce at Katine Joint Farmers' Cooperative in Soroti District; Down: Nearly complete tea packaging plant at Kayonza in Kanungu and a fully stocked input shop at Kitagatta Cooperative Society in Sheema District

Challenges

- **Delayed delivery of equipment:** The delivery of tea packaging equipment at Kayonza Tea Factory delayed due to stringent procurement conditions. There was a delay in securing letters of credit from the bank for the supplier to ship the equipment.
- **Poor mind-set of some beneficiaries:** Although the project had provided machinery and equipment such as tractors, some farmers were reluctant to use the services claiming that ploughing using tractors would degrade their soils, for example in Kweyo Cooperative, the uptake of tractors hire services was affected.
- **Poor post-harvest handling leading to high levels of aflatoxins in farmers produce:** There were high levels of aflatoxins in the produce from members of Kweyo Growers Cooperative Society and Katine Joint Farmers Society. This was as a result of poor post-harvest handling methods.

Recommendations

- The cooperative management should intensify training to enlighten its members about the advantages of mechanized agriculture in order to ensure high use of machinery.
- Farmers should be trained in proper post-harvest methods in order to reduce the aflatoxins in grains.

10.2.2 Uganda Investment Authority

The Uganda Investment Authority is a semi-autonomous government agency established by an Act of Parliament (Investment Code 1991) with the aim of promoting and facilitating private sector investment in Uganda. The semi-annual monitoring exercise for FY 2017/18; focused on the development of industrial parks project.

The GoU formulated a ten (10) year National Industrial Parks Development plan and project with effect from FY2008/09 to FY 2017/18. The project aims to create 22 serviced (water, electricity, roads, waste treatment) industrial parks across the country. Implementation started with Industrial Parks in Namanve, Bweyogerere and Luzira, and later land was secured in Jinja, Kasese, Mbale, Mbarara, Moroto and Soroti. The key outputs for FY 2017/18 included:

- Opening of roads undertaken in industrial parks
- Extension of power in Kampala Industrial Business Park undertaken
- Industrial Park roads maintained
- Identification of land for Industrial Parks
- Master plan and Environmental Impact Assessment study for KIBP
- Compensation of squatters in Mbale Industrial Park

Performance

The approved development budget for UIA in FY 2017/18 is Ug shs 4.24 billion, of which Ug shs 2.12 billion (50%) was released by 31st December 2017 and Ug shs 600 million spent. The release performance was very good while expenditures were poor. Table 10.3 shows the physical performance of UIA by 31st December 2017.

Table 10.3: Physical Performance of UIA as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Opening of roads undertaken in industrial parks	4.00	1,600,000,000	0.08	1.51	Initiated procurement, bids were being evaluated awaiting award and signing of contract.
Extension of power in Kampala Industrial Business park undertaken	1	500,000,000	0.08	1.89	The output was still at procurement stage.
Industrial Park roads maintained	1	680,000,000	0.04	1.28	Implementation not initiated, activities under procurement.
Identification of land for Industrial Parks	1	650,000,000	0.01	0.31	Advertisements seeking expression of interest published in newspapers. Awaiting completion of procurement.
Master plan and Environmental Impact Assessments conducted	1	120,000,000	0.08	0.45	The Moroto park land still has encumbrances from Napak district administration. The Tiang Tang Group shall conduct the activities on Mbale park land.
Compensation of squatters in Mbale Industrial Park	124	690,000,000	40	10.50	A few additional squatters compensated. The park was handed over to Tian Tang Group for development with some of squatters unpaid. The private group had identified investors and had started developing parts of the park.
Total		**4,240,000,000**		**15.9**	**Poor physical performance**

Source: Authors Compilation and Field Findings

The overall physical performance was poor (16%). The agency completed some of the outputs carried forward from the previous financial year for example; installation of border markers in Luzira and maintenance of roads in Soroti Industrial and Business Park. Atleast 30 investors had settled in KIBP, 72 investors were developing the land and over 120 plots were not developed at all.

It was observed that a number of final certificates for works carried forward from FY2016/17 were not paid. Some of the already paid squatters in Mbale Industrial Park had not left as per the agreements. Failure to complete payment for the squatters and relocation of the already paid squatters shall delay the comprehensive implementation of EIA and master planning of the park.

Site offices for Tiang Tang Group at Mbale Industrial Park and border markers installed in Luzira Industrial Park

Challenges

- Poor procurement planning leading to delays in completion of bid evaluations and award of contracts.
- Inadequate funding: Servicing of the industrial parks with infrastructure and utilities require dedicated resources beyond the current allocation of Ug shs 4.2 billion per annum.

Recommendation

- The UIA should initiate procurement related to development of industrial parks to avoid further delays in sub-programme implementation.
- The MFPED should find alternative funding modalities for development of industrial parks.

10.3: Ministry of Trade, Industry and Cooperatives

The mandate of the Ministry of Trade, Industry and Cooperatives (MoTIC) 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 transfer, to generate wealth for poverty eradication and benefit the country socially and economically" (MoTIC, 2014).

During the year under review, the Ministry supervised six agencies namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda Export Promotions Board (UEPB), Management Training and Advisory Centre (MTAC) and Uganda Warehouse Receipting System Authority (UWRSA).

The semi-annual monitoring FY2017/18 focused on; Rural Industrial Development Programme, Construction of UNBS Quality Laboratories, and the Uganda Development Corporation projects of: Kiira Motors Corporation, Sheet Glass Project, Value Addition Tea (Kigezi Highland Tea, Kayonza Tea Factory and Mabaale Tea Factory), and Soroti Fruit Factory.

10.3.1: Uganda Development Corporation

The Uganda Development Corporation (UDC) is the investment and development arm of the GoU and is mandated to invest in projects that ensure diversification and grow Uganda's production capacity. The agency was re-established under the Uganda Development Corporation Act, 2016.

The projects of; Soroti Fruit Factory, Sheet Glass Project, Value Addition Tea (Kigezi Highland Tea Factory, Kayonza Tea Factory and Mabaale Tea Factory) and assembly and manufacture of vehicles under the Kiira Motors Corporation (KMC) were monitored.

A. Kiira Motors Corporation

Background

Established in 2014, Kiira Motors Corporation (KMC) intends to set up the first automotive manufacturing plant in Uganda with actual production slated for FY 2018/19. KMC has evolved from an extra-curricular activity at Makerere University in 2007 into a mainstream Government sub-program for automotive industry development.

Over the past two decades, the total vehicle import value of Uganda increased from US$ 89.7 million in 2000 to US$ 598 million in 2014.With the exception of limited value addition activity by Uganda Batteries Limited, WavaBikes, and the informal manufacturing sector involved in Bus and Truck body building, arguably all vehicles are imported as Fully Built Units (FBU). Therefore Kiira Motors Corporation aspires for domestic automotive value addition to provide brand new locally assembled vehicles as substitutes to imported used vehicles.

Import substitution is the short and medium term goal with regional export of internationally competitive automotive products and aligned services as the ultimate goal. The KMC investment is thus poised to catalyze industrialization leading to savings in foreign exchange; economic diversification; attraction of foreign direct investment and development of skills relevant for developing a sustainable automotive value chain in Uganda.

Financial Performance

The approved budget for Kiira Motors Corporation for FY2017/18 is Ug shs.10 billion, of which Ug shs 2.25 billion (22%) was released representing a poor release performance. A total of Ug shs 1.7 billion (76%) of the released funds were spent representing good expenditure performance. Table 10.4 shows the physical performance of the sub-programme.

Table 10.4: Physical Performance of the Kiira Motors Corporation by 31st December 2017

Output	Annual Planned Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Vehicle Knocked Down Kits (Machinery & Equipment) and Production Materials purchased	1.00	785,373,984	0.00	0.00	This activity was affected by lack of a substantive contracts committee/PDU and board at Kiira Motors to approve the procurement and expedite it. The agency relied on the Procurement Unit of Makerere University which did not prioritize the activity.
Design, Construction of Boundary Wall and Gatehouse facilities	1.00	2,504,007,304	0.00	0.00	The feasibility study to establish the Kiira Vehicle Assembly plant was approved. A lean green field model was approved. The project also advertised and received bids for water connection, electricity connection and consultancy services for detailed design and specifications for the Kiira Motors Assembly facilities and servicing plan.
Procurement of furniture for the KMC office in Jinja	1.00	450,667,000	0.00	0.00	Lack of funds to implement the activities.
Procurement of Computers and IT Supplies	1.00	411,501,601	0.00	0.00	Lack of funds to implement the activities.
Carryout KMC products promotions and marketing	1.00	513,950,272	0.00	0.00	Lack of funds to implement the activities.

Undertaking Staff training	4.00	394,916,777	4.00	3.95	Four staff were supported to acquire professional certifications in disciplines such as CIPS, ACCA and training at UNBS.
Undertake due diligence on the supplies of kits (Machinery & Equipment) production materials	1.00	419,200,000	0.00	0.00	Lack of funds to implement the activities.
Provision of Insurance cover for the KMC plant, staff and vehicles	1.00	308,120,400	0.00	0.00	Lack of funds to implement the activities.
Administrative Expenses	1.00	675,666,022	0.00	0.00	Lack of funds to implement the activities.
Undertake Legal Consultancy services regarding original Equipment Manufacturers Negotiations	1.00	129,600,000	0.00	0.00	Lack of funds to implement the activities.
Payment of Staff salaries and NSSF	1.00	3,406,996,640	1.00	34.07	Staff paid salaries and wages.
Total		**10,000,000,000**		**44.7**	

Source: Authors Compilation and Field Findings

Challenges

- **Inadequate releases:** The project was allocated limited funding and as a result, some of its core deliverables could not be realized such as the Design and Construction of a boundary wall, and a gatehouse facilities at the project site in Jinja Industrial Park.
- **Governance gaps at the project:** The KMC did not have a Board of Directors, and as a result critical activities such as procurement are delayed since the project relies on either UDC or Makerere University.
- **Vacant positions at KMC**: Some key positions such as legal officer at the KMC were vacant and this affected project execution and operations.

Recommendations

- The GoU should prioritize and allocate more funding to the project to enable it realize the intended objectives and recruit the key staff.
- The Ministry of Trade should constitute a Board of Directors for KMC to enable it implement its activities.

B) Soroti Fruit Factory

Background

The Soroti Fruit Factory (also known as Teso Fruit Factory) is a proposed Government intervention aimed at supporting value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso region. Teso region comprises of the districts of; Soroti, Kumi, Bukedea, Katakwi, Amuria, Serere, Ngora and Kaberamaido and is the leading producer of citrus in the country. Teso region is estimated to have over three million citrus fruit trees with a potential of producing 600,000 metric tonnes of fruits per year. The key challenges for fruit farmers in the region are; lack of readily accessible markets, fair pricing of produce, and cost effective easily accessible storage and transport infrastructure. Teso region therefore experienced high post-harvest losses during peak seasons.

The objectives of the project are;

- To increase the incomes of the fruit farmers in Teso region provided by a readily accessible and fairly priced market for produce.
- To promote value addition and agro processing of produce.
- To reduce post-harvest losses.
- Produce juice concentrates and pulp that exceed the local, regional and international market.

In 2012, the Government of Korea through its development arm; the Korean International Cooperation Agency (KOICA) provided a turnkey project for the construction of Soroti Fruit Factory with GoU responsible for provision of complementary services and works. By June 2016, GoU had substantially fulfilled its core obligations, while some components were still pending such as a central water treatment lagoon and waste treatment plant.

The contract for the construction of Soroti Fruit Factory was awarded to Ms. Hwanshin Uganda Limited for a period of 15 months commencing 26th March 2015 and was expected to end in May 2016 at a sum of US$ 7.4 million. The scope of works covered: Construction of an office block and main factory, two internal roads, external storage, treatment plant and an external toilet. KOICA is also responsible for the supply and installation of processing equipment.

Performance

The approved budget for Soroti Fruit Factory for FY 2017/18 is Ug shs 4.48 billion, of which Ug shs 1.22 billion (29%) was released by 31st December 2017 representing poor release performance, and only Ug shs 421.4 million spent, representing poor expenditure performance. Table 10.5 shows the physical performance of the project.

Table 10.5: Physical Performance of the Soroti Fruit Factory by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Development of an effluent / wastewater treatment plant	1.00	2,000,000,000	0.00	0.00	This activity was still pending.
Procure packaging materials (pouches) for the ready to drink juice	1.00	450,000,000	0	0.00	Draft ToRs for the supply of packaging material for the factory were prepared. The procurement processes was set to commence in the third quarter.
Apply epoxy in the production area of the factory	1.00	600,000,000	0	0.00	The draft ToRs to upgrade the existing floor to epoxy floor were prepared.
Provide security services at the project site	1.00	22,915,000	1	0.51	UDC hired services of Saracen Security Company and it was already guarding the site.
Insure the fruit factory and the personnel	1.00	300,000,000	0	0.00	Awaiting handover, to be conducted in third quarter.
Monitor and evaluate the implementation of the project activities	1.00	140,000,000	1	3.12	An assessment was carried out by the Soroti Fruit Factory team to ascertain the extent to which defects were rectified by the contractor before test runs and operations of factory start.
Partition the offices	1.00	40,000,000	0	0.00	To commence in third quarter.
Project administrative expenses	1.00	150,000,000	1	3.40	Transport expenses for field visits, facilitation for contracts committee meetings and communication were supported.
Provide working capital for the factory operations	1.00	779,872,000	0.5	20.59	To start when factory begins operations.
Total	**9.00**	**4,482,787,000**		**27.6**	**Poor performance**

Source: Authors Compilation and Field Findings

The overall physical performance was rated as 27%. Most of the planned outputs were at procurement stage while others had been differed to the third quarter. The construction of the factory was complete and the factory was under defects liability period of two years. Some of the defects included; floor cracks, ill-fitting doors and cracks on the primary effluent plant. Installation of machinery was ongoing and all installations were expected to be completed by February 2018. Ten production staff were trained in Korea on citrus juice manufacturing.



L–R: Outside the completed Soroti Fruit Factory structure, cross section of installed equipment and trays delivered at the factory in Soroti

Challenges

- **Lack of a waste disposal site:** The waste disposal site was not constructed yet production was expected to start as soon as the installation of equipment is accomplished.
- **Delay in finalising the collaboration between UDC and MAAIF on use of ODIINA farm land:** UDC and MAAIF were tasked to establish a demonstration centre to showcase best practices in citrus growing, however this had not yet been achieved.

Recommendations

- The UDC should expedite the construction of the waste disposal site in order to prevent further delays in operationalizing the factory.
- The UDC and MAAIF should expedite the collaboration and establish a demonstration farm.

C: Value Addition Tea

The Government of Uganda through the Uganda Development Corporation and Kigezi Highland Tea entered into a partnership to construct tea factories in the districts of Kisoro and Kabale. The role of UDC was to procure, install and commission equipment for the two factories under a turnkey arrangement while the proprietors would construct the factories. However the scope of the project was expanded to include the tea factories of; Zombo, Mabaale and Kayonza.

Performance

The approved budget for Value Addition to Tea Project for FY 2017/18 is Ug shs 8 billion, of which Ug shs 510 million (6.3%) was released and spent by 31st December 2017 representing a poor release and very good expenditure performance. Table 10.6 shows the Value Addition to Tea project physical performance.

Table 10.6: Physical Performance of the Value Addition to Tea Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Procure, Install and commission CTC tea processing machinery and equipment for Kayonza Tea Factory	1.00	1,516,221,241	0.00	0.00	The procurement was affected by an administrative review. As a result, the process is being repeated.
Procure, Install and commission CTC tea processing machinery and equipment for Mabaale Tea Factory	1.00	4,123,820,880	0	0.00	Inadequate releases to conclude procurement.
Procure consultants and undertake feasibility and business plan studies for Zombo Tea	1.00	350,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Procure 5 acres of land designated to house the factory for Zombo Tea	5.00	105,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Procure a consultant to undertake EIA study for Zombo Tea	1.00	10,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Undertake the EIA study for Zombo Tea	1.00	80,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.

Procure a consultant and develop engineering designs and BOQs for the factory for Zombo Tea	1.00	80,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Procure a contractor and construct the factory for Zombo Tea	1.00	900,000,000	0	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Enhance staff capacity building through symposium and training for Zombo Tea	1.00	245,000,000	0.5	0.00	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Monitor and evaluate the implementation of the project activities for Zombo Tea	1.00	130,000,000	0.5	0.96	Funds diverted to Agro Health Company in Isingiro a fruit processing company as per presidential directive.
Administrative expenses for Nebbi Kayonza and KHTL	1.00	459,957,879	0.5	3.31	Transport expenses for field visits, facilitation for contracts committee meetings and communication were items under administrative support.
Total		**8,000,000,000**		**4.3**	**Poor performance**

Source: Authors Compilation and Field Findings

Only 4% of the semi-annual targets were achieved. Although support to Kigezi Highland Tea Limited was expected to end in FY 2016/17, it was extended to FY 2017/18 given the defective supply of critical industrial components by the contracted supplier. The civil works at the Kisoro factory were at 70% progress pending installation of a boiler. The electrical and external works (powering the transformer) were incomplete by January 2018. Civil works at the Kabale factory were 95% complete. The specified electrical metering unit and circuit breaker were yet to be delivered and installed.

Left- Right: **Installed tea processing line at Kisoro Tea Factory, Installed metering Unit at Kabale Tea Factory and part of the completed structure at Kabale Highland Tea Factory**

Challenges

- **Defective delivery of industrial components:** The supplier contracted for the Kigezi Highland Tea often supplied defective equipment and this caused the project to suffer delays.
- **Inadequate capacity to process green leaf from the famers:** The current intervention at Kayonza Tea Cooperative is to provide a second tea processing line of 40,000kg per day yet an estimated 80 million plantlets were distributed and planted by farmers in the district from 2008-2016. During peak seasons, over 150,000kg a day are delivered to the factory. As a result, the quality of tea processed drops and the excess leaf is spoilt.
- **Lack of appropriate transport means to deliver tea from farmers' fields to the gardens.** Tea is currently loaded on non-specialised trucks leading to high spoilage rates.
- **Lack of International Standards Accreditation:** Although the factory was ISO accredited it is yet to attained standards such as the Rain Forest Alliance to enable its products penetrate lucrative markets.

Recommendations

- The UDC should strengthen pre-shipment inspection teams with the right expertise in order to prevent packaging and delivery of defective equipment.
- The Kigezi Highland Tea Company should expedite the completion of civil works to avoid time and cost overruns.
- The UDC should develop a comprehensive plan for the Kayonza Tea Factory taking into consideration the anticipated production of tea and required production capacity given the past mass planting of tea.
- The stakeholders should consider purchase of specialized trucks to mitigate the high rate of green leaf spoilage.
- The UDC should prioritise achieving international accreditation/standardisation to expand and attract premium tea markets.

D: Sheet Glass Project- Masaka

The Government of Uganda with a prospective partner- The Heibei Group of China is planning to engage in sheet glass production. This is premised on the presence of silica sand, (a vital ingredient in glass production) at Ddimu Lake shores in Masaka District. A benchmarking visit to China was undertaken by UDC with potential partners.

In 2017, a study was commissioned to ascertain the quantity and quality of the raw material required to produce glass in Uganda. A Special Purpose Vehicle (SPV); the Lake Victoria Glass Manufacturing Company was formed by the GOU and the Heibei Group of China to undertake this venture.

Performance

The approved budget for this project was Ug Shs 477,000,000. By 31st December 2017, Ug shs 394,812,737 (83%) was released and Ug shs 59,537,037 (15%) was expended. Table 10.7 shows the physical performance of the project.

Table 10.7: Physical Performance of the Sheet Glass Project as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remarks
Land Survey and Mapping	1.00	104,000,000	0.00	0.00	Cannot be done before feasibility is completed.
Clear the site for the Exploration	1	78,000,000	0	0.00	Cannot be done before feasibility is completed.
Undertake an Exploration Study	1	212,812,737	0.5	26.40	The inception report for the feasibility study was provided and reviewed. The final feasibility study is expected in Quarter 3.
Administrative Expenses	1	-8,285,000	0.5	1.03	Transport expenses for field visits, facilitation for contracts committee meetings and communication were items under administrative support.
Total		**386,554,737**		**29**	**Poor performance**

Source: Authors compilation and Field Findings

The overall physical performance was poor rated at 29%.

E: Agro Health Products Limited

Agro Health Products (U) Limited is a processing and packaging company of fruit juice, herbal products and mineral water located in Kaberebere Town council, Isingiro District. It is premised on a mission to add value and unlock new opportunities in the processing of fruits and vegetables. The vision of the company is *'Enriching the daily experience of customers, community and owners through life nourishing qualities of fruits and vegetables'.*

During FY 2017/18 the private company received a grant of two billion shillings from UDC in fulfillment of a presidential pledge to facilitate the clearance of outstanding arrears to staff, commercial bank loan and procure additional processing equipment.

Performance

The budget for Agro Health Products Limited for FY 2017/18 is Ug shs 2 billion, all of which was released to the beneficiary and Ug shs 1.7 billion spent by 31st December 2017. The release performance was very good (100%) while expenditure was rated as good (85%). The table below shows the physical performance of the company.

Table 10.8: Physical Performance of the Agro Health Company as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Payment of farmer produce and outreach programs	1000	170,000,000	1000.00	9.02	The company has 1,000 smallholder farmers supplying it with fruit. The company was indebted to its suppliers to a tune of Ug shs 170,000,000 for the supply of fruits such as pineapples, oranges, mangoes passion fruit and ginger. Suppliers were cleared of outstanding debts.
Bank Loan Arrears cleared	1	143,000,000	1	7.59	The overdue bank loan, interest arrears and an overdraft facility were cleared.
Processing and Packaging materials procured	3	145,000,000	3	7.69	The following items were procured; preforms, boxes and PVC Labels
Machinery and Buildings procured and constructed.	7	950,000,000	7	50.40	The company carried out construction, procurement and installation of machinery. The following equipment was done; construction and installation of a 300ft deep well, construction of a steam boiler house, procurement of a production Line, construction of a stores block and dressing rooms, construction of a cold room and electric installations
Vehicles procured	4	197,000,000	4	10.45	Two refrigerated trucks, one minibus and a light goods vehicle were purchased. These are used in marketing, sales and distribution of products.
Staff salary arrears cleared	15	280,000,000	15	14.85	The salary arrears accumulated for 15 months were cleared.
Products Advertised	3	85,000,000	3	4.51	Advertisements were placed in print media, radio and television stations.
Cold room equipment procured	1	300,000,000	0	0	The process of identifying a supplier was ongoing.
Total		**2,270,000,000**		**86.8**	**Good performance**

Source: Authors' Compilation

L-R: Factory premises of AHP, some of the procured vehicles and installed equipment in the factory

10.3.2 Rural Industrial Development Programme

The Rural Industrial Development Project (RDIP) that started in FY 2017/18 aims at promoting value addition to agricultural products at different levels of the commodity value chain that include drying, storage, preservation, packaging and processing. This will be achieved through promotion of production and industrial processing clusters that includes operators of the storage facilities, suppliers of raw materials for processing, value addition enterprises, manufactures and distributors of value addition equipment and providers of business development services.

There's high potential for the country to gain substantially from her agricultural raw materials through implementation of the Rural Industrial Development Project. The agricultural sector is one of the most important sectors of the economy that contributes raw materials for industrial development and socioeconomic transformation and it also contributes the largest portion to the country's export earnings and employment creation for over 80% of the households.

The agricultural sector has the potential to significantly increase its contribution to economic growth and transformation of the country if the government promotes value addition to agricultural products. One of the core objectives of the Ministry of Agriculture, Animal Industry and Fisheries is to increase the volume and value of exports and to create employment opportunities and the Ministry of Trade, Industry and Cooperatives has been supplementing on these efforts by promoting value addition to agricultural products through the implementation of One Village One Product Project.

Performance

The annual allocated budget to RIDP was Ug shs 487,763,378 and However by semi-annual of 2017/18 a total of Ug shs 182,576,491 had been released. This was 37%. Total expenditure by half year was 93% which was excellent. Table 10.8 shows the physical performance of the Value Addition to Tea Project as at 31st December 2017.

Table 10.8: Physical performance of the Value Addition to Tea Project as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
8 Model Enterprises trained on Business Plan Development, use of Value Addition technologies, Product packaging and Quality Assurance techniques	8.00	15,472,000	2.00	3.20	Two trainings were conducted. These were at Tukolerewamu Cooperative Society in Mpigi District and BUFA Cooperative Society in Busia District in, business management and principles of cooperative management.
6 products from potential enterprises certified by June 2018	6	110,000,000	1	25.25	Five enterprises were identified to have their products certified and these were; Kisoro Bee Keepers, Kyamuhunga Bee Keepers and Savings and Credit Society, Bevron Investments, Kayunga Area Cooperative and Kwegatta Farmers Group. However the process had only been initiated in Kayunga ACE for the wine product and UNBS had conducted inspections at the cooperative.
Value addition technologies promoted among Model Enterprises from Rural Areas	8	244,368,000	3	42.84	Four enterprises were earmarked for support. These were; Kayunga Area Cooperative, Kijukizo Cooperative, Bake my Day Enterprises and Mirembe Farm Enterprises. However by half year, equipment was delivered to Kayunga Area Cooperative, although it was missing some components and hence not functional. The equipment for Bake My Day and Kijukizo was delivered and fully functional, while for Mirembe Farm, delays in procurement had affected delivery. Honey processing equipment was delivered to Kajanja Cooperative in Nakasongola although it was not functional as the group lacked skills in operating it and did not have protective gear as well.

Functional Common Value Addition Facilities established for NDP priority crops: Cotton, Coffee, Tea, Maize, Cassava, Beans, Fish, Beef, Milk, Citrus and Banana in strategically located Rural Areas.	1	58,000,000	0	0.00	The Food and Leather Manufacturers and Exporters Association (FREMEYA) was earmarked for support to install a leather business Incubation facility at the Management Training and Advisory Centre (MTAC) in Nakawa. The purpose of the incubation facility was to act as a center where value addition to leather is done. However at the proposed site at MTAC for the incubation facility, there was no electricity connection. Therefore the procurement to extend electricity was initiated and was still ongoing. Also the procurement for the machinery had just been initiated.
Needs assessment for 36 enterprises from 12 districts of Western, Northern, Central and Eastern regions	36	7,796,000	8	0.49	Assessments were conducted for 2 enterprises in Nebbi, 3 in Kapchorwa, and 3 in Kamuli District.
Total		**435,636,000**		**71.8**	**Good performance**

Source: Authors Compilation and Field Findings

The beneficiaries whose equipment was under procurement by the end of FY 2016/17 received their grants in Q1 of FY 2017/18. These included: Rwabs Beverages in Mbarara who received cheese processing equipment and Kajanja Cooperative Society in Nakasongola who received honey processing equipment. It was observed that the set of equipment to the two groups were incomplete and some items did not meet the specifications. For example, the vacuum sealer for Rwabs was said to be of low capacity compared to the volumes produced by the enterprises.


L-R: Delivered deep freezer with some of the ready products, Premium branded yoghurt and cheese at Rwabs Beverages, Mbarara District



L-R: Members of Kijukizo-Butambala carpentry in a workshop using delivered equipment, Oven delivered at *Bake My Day* Enterprises and bread processed at the bakery on display



L-R: Delivered refractometer at Kayunga Area Cooperative, equipment delivered but not yet installed at Kayunga ACE and dried pineapple chips ready for export

Challenges

- **Inadequate funding:** The project is designed to cost a total of Ug shs 167,311,900,000 for a period of five years, however, only Ug shs 2,440,000,000 was secured.
- **Partial delivery of equipment** constrains optimal use of facilities for example in Kayunga ACE a pump, suction pipe and temperature gauge were not delivered to the group three months after the initial delivery was made.

Recommendations

- The MoTIC should prioritise funding to the RIDP project**.**
- The RIDP project management should endeavour to deliver complete and quality sets of equipment to beneficiaries. Recipients should be trained to use the equipment.

10.4: Uganda National Bureau of Standards

Introduction

The Uganda National Bureau of Standards (UNBS) is a statutory body under the Ministry of Trade, Industry and Co-operatives established by the UNBS Act Cap 327. The mandate of UNBS is formulation and promotion of the use of standards; Enforcing standards in protection of public health and safety and the environment against dangerous and sub-standard products; Ensuring fairness in trade and precision in industry through reliable measurement systems; and Strengthening the Economy of Uganda by assuring the quality of locally manufactured products to enhance the competitiveness of exports in regional and international markets.

The Uganda National Bureau of Standards acquired 6.9 hectares of land in Bweyogerere Industrial Park for the construction of its office block, laboratories and other support facilities. The project was staggered into phases. By 30th June 2016, Phase 1 (1A, 1B & 1C-construction of UNBS Headquarters) was successfully completed. In FY 2016/17, the UNBS planned to start on Phase 2 to cover construction of UNBS quality laboratories (food safety and testing laboratories) for a period of 40 months. (3 years).

Performance

The approved development budget for UNBS FY 2017/18 is Ug shs 9.579 billion, of which Ug shs 3.45 billion (36%) was released by 31st December 2017 and Ug shs 769 million spent representing poor release and expenditure performance. Table 10.9 shows the physical performance of the Strengthening UNBS Project.

Table 10.9: Physical Performance of the Strengthening UNBS Project as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Laboratories constructed	1.00	8,519,997,627	0.00	0.00	The construction of the food safety labs had not yet commenced. This was attributed to the fact the procurement of a consultant had just been finalized. Evaluation of bids for construction of laboratories was ongoing and civil works were expected to start at the end of the third quarter.
ICT Equipment procured	20	200,000,000	1	5.80	ICT equipment such as computer with accessories purchased.
Machinery procured	1	100,000,000	1	2.90	
3 pick-up Vehicles and 1 calibration truck procured	1	600,000,000	0	0.00	The truck was intended to carry out mobile calibration services. However its procurement was planned to start in the third quarter.
Assorted Furniture and Fittings procured	1	159,748,373	1	4.63	Some of the assorted furniture procured for the partitioned offices in the new headquarters.
Total		**9,579,748,000**		**4.8**	

Source: Authors Compilation and Field Findings

The agency experienced delays in finalizing the procurement of a supervising consultant and contractor for the quality testing laboratories. Overall physical performance was poor rated at 4.8%.

10.5: The Ministry of Science, Technology and Innovation (MoSTI)

The Ministry of Science, Technology and Innovation (MoSTI) was created in June 2016 in recognition of the need by Government to explicitly prioritize issues relating to the Science, Technology and Innovation (STI) as a key driver for Economic Development. Uganda needs urgent interventions to find ways of mainstreaming utilization of Science, Technology and Innovation (STI) for economic transformation. For Uganda to benefit from cutting-edge science, technology and innovation and to mitigate its challenges, five key issues need to be addressed. These include;

- Unpredictable Science Technology and Innovation policy environment,
- The presence of strict liability bio-safety regulatory frameworks,

- Low technology access
- Insufficient command among our leaders on STI,
- Low public investments in agricultural research & development and public perceptions.

The presidential Initiative on Banana Industrial Development and the Uganda Industrial Research Institute were the subvention and agency monitored under this ministry.

10.5.1: Presidential Initiative on Banana Industrial Development

The Presidential Initiative on Banana Industrial Development (PIBID) is a pilot project of the Government of Uganda whose underlying theory is 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 project is in tandem with the Governments' priority economic strategies, which among others include; value addition to agricultural products and agro-processing through research and development.

Planned Outputs

- Full operationalization of the Technology Business Incubation(TBI) plant
- Development of the Tooke Centre
- Operationalization of conference center facility at the TBI
- Completion of construction of Pilot Banana Processing plant 100%
- Completion of construction of Quality Assurance and Research facilities 100% and operationalization
- Completion of phase 1 researchers' residence100%
- Automation of primary processing
- Four (4) Community Processing Units (CPUs) established in Sheema District
- Clearance of arrears related to construction of the TBI

Performance

The approved budget to PIBID in FY 2017/18 is Ug shs 22.47 billion, of which Ug shs 8.8 billion was released and all spent by 31st December 2017. Table 10:10 shows the physical performance of the PIBID project.

Table 10.10: Physical Performance of the PIBID as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Weighted Score (%)	Remark
Personnel and Administration	65.00	8,613,251,377	53.00	40.38	Staff salaries, utilities, maintenance of vehicles were paid and cleared.

supported					
Tooke Trade Centre Developed	2	5,000,000	1	0.02	PIBID was undergoing certification by ISO in a bid to commercialize the Tooke Trade Centre. Process is pending completion of certification.
Conference Centre at the TBI operationalized	2	40,000,000	2	0.19	Civil works were under defects liability.
Full operationalization of the TBI. Construction of Pilot Banana Processing plant completed	17	2,721,417,266	8	12.76	The contract to finalize civil works at the TBI was ongoing and steam generation was installed and works estimated at 70%, the bakery works were estimated at 90% with the water system completed, chilling system was completed. Pending works on bakery and cold rooms. The researchers' residences' were also substantially complete with overall works estimated at 70%. Automation of plant was underway including the extruder.
Quality Assurance and research laboratories 100% completed and operationalized	17	4,851,727,852	11	22.75	Civil works were under defects liability and awaiting furnishing.
4 Community processing units established	4	94,000,000	3	0.00	Farmer organizations were formed and provided with trainings to operate as cooperative. However the distribution of machinery to enable processing had not started.
Contractors arrears paid	9	5,005,181,474	5	17.88	The contractor Dott Services had outstanding arrears from the previous FY which had to be cleared.
Total		**21,330,577,969**		**94.0**	**Very good performance**

Source: Authors' compilation and field findings

L- R: Workers sorting cooked matooke chips; Ongoing external works at PIBID in Bushenyi District

L-R: Raw matooke delivered to PIBID premises for processing; Installed steam generation unit at PIBID, Bushenyi

Challenges

- **Delayed approval of the PIBID Business plan:** This plan is intended to ensure the smooth transition of PIBID into a commercial entity, however its approval has been delayed.
- **Governance gaps at PIBID:** The project is in transition from the MoFPED to the Ministry of Science, Technology and Innovations, however, the transition framework is under design.
- The Annual Environmental Audits were not undertaken as per the conditions of the EIA certificate issued by NEMA in 2009.

Recommendations

- The MoSTI and PIBID should expedite the approval of the business plan to ensure that the commercialization process commences.

- The MoSTI should review the current governance structure in light of the current transition.
- The PIBID secretariat should plan to undertake regular environmental audits in fulfilment of the EIA certificate requirements.

10.5.2 Uganda Industrial Research Institute

The Uganda Industrial Research Institute (UIRI) is the lead agency for the promotion of Industrialization in Uganda. The institute is an agency under the Ministry of Trade, Industry and Cooperatives. UIRI traces its roots to the East African Federation of the 1970s, as a precursor of the then East African Research Organization (EARSO) which was headquartered in Nairobi and served as a regional Research and Development (R&D) institution for Kenya, Tanzania and Uganda. Upon the collapse of the East African Federation, the EARSO disbanded in 1997, and later transformed into the Kenya Industrial Research and Development Institute.

The establishment of UIRI was at the behest of GoU negotiations with the Chinese Government which offered a grant to build and equip the institute.

Objectives

UIRI's primary objectives are:

- To carry out applied research for the development of products and provide platforms for innovation, application of science and technology.
- To develop and acquire appropriate technologies in order to create strong, effective and competitive private sector.
- To promote value addition activities so as to transform local raw materials into competitive marketable products.
- To bridge the gap between academia, government and the private sector and to enhance commercialization of R&D.

Performance

The approved budget for FY 2017/18 of the institute is Ug shs13.9 billion, of which Ug shs 6.44 billion (46%) was released and Ug shs 4.93 billion (76%) expended by 31st December 2017. Table 10.11 shows the physical performance of the UIRI.

Table 10.11: Physical Performance of UIRI as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Administration and Support Services	95.00	5,780,000,000	17.00	13.76	87 new staff were supposed to be recruited this year. However by half year, 7 staff had been recruited. 10 staff were trained in good laboratory practices. Staff salaries, welfare obligations were settled.
Research and Development	21	2,480,000,000	21	17.98	Research projects were ongoing but had stalled due to lack of funds. Some of these included; production of Lactic acid through value addition on the Cassava Plant, production of a range of Cow bone Products through Value addition to the Cow Bone and Horns, production of spawn for the new strain of Oyster mushroom, Paper Pilot Plant innovation of making handmade paper from sugarcane wastes baggase and other agricultural wastes. , Drafted a research manuscript entitled "Water holding capacity of soil mixed with biochar made from different feed stock at various pyrolysis temperatures" in collaboration with academicians from Makerere University and The University of Edinburgh (UK).

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Industrial and Technological Incubation	67	1,280,000,000	67	9.28	500,000 doses of KUKUSTAR (New Castle vaccine) manufactured by Brentec and distributed to approximately 60,200 households. BRENTEC introduced new dosage sizes of Newcastle Vaccine in 100g and 200g dose packages to cater for smallholder farmers. A total of 8 incubatees namely Z-plus Ltd, Grace K Magumba, Model Professional Consult, Kaganki Investments Ltd, Del Agro Business, Enterprises Ltd, Kabeihura Farmers (Virtual), MUCK International and Ngoya Investments Ltd who employ a total of 31 employees' altogether processed17,532 Litres of yogurt during the period. Rose Geranium and Lemon Balm aromatic plants for essential oils were propagated during the period. Premier Dairies Ltd employing 36 workers processed 184,050Ltrs of pasteurized milk and 15,400Ltrs of Yoghurt during the period.
Model Value Addition Centre Establishment	19	300,000,000	4	2.18	The following value addition centres were 100% complete; Arua Meat Processing Plant in Arua District, Karubuga Model Dairy Farm in Ntungamo District, Itojo Fruit Juice Processing and the Palm Oil processing in Kanungu. All were complete to 100% with the exception of oil palm processing in Kanungu which was estimated at 75%.
Facility Repair and Maintenance	1	500,000,000	0.5	3.63	Due to inadequate funds, only urgent repairs were conducted at UIRI.
Industrial Skills Development and Capacity Building	1	170,000,000	0.5	1.23	Ongoing

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Technology, Innovation, Transfer and Development	7	280,000,000	7	2.03	Under Technology Development and transfer the following were achieved; Development of different formulation for cultivation of white button mushrooms using oyster spent mushroom substrate. UIRI and Scale Biofuel APS are in the process of establishing a demonstration facility for the production of bio-ethanol and animal feed at UIRI premises under a project named "Sustainable Consumption and Production of Biofuel Uganda" funded by Nordic Climate Facility. Energy Systems Division is designing and developing an advanced gasification system that utilizes plasma for feedstock breakdown to produce high quality syngas for power production and waste processing. The completed prototype is to be tested at UIRI and Kira TC.
Government Buildings and Administrative Infrastructure	4	1,030,000,000	0	3.38	Feasibility study for four new projects were supposed to be done. However this was differed due to inadequate releases.
Purchase of Office and ICT Equipment, including software	1	100,000,000	1	0.73	Software purchased, communication for staff telephones paid.
Purchase of Specialized Machinery & Equipment	26	1,870,000,000	9	1.14	The following were achieved; Purchase of small scale wine filling Machine with ball bearings and other spare parts for the pineapple juice extractor, systems were procured, Commenced procurement process for Laboratory fume hood, refrigerators, analytical balance, & blenders and HTDS PULSE Health Care experts to service HPLC, AAS, FTIR, UV/vis spectrometer. Also, briquette and

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
					soap making machines for Luuka Community were fabricated, Dairy Equipment for Karubuga Dairy Farm in Ntungamo district were procured.
Total		**13,7900,000,000**		**52**	**Fair performance**


L-R: The underutilized Potato Processing Facility in Kabale and Peanut Processing and Research Centre in Lira

Several projects sponsored and supported by UIRI remain limping due to inadequate resources. The institute is currently carrying out simple maintenance and repairs on existing projects particularly those at the headquarters as those in the country side have very little, if any to show. Projects such as; Essential Oils in Luweero, Lira Peanut Processing and Research Center, Bamboo and peanut processing in Kabale are still miles behind their potential. Therefore, inadequate financing of research and development curtails the innovativeness of researchers. It was further observed that such a situation undermines the mandate of the institution as a lead agency for industrial research in Uganda.

Challenges

- The model processing centres face varying concerns including: **Limited capital for *incubatees*** to take off and last mile support to complete projects. For example, Arua Fruit Juice Plant, Arua Classic Meat, Maziba Wine Processing, Nabusanke Fruit Juice, Mbarara Grape Wine, kika fruits, among others remain idle or underutilized after years of investing in infrastructure.

- **Inadequate releases:** The funds disbursed for execution of activities are inadequate yet scientific research is unique in that inputs used such as laboratory reagents are required sequentially. However, with poor releases, activities often come to a standstill and failure, and UIRI has opted to maintain and improve current innovations rather than working on new ones.
- **Poor inter-sectoral linkages:** Although there are a number of working prototypes at UIRI developed locally by Ugandan scientist across many sectors, there are poor inter sectoral linkages between MDAs to ensure such technologies are adopted and replicated.
- **Limited commercialization of technologies:** Technologies developed at the center are laying on the shelves, leaving scientists frustrated because their prototypes are not adopted for mass production and hence rendered redundant.

Recommendations

- The MFPED should priortitse funding to UIRI to enable it achieve its objectives and fulfil its mandate.
- The UIRI should conduct sensitization sessions to enhance inter-sectoral linkages between the agency and other government departments to harness the research dividends through collective efforts.
- The UIRI and other stakeholders such as Ministry of Science, Technology and Innovation through the Innovations grants should institute mechanisms that support feasible prototypes to attain commercial success.

10.6 Overall Sector challenges

- **Poor procurement planning**: Most procurements in the different agencies were still ongoing by January 2018 leading to poor absorption of funds.
- **Inadequate funding to the sector:** Although the sub-sector is charged with promoting industrialization in the country, it is not adequately funded to fulfil the mandate. For instance, the capitalization of UDC had not yet been realized leading to stalling of projects such as: Lake Katwe Salt processing, Luweero Fruit Factory and Moroto Cement factory; the RIDP project provides lukewarm support to start up due to inadequate allocations and releases.
- **Poor mind-set of some beneficiaries:** Although the projects under the sub-sector have extended support such as machinery and equipment to beneficiaries, instances of group members resisting change were observed. For example in Kweyo Growers Cooperative Society, some members were reluctant to use the tractor services.
- **Delayed approval of the PIBID Business plan:** This plan is intended to ensure the smooth transition of PIBID into a commercial entity, however its approval was delayed.
- **Governance gaps at PIBID and KMC:** The PIBID project is in transition from the MoFPED to the Ministry of Science, Technology and Innovations, however with the transition, new framework guiding operations had to be designed. The tenure of the PIBID board expired. The KMC project did not have a Board of Governors and as a

result critical assignments such as procurement, are externally sources from either UDC or Makerere University causing avoidable delays.

Table 10.12: Summary half year physical performance of industrialization projects

Institution	% Physical performance
USADF	83.7
PIBID	94
UIRI	52
UIA	15.9
Tea	4.3
Soroti Fruit	27.6
Kiira Motors	44.7
Agro Health Products- Isingiro	100
Glass Sheet Manufacturing	29
UNBS	4.8
RIDP	71.8
Average Sub-Sector Performance	**53**

Source: Author's compilation

CHAPTER 11: MICROFINANCE

11.1 Introduction

Microfinance has been an important financial instrument for reaching the low-income households in Uganda. The focus of the Microfinance sub-sector is to ensure financial inclusion of all Ugandans. In the last 10 years, the sector has been experiencing significant growth. The microfinance sub-sector is a component of the financial sector. Two providers of Microfinance services are in the category of Tier I, 2 are in Tier II and 4 Microfinance Deposit taking Institutions (MDIs) in Tier III. Additionally, Savings and Credit Co-operative Societies (SACCOs) and unregulated Micro Finance Institutions (MFIs) serve the microfinance market. These institutions are broadly captured as Tier IV institutions. Furthermore, there are commercial banks offering specific products for low-income households and community-based organizations and groups which are operating in villages.

The Microfinance Support Centre Ltd (MSC) was established to provide financial services to the economically active poor Ugandans through SACCOs, Small and Medium Enterprises MFIs, Co-operative Unions, Producer and Marketing Co-operatives, Small and Medium Enterprises (SMEs) & Teachers SACCOs.

Through the Government of Uganda’s Rural Financial Services Strategy, the MSC has attained the linchpin status of Government of Uganda (GoU) Microfinance Programmes, hence a wider role to play in financing the whole value chain and promoting the sustainability of rural financial enterprises.

11.2 Microfinance Support Centre Limited

Background

Microfinance Support Centre Limited (MSCL) was established in 2001 as a Company Limited by guarantee, fully owned by the Government of Uganda (GoU) with the mandate to manage the Rural Microfinance Support Project (RMSP) and any other Government supported microcredit programmes. A Board of Directors appointed by Government governs the company. It has so far executed its mandate through the implementation of five-year strategic plans, during which credit and capacity building services were extended to over 2,000 partner organizations countrywide.

The Strategic Plan 2014-19 identified the following strategic objectives[40] that included;

- To mobilize sufficient resources so as to effectively deliver rural financial development services
- To increase loan portfolio by 10% per annum
- To maintain portfolio at risk (P.A.R) past 365 days at 5%
- To identify and fill capacity building gaps of clients

[40] These formed the basis of assessment of the performance of the MSCL

- To achieve 30 days lead time for loan processing
- Achieve interest rates below commercial lending rates
- To develop at least one product for each client segment over the next five years

MSCL targets the provision of affordable financial services to SACCOs, Micro Finance Institutions (MFIs), Small Medium Enterprises (SMEs) and more importantly the provision of financing of agricultural chains including assets, inputs, and purchase of crop and other produce. Thus, MSC aims at reaching a mass of rural enterprises to deliver services.

In order to take services nearer to the communities, the company offers its services through 12 zonal offices across the country, with each office serving an average of 10 districts. The MSCL offers a number of products administered through its offices to the clients and these include; Agricultural loans, Environmental loans, Special interest group loans, lslamic Financing, Commercial loans and SME loans for trade and commerce and agriculture.

Scope

The semi-annual review focused on the performance of MSC for the FY 2017/18 against identified criteria from the strategic plan 2014-2019. The MSC headquarters and zonal offices of Lira, Kabale, Kampala, Masaka, Mbarara and Soroti districts were visited. For the period under review July-December FY2017/18 the performance of the Microfinance Support Centre (MSC) was monitored to assess;

- The provision of financial services to the poor through Savings and Credit Cooperative Organizations (SACCOs), Small and Medium Enterprises (SMEs) and Teachers SACCOs.
- Mobilization of resources so as to effectively deliver rural financial development services.
- The level of financial inclusiveness to the population through affordability and accessibility.
- The performance of various MSC products that include; Agricultural loans, Commercial loans, Special interest group loans and Environment loans.
- The level and effect of business development services provided by the MSC to the clients.
- As well assessing linkages and collaborations formed between the MSC and other institutions to enhance MSC interventions.

Findings

(a) MSC Headquarters

Assessment of MSC Funding

Credit Performance

The MSC mobilized a total of Ug shs 59.084bn for onward lending, of which Ug shs 21.722bn were reflows and Ug shs 37.362bn opening balances including Islamic funds. This half year performance is an improvement from Ug shs 52bn realized for the whole FY 2016/17. Government of Uganda (GoU) did not transfer credit funds for onward lending to the MSC, however Ug shs 2.059bn was released for operations that include; salaries and gratuity for contract staff.

Table: 11.2: Sources of funding for MSC for the FY 2017/18 (millions)

	Planned FY 2017/18(Ug Shs)	Actual Ug2017/18(Ug shs)	%ge Release Performance against target
Funds brought forward for operations	24,000,000,000	37,362,984,840	156
RIEEP41 operations funds - ADB	-	-	-
Reflows42	12,000,000,000	21,722,007,039	181
Reflows/Interest	-	-	-
Islamic Finance (Fund)	6,000,000,000	-	
Other income (GoU Credit funds)	4,500,000,000	-	-
Total Funds Available	**46,500,000,000**	**59,084,991,879**	**127**

Source: MSCL Headquarters

Interest rates

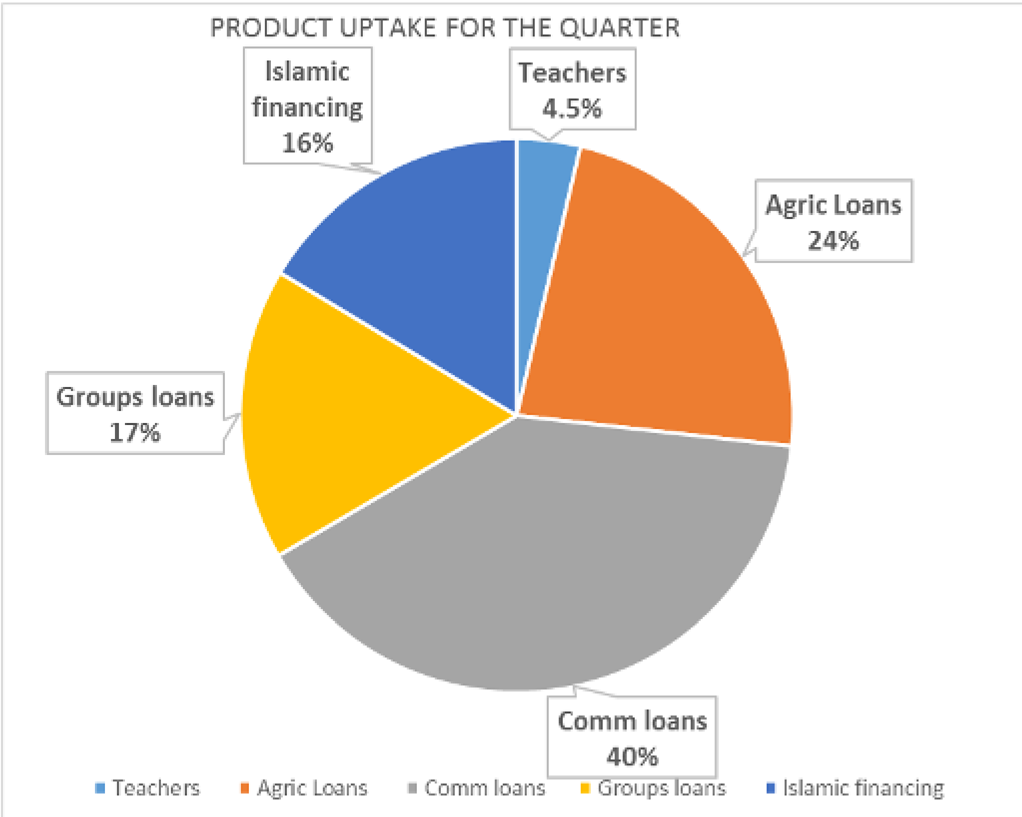
MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for SACCOs- Agricultural loans, 13% to Small and Medium Enterprises (SMEs), 17% for the commercial loans and 11% for teachers' SACCO. This interest rate performance compared to the commercial rates that were on average 20% to 25% was more affordable.

Credit Disbursement

Cumulatively, the MSC disbursed loans worth Ug shs 40.309bn against a target of Ug shs 31.6bn (127% performance.) MSC continued to make a deliberate effort to market all loan products to different client categories. As at 31st December 2017 the company had a 40% increase in outstanding portfolio to Ug shs 91.50bn from Ug shs 65bn at 30th June, 2017. In terms of client distribution, the highest number of client segment reached were for commercial loans at 40% followed by the Agricultural loans at 24%, Group loans at 17%, and teachers fund at 4.5% . The detailed performance by 31st December 2017 is shown in Figure 11.1.

In terms of number, 300 loans were disbursed in the period, 59% (Ug shs 23.849bn) of which were from conventional financing and 41% (Ug shs 16.46bn) were funded under Islamic financing. Growth in disbursement of Islamic funding points to expanded funding.

Figure 11.1: Loan Disbursement by Client Type FY 2017/18



Source: MSCL Headquarters

Zonal Disbursements

The MSC disbursed 300 loans valued at Ug shs 40.39 bn compared to the half year performance of Ug shs 15.7bn in FY 2016/17.

Kampala zone with the biggest region had Ug shs 10.109bn disbursed, the highest in value of regional loans disbursed. This performance was better than the half year performance in the FY 2016/17 of Ug shs 6.364bn. This improved performance was attributed to the enrolment of Islamic financing which had greatly improved the volume of funds available for onward lending. The poorest performing zone was Moroto that disbursed 2 loans valued at Ug shs 57million, a decline from the half year 2016/17 (Ug shs 375m). This was due to low SACCO base in the region and poor repayment rate. Details of the performance per zone is shown in table 11.3.

Table: 11.3: Disbursements per Zone as at 31st December, 2017

Zone	FY 2016/17		FY 2017/18	
	Number of loans	Amount Disbursed	Number of loans	Amount Disbursed
Arua	3	551,177,000	5	365,000,000
Gulu/Lira	12	305,000,000	21	778,000,000
Head Office	23	474,000,000	0	0
Hoima	5	190,000,000	7	1,495,000,000
Jinja/Iganga	10	386,000,000	24	2,709,236,800
Kabale	13	2,277,000,000	50	2,633,900,000
Kabarole	21	1,110,000,000	23	4,670,000,000
Kampala	26	6,364,695,117	49	10,109,928,000
Masaka	6	650,000,000	45	5,498,243,607
Mbale	5	230,000,000	25	4,026,620,000
Mbarara	22	2,790,000,000	47	8,154,507,220
Moroto	4	375,000,000	2	57,000,000
Soroti	3	40,000,000	7	3,358,529,377
TOTAL	**153**	**15,742,872,117**	**300**	**40,309,000,000**

***Source**: MSCL Headquarters and field findings*

Growth in Portfolio

The outstanding portfolio[43] as at 31st December, 2017 was Ug shs 91.50bn, from Ug shs 65bn registered at the end of FY 2016/17. This growth in portfolio supports the objective of inclusiveness, observed from the increase in the number of clients served under the MSC zonal offices of; Kabale, Kampala, Mbarara, Masaka and Soroti, and the introduction of Islamic financing.

Although there is considered growth in portfolio outstanding, the demand for credit services is greater than what MSC was able to reach out to, this was observed from the records at the commercial offices of DLGs of Rakai, Busia, Iganga, Kiryandongo, Apac and Kisoro where less than 15% of the groups seeking credit facilities from the MSC were served.

Quality of Portfolio

Portfolio at Risk (PAR)[44] more than 30 days- was 18.5% by December 2017 compared to 13.9% in December 2016. The quality of portfolio declined and points to an increase in

[43] Funds disbursed and held out in loans at given time.

[44] Measures loan portfolio with outstanding instalments

defaulting clients from the different zones. Kabale zonal office did not achieve its P.A.R greater than 30 days. (25% against a target of 4%) on account of 11 clients with arrears.

On time repayment rate improved from 50% to 76% for the Kampala zone office, and was 65% for Masaka zonal office. Lira attained an on-time repayment of 46% against a target of 50%. Kabale zonal office attained 49% against a target of 80%, for Kabale zone this was on account of two big loan clients in arrears-Kigezi Highland and Shobore Agro. Soroti zonal office declined from 75% to 52% as a result of few defaulting clients with significant loans, these were, Felistar Uganda, Standard Junior Kalaki and Homeland.

There is need to have the improved repayment rates sustained for all the regions so as to reduce on the default rate shown in the P.A.R.

Kampala zonal office was able to recover Ug shs 32m from previously written off loans, which improved the overall P.A.R for the zone to 6.8% against a target of 15%.

Growth in Clientele and Number of Loans

Under the pillar, *Client Coverage and Product Development*, there are 2 strategic objectives;

- Increase coverage of MSC services & products, and
- Enhance product development

Performance of "Increase coverage of MSC services and products"

At least every zone achieved a 70% performance for reference SACCOs established in each of the districts in the region covered. Masaka zonal office had the highest performance 8 reference SACCOs out of the nine districts covered, and Lira had the worst performance of 9 reference SACCOs out of the 16 districts, however Village Saving and Lending Groups（VSALs）are performing well covering a half of the regional portfolio.

The Islamic microfinance loan was rolled out in all regions except for Lira and Soroti, this has greatly improved the volume of funds available for lending and gradually reduced the lead time for loan applications received.

However, there is need for; increased awareness on how the Islamic loan operates and extension to the regions where it is has not yet been applied.

Business Development Services (BDS)

Under this, collaborative partnership arrangements critical for leveraging both technical and financial resource and enhancing the MSC's interventions;

Although MSC was able to form some partnerships with some non-governmental organizations such as ENGSOL, CARE, Heifer international, UNIDO, Mercy Corps as seen in the regions of Soroti, Lira and Mbarara, partnerships with government institutions were not formed.

For example, some expected partnerships between the District Commercial Offices at some District Local governments (DLGs) where not taken advantage of to build collaborations that would enhance inclusiveness, this was the case for the districts of Alebtong, Apac, Buikwe, Busia, Iganga , Kitgum and under the MSC zonal offices of Masaka, Lira and Kampala.

There were lost opportunities to conduct capacity building programmes for the SACCOs and groups at a lower cost through partnerships with LGs.

The Project for Financial Inclusion in Rural Areas (PROFIRA) was found to build on the SACCOs trained by the MSC, however, PROFIRA has not gone beyond the groups that were already covered by the BDS of the MSC. It would be more efficient if the three players-MSC, PROFIRA and District Commercial Officers could consider conducting joint regional capacity building programmes for SACCOs and groups formed.

Challenges

- Groups and SACCOs that were formed are not focused around the same objective, for example agriculture, fishing, and trade. This affects ability of group/SACCOs members to pay back funds borrowed.
- Loan defaults by client institutions especially those in the agricultural sector, on account of drought and prolonged dry season that led to poor yields.
- Zones still face challenges of staffing levels which affect the management of SACCOs and groups. There's wide coverage of zones which makes supervision more costly especially with village groups.
- The MSC is undercapitalized and operates below optimal scale, the funds available are insufficient for MSC to meet client demand for credit, and GoU has not met its share of counterpart funding for some projects.
- No clear guidelines for SACCO leadership which affects financial inclusiveness since there's no continuity.

Recommendations

- PROFIRA should work with the MSC to encourage SACCOs and groups to focus on a particular economic activities.
- The Uganda Microfinance Regulatory Authority (UMRA) should expedite the development of regulations for the SACCOs and Micro Finance Institutions (MFIs), this should be in consultation with key stakeholders in the sector as well as the SACCOs.
- PROFIRA and District Commercial Officers should expand on capacity building activities for SACCOs and VSALs.

Zonal Offices Monitored

MSC offers a number of products administered through its 12 zonal offices that include; Arua, Hoima, Jinja, Kabale, Kabarole, Kampala, Lira, Masaka, Mbarara, Moroto and Soroti. For the semi-annual review the zonal offices of Lira, Kampala, Kabale, Masaka, Mbarara and Soroti were visited.

The objective was to;

Confirm products and services offered to clients and assess the performance of zonal offices from the clients served, and obtain details of clients served.

The products offered to clients include;

- **Agricultural loans**; this targets institutions/enterprises supporting or engaged in primary agricultural production, agro processing and marketing. The loan period ranges between 2-4years with a grace period of 6-12 month and an interest rate of 9% per annum.
- **Small and Medium Enterprises (SME) Development Fund**. This fund includes loans and leasing options for SMEs. It has a maximum loan period of four years with a 6-12 month grace period and interest rate of 17% per annum for trade and 9% for agriculture.
- **Commercial loan**; this targets SACCOs, MFIs and is offered at an interest rate of 13% with a maximum loan period of 2 years.
- Others were teachers loans issued at 11%, Environment at 13%, Special interest loans group loans issued at 13%
- Islamic Microfinance.

(a) Lira MSC Zonal Office

Lira MSC zonal office serves 16 districts; Adjumani, Arua, Maracha, Koboko, Moyo, Nebbi, Yumbe and Zombo. The zonal office disbursed Ug shs 923m against a target of Ug shs1.1 billion (83% performance). The portfolio at risk greater than 365 days was 2.15% against a target of 5%. The cumulative repayment rate was 41% which was below the 50% target. The percentage increase in the number of clients taking follow up loans was 80%. The zonal office was able to have a reference[45] SACCO in 4 of the 16 districts (25 %). The performance of the zone is summarised in table 11.4.

Table: 11.4: Lira MSC Zonal Office Performance as at December 31st 2017

No.	Indicator	Benchmark	Annual Target	Actual FY 2017/18
1.	Value of loans disbursed during the period in (Ug shs billions)	Not according to the annual work plan	1.1 Billion	923 million
2.	Cost Vs Income ratio	Costs < 1	2:1	1.7:1
3.	Repayment rate (on time)	95%	50%	41%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	2.3B	1.395B
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 5% of total o/s loan portfolio	%	2.15 % (28,161,847 out of 1.3Billion)
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	48% (50 to 74)	80% (50 to 90)
7.	Existence of reference SACCO/ District	1/District	7 of 16	4 of 16

Source: MSC Lira Zonal Office

[45] Model SACCO is expected to be supported develop for each District served

b) Kampala MSC Zonal Office

Kampala zonal office serves 12 districts; Buikwe, Butambala, Buvuma, Gombe, Luwero, Kampala, Kayunga, Mityana, Mukono, Mpigi, Nakasongola and Wakiso.

Kampala MSC zonal office disbursed Ug shs 10.109 billion which was 66% performance of the target (15.2Ug shs billion). Kampala zonal office was able to recover Ug shs 32m from previously written off loans, which improved the overall PAR for the zone to 6.8% against a target of 15%.

The cumulative repayment rate was 76% which was above the target of 50%, this was on account of recoveries from big clients. The Kampala zonal office is profitable with a cost to income ratio of 0.2:1. The performance of the zonal office is shown in table 11.7

Table: 11.7: Kampala MSCL Zonal Office Performance by 31st December, 2017

No	Indicator	Benchmark	TargetFY 2017/18(Ug Shs)	Actual FY 2017/8(Ug Shs)
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	15.2billion	10.109billions
2.	Cost Vs Income ratio	Costs < 1	0.5:1	0.2:1
3.	Repayment rate (on time)	95%	80%	76 %
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	28bilion	23.142 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	%	%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	16	33
7.	Existence of reference SACCO/ District	1/District	13of 13	12 of 13

Source: MSC Kampala Zone

c) Kabale MSC Zonal Office

Kabale MSC Zonal office serves the five districts of Kabale, Kanungu, Kisoro, Rubanda, Rukiga and Rukungiri district.

Kabale MSC zonal office disbursed Ug shs 2.633 billion which was 45% performance of the target (Ug shs 4.620 billion). The cumulative repayment rate was 49% against the annual target of 80. The Kabale zonal office was not profitable with a cost to income ratio of 0.34:1, hoping to minimise operational costs when profits from Islamic are earned. The detailed performance of Kabale zonal office is shown in table 11.8.

Table 11.8: Kabale MSC Zonal Office Performance by 31st December 2017

No	Indicator	Benchmark	Target FY 2017/18	Actual FY 2017/18
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	4.620 billion	2.663billion
2.	Cost Vs Income ratio	Costs < 1	0.32:1	0.34:1
3.	Repayment rate (on time)	95%	80%	49%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	9billion	78.757billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	0	0
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	100%	103%
7.	Existence of reference SACCO/ District	1/District	6	6

Source: MSC Kabale Zone

d) Mbarara MSC Zonal Office

Mbarara Zonal offices serve the districts of Buhweju, Bushenyi, lbanda, Isingiro, Kiruhura, Mbarara, Mitooma, Nsiika, Ntungamo, Rubirizi & Sheema. Mbarara MSC zonal office disbursed Ug shs 6.182billion which was 95.4% of the annual target of Ug shs 5.9 billion. The cumulative repayment rate achieved was 68% against a target of 95% pointing to inefficiencies in loan recovery. The Mbarara zonal office cost to income ratio was 0.2:1 against a target of 0.25:1 and at least had a reference SACCO in ten out of eleven districts. The detailed performance of the zonal office as at 31st December 2017 is shown in table 11.9.

Table 11.9: Mbarara MSC Zonal Office Performance by 31st December 2017

No	Indicator	Benchmark	Target FY 2017/18 (Ug Shs)	Actual FY 2017/18 (Ug Shs)
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	5.9bn	6,182bn
2.	Cost Vs Income ratio	Costs < 1	0.25:1	0.2:1
3.	Repayment rate (on time)	95%	95%	68%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	16.5bn	17.59bn
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	Not set, (target was >270 days) ie 0.1%	% (Ugx 14,778,378)
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	12	12

7.	Existence of reference SACCO/ District	1/District	10	10

Source: MSC Mbarara Zone

e.) Masaka MSC zonal Office Masaka zonal office serves nine districts; Bukomansimbi, Kalangala, Kalungu, Kyotere, Lwengo, Lyantonde, Masaka, Rakai & Sembabule. The zonal office disbursed Ug shs 5.495billion against a target of Ug shs1.765 billion (311% performance). The cumulative repayment rate was 41%, which was a decline against the benchmark of 95%.The zone attained a 85% increase in the number of clients taking follow on loans (34 out of 35) against an annual target of 75%. Outstanding portifolio was Ug shs 2.088billion, against the target of Ug shs 3.3billion. Masaka zonal office was profitable at a cost to income ratio of 0.5:1 against the target of 0.1:5. The zonal office was able to have a reference[46] SACCO in 8 of the 9 districts (88 %). The performance is summarised in table 11.10.

Table: 11.10: Zonal Office Performance as at 31stDecember, 2017

No	Indicator	Benchmark	Target FY 2017/18 (Ug Shs)	Actual FY 2017/18 (Ug Shs)
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	1.765billion	5.495billion
2.	Cost Vs Income ratio	Costs < 1	0.5:1	0.5:1
3.	Repayment rate (on time)	95%	65	41
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	3.3billion	2.0886billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	0	0
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	35	34
7.	Existence of reference SACCO/ District	1/District	8	9

Source: MSC Masaka Zone

f) Soroti MSC Zonal Office

Soroti zonal offices serves the districts of Amolatar, Amuria, Dokolo, Kaberamaido, Katakwi, Kumi, Ngora, Serere & Soroti. The zonal office disbursed Ug shs 3.358billion. This was an improvement of 83% compared to the half year performance of FY 2016/17.

The value of outstanding loan portfolio at the end of December 2017 was Ug shs 1.347billion, which increased from Ug shs 805million in December 2016. The cumulative repayment rate

[46] Model SACCO is expected to be supported develop for each District served

achieved was 52% against a target of 75% pointing to inefficiencies in loan recovery. Soroti zone is on course to sustainability with the cost to income ratio of 0.7:1 against the target of 1:1, this was attributed to increased disbursements and growth in portfolio. The zone had a reference SACCO in 5 out of 9 districts.

The detailed performance of the zonal office as at 31st December 2017 is shown in table 11.11.

Table 11.11: Soroti MSC Zonal Office Performance as at 31st December 2017

No	Indicator	Benchmark	Target FY 2017/18 (Ug Shs)	Actual FY 2017/18 (Ug Shs)
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	0	3.358 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	
3.	Repayment rate (on time)	95%	75%	52%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	0	1.347billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	0%	0 %
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	100%	75%
7.	Existence of reference SACCO/ District	1/District	7	5

Source: MSC Soroti Zone

Performance of SACCOs

The assessment of the performance of the MSC was extended to the SACCOs with the objective of;

Confirming if the SACCOs

i) Obtained a loan (s) from the MSC

ii) Adequacy and relevancy of any other services received from the MSC

iii) Services received from the project for financial inclusion in rural areas (PROFIRA)

iv) Any support services received from the District Commercial officers (DCOs) of the respective local governments

v) Assess levels of financial inclusiveness

Findings

Five SACCOs visited included- Kitgum Core Primary Teachers College, Bongo Traders in Gulu, Chahidukore & Mubugha in Kisoro, and Odongai in Kaberamaido. As well interviews were held with District Commercial Officers (DCOs) of Albetong, Busia, Iganga, Kiryandongo, Nakasongora, Sironko and Soroti.

It was found that, the average loan processing time by MSC improved averagely to three months against the target of one month which was poor. 35% of SACCOs had received business development services-training from MSC which was on a lower side. The DCOs noted that the low number of SACCOs supported by MSC especially in the eastern region was attributed to the high handed methods used by the MSC in enforcing recoveries, lack of clear guidelines and leadership of SACCOs. Capacity building & support from PROFIRA and MSC for new SACCOs remained low with weak synergies among the government agencies. SACCOs did not build collaborations with DLGs, and most SACCOs work independently hence affecting financial inclusiveness. However, some DCOs audit SACCOs and tend to recommend all including those that are not performing well to the MSC for credit services. This has tended to discourage the collaboration between MSC and the DLGs.

Challenges

- Poor formation of SACCOs most of which did not have a common objective except that of accessing funds, so this increases default rate.
- Inefficiencies and delays in loan processing by the MSC drives away would be client's e.g. SACCOs to other lending institutions such as banks.
- Poor governance and management in most SACCOs which has resulted into misappropriation of funds, theft, collusion, and endemic fraud.
- Under staffing of MSC zonal offices hampers monitoring of implementation of action plans drawn with clients and recovery of funds from clients
- Insufficient funds available to MSC for onward credit to meet client demand.

Overall Conclusion

Overall, the Micro Finance Support Centre achieved 75% performance which was good; 80% of planned outputs were fully achieved 15% were partially achieved and 5% were not achieved.

MSC disbursed Ug shs 40.309bn to clients which was 70% of the planned target. Percentage growth in portfolio outstanding was 40% (to Ug shs 91.5bn) from Ug shs 65bn at end of FY 2016/17. MSC achieved a repayment rate of 75% which was an improvement from 53% at the end of FY 2016/17. The MSC was able to mobilize resources and disburse credit funds from reflows and Islamic financing. The MSC gave loans at favorable interest rates between ranges of 9%, 13%, 17% and 11% for agricultural, commercial, environmental loans to different clients. These were below commercial bank rates that are above 20%. The overall Portfolio at Risk (PAR) was 7% against a target of 15% pointing to an efficient recovery of loaned funds.

The Islamic finance loan led to an increase in the overall portfolio outstanding which was good.

Although there was growth in number of districts with Savings and Credit Cooperatives (SACCOs), capacity building support from Project for Financial Inclusion in Rural Areas (PROFIRA) and MSC remained low. The duration of accessing loans from MSC was averagely three months against a target of one month which was poor.

Recommendations

- The PROFIRA should partner with MSC to effectively build capacity of SACCO members in managing loan funds especially on the importance of repayments and also recommend SACCOs trained to MSC.
- SACCOs should mobilize savings and improve upon their loan applications to enable access to credit from the MSC.
- Stakeholders including political leaders should be sensitized to appropriately communicate the objectives of the credit funds and importance loan repayments.
- On financial inclusion:
    - ➢ SACCOs should have a common cause and focus should be on agricultural additions, funding farmer’s activities through irrigation, buying improved inputs and securing food storage facilities.
    - ➢ The government should empower SACCOs on credit and default management.
    - ➢ Groups and SACCOs should be encouraged and supported to do value addition to help them earn more.
    - ➢ The government need to revive the cooperatives which have common interest.

CHAPTER 12: PUBLIC SECTOR MANAGEMENT

12.1 Introduction

12.1.1 Sector Objectives and Priorities

Public Sector Management (PSM) is responsible for the development and control of public service delivery systems through promotion of sound principles, structures and procedures. The PSM sector objectives are to:

(1) Establish mechanisms that will promote coordinated and harmonized policy, planning, budgeting, monitoring and evaluation at National and Local government levels.
(2) Attract, recruit and retain a highly-skilled and professional workforce.
(3) Develop management and operational structures for an efficient and effective decentralized service delivery system.
(4) Implement East African integration through implementation of the East Africa Customs Union.
(5) Establish the East African Common Market, a monetary union and ultimately the East African Federation.

The sector will prioritize the following areas as avenues of contributing to the National Strategic Objectives and Vision 2040.

(a) Review systems, structures, processes and procedures for effective coordination of service delivery.
(b) Harmonize and reform policies, laws and regulations at the national and local government level to bring them in line with regional and international obligations.
(c) Spearhead reforms and manage talent to create a well-motivated and competitive public service.
(d) Coordinate information flow and resource allocation towards Government priorities.
(e) Reduce the impact of natural disasters and emergencies.
(f) Spear head comprehensive and integrated development planning at local and National Level.
(g) Develop mechanisms for Local Government Financing.

Financing of these priorities is undertaken through nine votes which are responsible for spearheading and managing public service reforms, managing talent as well as coordinating resources and information flow in the public sector as follows: (1) Office of the Prime Minister (OPM), (2) Ministry of Public Service (MoPS), (3) Ministry of Local Government (MoLG), (4) Ministry of East African Community Affairs (MEACA), (5) National Planning Authority (NPA), (6) Kampala Capital City Authority (KCCA), (7) Public Service Commission (PSC), (8) Local Government Finance Commission (LGFC), and (9) 133 Votes in the Local Governments (LGs).

12.1.2: Overall PSM Financial Performance

The approved GoU budget for the eight votes (excluding Local Governments) under PSM for FY 2017/18 was Ug shs 288.93 billion (exclusive; external financing, taxes and arrears[47]) of which Ug shs 137.733 billion (47.7%) was released and Ug shs 118.952 billion (86.4%) spent by 31st December 2017. This was good release and absorption. The detailed performance is shown in table 12.1.

Table 12.1: PSM Half-Year Financial Performance as at 31st December 2017 in billions excluding arrears and taxes and donor funds

Institution	Approved budget	Releases	Expenditures	% Budget released	% Release Spent
Office of the Prime Minister (OPM)	120.225	44.829	39.259	37.3	87.6
Ministry of Public Service (MoPS)	24.123	10.822	7.404	44.9	68.4
Ministry of Local Government (MoLG)	43.422	17.321	13.283	39.9	76.7
Ministry of East African Community Affairs (MEACA)	29.476	25.124	23.790	85.2	94.7
National Planning Authority (NPA)	21.651	11.629	11.395	53.7	98
Kampala Capital City Authority (KCCA)	38.011	21.330	18.437	56.1	86.4
Public Service Commission (PSC)	6.422	3.526	2.894	54.9	82.1
Local Government Finance Commission (LGFC)	5.600	3.152	2.490	56.3	79
TOTAL	**288.93**	**137.733**	**118.952**	**47.7**	**86.4**

Source: MFPED, February 2018

12.1.3 Scope

The report presents semi-annual performance for selected PSM programmes for FY 2017/18. Monitoring work covered 16 projects/programmes from eight votes as shown in table 12.2.

Table 12.2: PSM Projects/ Programmes monitored at semi-annual monitoring FY2017/18

Vote	Project/Programme	Sampled institutions/ districts
	Project 1317: Dry Lands Project	Moroto,Nakapiripit,Napak,Amudat
Vote 003: Office of the Prime Minister	Project 0922: Humanitarian Assistance	Sironko, Bududa, Rukungiri, Rubanda, Mukono
	Project 1078: Karamoja Integrated Development Programme (KIDP)	Moroto, Nakapiripit, Napak

[47] MFPED 2016

	Project 0932: Post-war Recovery and Presidential Pledges	Office of the Pime Minister, Omoro,Gulu, Kole,Serere,Nwoya,Nebbi,Alebtong
	Project 0022: Support to Luwero-Rwenzori Development Programme	Luwero, Kyankwanzi, Wakiso
	Project 1252: Support to Bunyoro Development	Hoima Municipal Council, Masindi Municipal Council, Kiryandongo, Bullisa
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Ministry of Public Service Headquarters
	Public Service Reforms: Upgrading the Civil Service College; Public Performance Management; Management of the Public Service Payroll and Wage Bill	Moroto, Nakapiripit, Napak, Amudat, Masaka, Bushenyi, Gulu, Hoima, Serere, Kumi, Nwoya, Omoro, Rukungiri, Lugazi, Kiira and Entebbe MC, Busia, Bugiri, Jinja
Vote 011: Ministry of Local Government	Project 1381: Project for Restoration of Livelihoods in Nothern Region (PRELNOR)	Gulu, Nwoya,Omoro, Amuru
	Project 1236: Community Agriculture Infrastructure Improvement Programme-(CAIIP III)	Mbarara, Bushenyi, Luwero, Busia, Bugiri, Rukungiri
	Project 1088: Urban Markets and Marketing Development of the Agricultural Project (UMMDAP)	Masaka (Nyendo), Wakiso (Busega)
	Project 1307: Support to Ministry of Local Government	Ministry of Local Government Headquarters;
Vote 021: East African Community	Project 1005: Strengthening Ministry of EAC Affairs	Ministry of EAC Affairs Headquarters
Vote 108: National Planning Authority	Project 0361: National Planning Authority	National Planning Authority and all planning units in all the above LGs
Vote 122: Kampala Capital City Authority	Project 0115: LGMSD (Local Government Management Service Delivery)	KCCA Headquarters
Vote 146: Public Service Commission	Project 0388: Public Service Commission	Public Service Commission and all DSCs in the above LGs
Vote 147: Local Government Finance Commission	Project 0389: Support Local Government Finance Commission (LGFC)	Local Government Finance Commission and all above LGs

Source: Authors compilation

12.1.4 Limitation

Lack of detailed quarterly departmental work plans, performance targets and reports for sectors/ programmes.

12.2 Vote 003: Office of the Prime Minister

Six projects were monitored to assess semi-annual performance in the FY 2017/18 namely: i) Dry Lands Intergrated Development; ii) Humanitarian Assistance; iii) Karamoja Integrated Development Programme (KIDP); iv) Post-War Recovery and Presidential Pledges; (v) Support to Luwero Rwenzori Development Programme (LRDP); (vi) Support to Bunyoro Development. OPM is the coordinating agency for all these projects. The performance is presented hereafter.

12.2.1 Project: 1317 Drylands Intergrated Development Project

Background

The project overall goal is to contribute to increased income and reduce poverty among the pastoral and agro-pastoral population in Uganda with a development objective of strengthening the livelihood and reduce vulnerability of pastoralist and agro-pastoral communities in Southern Karamoja sub-region. The dryland project is implemented through Millennium Promise Alliance Inc. (MPA)-a non-profit International Organization solely committed to supporting the achievement of the Sustainable Development Goals in Uganda.

The project period is from 2014 to 2019 and is implemented in four sub-counties namely; Nadunget in Moroto district, Lorengedwat in Nakapiripit district, Lotome in Napak district and Loroo in Amudat district.

Performance

The funding is comprised of Islamic Development Bank (IDB), Islamic Solidarity Fund for Development (ISFD), with the Government of Uganda as counterpart funding. Table 12.3 shows a summary of fund utilization as at 31st December, 2017.

Table 12.3: Summary of fund utilization as at 31st December 2017

	Components and Activities	5 Yr Budget (US$)	Allocation (US$)	Utilization (US$)	% utilized
1	Enhancing Productivity of Livestock and Dryland Faming	4,770,000	985,500	751,577.91	76
2	Building Rural and Market Infrastructure	5,100,000	666,940	329,390.34	49
3	Improving access to health care and nutrition	3,190,000	1,165,424	1,190,486.25	102
4	Improve access to education in rural areas	3,460,000	661,036	693,569.13	105
5	Support to Community Business Development	1,710,000	406,350	384,995.21	95
6	Project Management Unit and Audit	3,370,000	2,656,156	3,058,934.32	115
	Total	**21,600,000**	**6,541,406**	**6,408,953.16**	**98**
7	Contingency	3,300,000	-	-	0
	Grand Total	**24,900,000**	**6,541,406**	**6,408,953.16**	**98**

Source: Dry Lands Project Progress Report, January 2018

Funds released for activities against the donor component were all spent (98%) which was good release and absorption.

The approved GoU budget for the dry lands project for FY 2017/18 was Ug shs 1.277 billion, of which Ug shs 218 million (17%) was released and spent by 31st December 2017. This was poor release but good absorption. Funds for GoU were used for payment of salaries and NSSF contribution, facilitation for consultancy services, design and supervision on civil works, and vehicle servicing and maintenance.

Performance

The physical performance of the project was fair at 60.9% for both donor and GoU funding against 97% funds absorption. This was evident in completed civil works for two outpatient departments (OPD), one maternity, one general ward, four-unit staff houses, and two community access roads (2). Since inception, the project has completed seven infrastructures which were handed over to the respective DLGs as shown in table 12.4.

Table 12.4: Performance of Dry Lands Project under the donor component as at 31st December 2017 in US$

Output	Annual Planned Quantity	Annual Output Budget	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Component 1: Enhancing productivity of dry land agriculture and livestock	15	985,500	12	20.292	A total of 86 improved heads of cattle; 150 goats and 15 bucks of galla breed of goats were procured and distributed to 241 beneficiaries. Trainings on productive and profitable management of the goats through on-farm demonstrations (72 beneficiaries); utilization of artificial insemination (96) and; animal disease control methods (316) were conducted. Veterinary mobile clinics were supported with 667 litres of fuel; visits were conducted by extension workers with 82 heads of cattle treated against tick borne diseases. Mass deworming was conducted in Lorengedwat and Loroo sub-counties; 8 community awareness meetings were conducted on community based rangeland management initiative. 3,400 fruit seedlings of citrus and guava were distributed to 180 farmers; and 44

					students under mid-level training in agriculture were recruited and supported with scholarships.
Component 2: Building rural and market infrastructure	10	666,940	3.3	5.665	17 culverts lines were constructed on the 19.2Km Lorengedwat-Kodonyo roads which are now in use. Kangole-Lotome-Lorengedwat Road (16.5km) Community Access Road in Napak and Nakapiripirit districts was completed and in use. Contracts for 2 sets of roads, establishment of 15 micro-grid community solar systems was awarded whereas Bills of Quantities (BoQs) for the construction of 4 milk collection centers and construction of 10 valley tanks was secured.
Component 3: Improving access to basic social services (Health and education)	18	1.826	11.5	29.695	A total of 74 health scholarship beneficiaries were enrolled; and 4 health personnel within Looro sub-county, Amudat District were supported with allowances. Kalokengel HC II and Acherer HC II were constructed and operational; and 2 mentoring sessions for health care were conducted for the staff. 2,904 pupils sat for term II standardized exams (P.4, P.5, P.7 and P.6) and (P.4, P.5 and P.6) for term III prepared by the project. 39.864 tonnes of corn soya blend and sugar were procured and delivered to schools.
Component 4: Support community business development	9	406,350	4.5	5.229	Job trainings were conducted for SACCO staff at the various locations with 4 managers, 4 sales persons and 3 cashiers/accountants. Produce cooperatives harvested 27,721.5kgs of grain. 1,288 persons (931 males, 357 females) attended the AGMs in two of the sub-counties; 52 scholarship beneficiaries of vocational training were recruited and

					supported; 297 local council leaders were facilitated to a project monitoring trip through the 4 sub-counties.
Total		**3,885,250**			
Overall weighted physical performance score				**60.9**	**Fair performance**

Source: IFMS data, Dry Lands Progress reports; field findings

Table 12.5: Completed Civil works of the Dry Lands Project as at 31st December, 2017

S/n	Category	Contractor	Contract amount (ug shs)	Amount paid todate (ug shs)	Remarks/progress todate
1	Construction of the Kalokengel OPD-Emergency Delivery, 4 stance VIP latrine & a Placenta pit at Lotome S/County in Napak District	M/S Technoplus (U) LTD	325,172,226	297,477,343	Completed and handed over to Napak DLG.
2	Construction of Nadunget Health Centre III operating theatre in Nadunget sub-county, Moroto District	M/S Gumare General Stores LTD	258,685,864	235,797,830	Completed and handed over to Moroto DLG.
3	Construction of the Acherer HC II 4 Unit Staff House and Placenta pit in Nadunget sub-county, Moroto District:	M/S BMK (U) LTD	336,513,887	298,082,079	Completed and handed over to MDLG.
4	Construction of the Achorichor HC II Maternity Ward, Placenta Pit and the Loroo HC III placenta pit at Loroo sub-county, Amudat District.	M/S HRN Business Services Ltd	230,612,468	194,022,845	Completed and handed over to Amudat DLG.
5	Construction of the Kodonyo-Lorengedwat (19.2km) Community Access Road in Moroto and Nakapiripirit districts.	M/S Isendha Investments LTD	509,170,024	435,255,986	In use by the communities of Nakapiripirit
6	Rehabilitation of the Kangole-Lotome-Lorengedwat Road (16.5km) Community Access Road in Napak and Nakapiripirit districts.	M/S BMK (U) Ltd	522,500,601	481,401,905	Completed and opened to use by community.
7	Construction of the Lorengedwat HC III General Ward, 3 Unit Staff House and Placenta pit at Lorengedwat sub county in Nakapiripirit district	M/S RMF Engineering Services LTD	572,733,326	534,927,537	Completed and opened to use by community.

Source: Dry Lands Project progress report/field findings; January 2018

The operating theatre in Moroto and the general ward in Nakapiripirit districts were visited and the quality of civil works on completed infrastructures was good sa shown in pictures.

Completed Operating Theatre at Nadunget Health Centre III in Nadunget sub-county, Moroto District

Completed General Ward at Lorengedwat HC III in Lorengedwat sub-county, Nakapiripirit District

However, there are 20 on-going projects that included six staff houses , five classroom blocks, five administration blocks, one emergency delivery unit, six dormitories, and one general ward of which six were sampled in Moroto, Napak and Nakapiripirit districts. Total of funds on ongoing contracts amounted to Ug shs 6,861,741,687 of which nine contracts worth Ug shs 227,839,137 were paid as at 31st December 2017. The quality of works on visited sites was good.

A four unit staff house at Loroo Primary School in Loroo sub-county, Amudat District

A three classroom block at Kamaturu Primary School in Lorengedwat sub-county, Nakapiripirit District

Challenges

- Delayed release of donor funding affected timely implementation of planned outputs.
- Inadequate and untimely release of GoU funding. Only 17% out of 50% of funds were released and this has affected implementation of planned outputs.

- Delays by IDB to provide a "No Objection" for procurements on infrastructure. For example the project tendered in a request in November 2017 and this was not effected by IDB to date, hence some civil works had not yet commenced.

Recommendations

- The IDB should set realistic timelines in the release of funds to ensure projects are implementated on schedule.
- The MFPED should revise the GoU budget upwards for effective implementation of outputs within the project period.
- The IDB should review their systems so that "No Objection" on procurements are completed on time.

12.2.2: Project 0922: Humanitarian Assistance

Background

The project objective is to coordinate timely response to disasters and provide food and non-food relief to disaster victims. The relief food items include maize, beans, rice and other assorted foods while the non-food items include tarpaulines and blankets. The project period is with effect from 1st July, 2017 to 30th June, 2020.

Performance

The approved GoU budget for FY2017/18 was Ug shs 5.528 billion, of which Ug shs 3.182 billion (58%) was released and spent by 31st December 2017. This was good release and absorption.

The physical performance was poor at 30.5% against funds absorption of 100%. Apart from relief procured and distributed; there were high expenditures worth Ug shs 848 million spent on agricultural supplies not planned for. Table 12.6 shows the detailed performance.

Table12.6: Performance of the Humanitarian Assistance Project as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
IDPs returned and resettled, Refugees settled and repatriated					
Establishment of social amenities on procured land; Boundaries opened; and high monumental mark stones fixed on the procured land Resettlement of	3	1.876	0	0	Activity implemented was not in line with the planned output. Funds worth Ug shs 848 million were spent on opening up boundaries of the disputed resettlement land in Kyegegwa. The core planned output of resettlement of landless persons;

displaces and landless persons across the country;					and establishment of social amenities were not implemented.
Relief to disaster victims					
(Procurement and distribution of relief food 500 MT(maize, beans, rice); and 2,000 non-food items tarpaulins ,jerrycans, plates, cups and blankets)	2	2.239	1.40	28.360	Funds worth Ug shs 1.9 billion were spent on procurement of agricultural supplies for disaster affected communities in districts. 200 out of 500 (40%) metric tons of relief food and 8,760 out of 2,000 (4%) assorted non-food commodities were distributed to disaster victims in 31 districts. Omoro, Katakwi, Ngora, Rukungiri Sironko, Amuria, Kaberamaido, Butaleja, Bududa, Rubanda, Kisiizi, Rukiga and Koome Island among others.
Government Buildings and Administrative Infrastructure					
Commencement of phase I of large central relief warehouse undertaken	1	1.162	0.1	2.102	Construction of the foundation with hardcore stones and marrum in the swampy area where Ug shs 239 million was spent.
Purchase of Motor Vehicles and other transport equipment					
Purchase of vehicles	1	0.250	0	0	Funds not released hence output was not achieved.
Total		**5.528**			
Overall weighted physical performance score				**30.5%**	**Poor performance**

Source: IFMS data/OPM Project report/ field finding February 2018

Interviews were carried out with beneficiaries in Omoro, Amuru, Rubanda, Rukungiri, Katakwi, Bulambuli, Sironko and Wakiso districts who confirmed receipt and use of relief food and non-food items. The Toro-Bunyoro region was mostly affected; whereas Busoga region was least affected according to the disaster response as shown in table 12.7.

Table 12.7: Distribution of food by region by 31st Decemeber, 2017

Region	Maize flour (bags of 100kgs)	Beans (Bags of 100kgs)	Rice (bags of 50kgs)	Others (Blankets, simsim, fortified foods) Boxes /pieces	No. of districts
Acholi	250	105	1,230	120	06
Ankole-Kigezi	680	70	2,850	440	07
Buganda	100	30	2,450	1,800	05
Bugisu	1,450	200	-	-	05
Busoga	-	-	200	-	01
Samia	100	-	1,400	-	01
Teso	1,050	400	3,400	-	03
Toro-Bunyoro	2,250	460	2,000	6,400	02
MDAs Ministry of Gender	-	-	500	-	01
Total	**5,580**	**1,265**	**14,030**	**8,760**	**31**

Source: Humanitarian Assistance Progress reports; field findings

The Namanve OPM stores are located in a low lying area that is affected by floods. However, investors in the neighbourhood have further raised the ground levels of their plots forcing water to settle on the OPM stores compound and as a result additional backfilling on the foundation with hardcore and murrum was done as shown in the pictures.

L-R: Parking yard at Namanve stores; Pouring of hard core and murram at the park yard; Levelled park yard at Namanve stores

Challenge

Realloction of funds to unplanned activities: Instead of IDPs returned and resettled, opening boundaries in Kyegegwa district was done and funds worth Ug shs 836 million were spent.

Recommendation

The OPM planning unit and the respective department should implement activities related to the planned outputs to ascertain value for money.

12.2.3: Project 1078: Karamoja Integrated Development Programme (KIDP)

Background

The project objective is to contribute to human security and promote conditions for recovery and development in Karamoja and is implemented in Abim, Amudat, Moroto, Nakapiripirit, Kotido, Kaabong and Napak districts. The project period is from 1st July 2015 to 30th June 2020. Amudat, Napak, Nakapiripit and Moroto districts were sampled and monitored to assess performance and findings are presented below.

Performance

The approved GoU budget for FY 2017/18 was Ug shs 12.138 billion, of which Ug shs 2.508 billion (21%) was released and Ug shs 1.903 billion (76%) spent as at 31st December 2017. This was poor release and good absorption.

The physical performance was poor at 23% against funds spent. Most funds were spent to clear debts under Pacification and Development and for contractors of the girls' dormitories in Moroto, Nakapiripirit and Amudat districts. The girls' dormitories are rollover projects from FY 2014/15 in Amudat and Nakapiripit districts and to date are still incomplete despite the release of funds. The construction of kitchens never commenced. Table 12.8 shows the detailed performance as at 31st December 2017.

Table 12.8: Overall Performance of KIDP as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Pacification and Development					
1,400 Oxen; and 1,200 Heifers procured and distributed	3	2.640	0	0	No output was implemented, however funds worth Ug shs 666 million were spent. No details on expenditure were availed.
Transfers to Government Units					
Parish valley tanks constructed; Cattle breeds improved at Nabwin ; Uganda Prisons supported; Irrigation water provided to 2	7	5.133	3	18.127	Funds worth Ug shs 414 million were spent by OPM. Dispatched funds worth Ug shs 20 million to Matany Hospital in Napak district as a one off support on operations;

nfarmers; Support to Health Infrastructure; 10 Micro projects supported; procurement of improved seeds					Funds worth Ug shs 348 million were disbursed to Uganda Prisons Headquarters as support to Namalu Prisons for increased production of maize, however only 4 million was received to Namalu Prisons. Provided support on cattle breed improvement which was ongoing in Nabwin under NARO.
Government Buildings and Administrative Infrastructure					
6,000 iron sheets; 50 Ox –ploughs; 6. 10,000 hand hoes procured and distributed; Construction of four dormitories in Karamoja districts and eight kitchen blocks for education infrastructure; Karamoja regional estates (formarly KALIP) residential buildings renovated 10 cattle crushes constructed in the districts of Kaabong, Kotido and Abim	7	4.043	1	4.760	Ug shs 500 million out of Ug shs 890 million was spent on payments to contractors for the: dormitories) to M/s BMK and M/s Yovel Ltd; M/s Plan World Ltd. The girls' dormitory at Moroto High School was completed, whereas those at Lolachat and Alapat Primary School in Nakapiripit and Karita Primary School in Amudat were at 80%. So far, the contractor has been paid Ug shs 320 million against a contract sum of Ug shs 520 million Contractor M/s BMK Ltd for construction of six kichens in Lobalangit and Kopoth P/S in Kaabong; Alerk in Abim; Nakwakwa in Kotido; Lolachat in Nakapiripit; Karita in Amudat had not commenced. Only materials were deposited on sites. The 10 cattle crushes were not constructed.
Purchase of Motor Vehicles and Other Transport Equipment					

Purchase of a Vehicle for the Minister	1	0.320	0	0	No vehicle was procured according to KIDP; however Ug shs 291 million was spent.
Total		**12.137**			
Overall Weighted Physical Performance Score				**23%**	**Poor performance**

Source: IFMS data; OPM progress report and field findings

Civil works under Contractor M/s Plan World Ltd for the girls' dormitory at Karita Primary School in Amudat, and Lolachat Primary School in Nakapiripit were ongoing, the buildings were roofed pending door and window fixtures and frames; screeding and plastering. The outstanding balance for the contractor is Ug shs 200 million. The dormitory at Moroto Girls School constructed by M/s BMK was completed and quality of works was good.

Completed girls dormitory at Moroto High School in Moroto District

Rollover project of girls' dormitory at Lolachat Primary School in Nakapiripit District

Challenges

- Most activities implemented are not in line with the planned outputs. For example funds were used to clear debts under Pacification output instead of procuring oxen and heifers.
- Funds worth Ug shs 348 million were released to Namalu Prisons by OPM through the Prisons Head Office and only Ug shs 4 million was remitted.
- Persistent non-completion of projects such as the girls' dormitories and kitchens.

Recommendations

- The OPM Planning Unit and the project team should harmonize the planned outputs with the activities if the project has to achieve its intended objective.
- The OPM should investigate the Ug shs 348 million released to Prisons Head Office and not accounted for.
- The OPM should investigate why the kitchens were never constructed despite release of an advance and persistent non-completion of the girls' dormitories that may attract litigation in the future.

12.2.4 Project 1252: Support to Bunyoro Development

Background

The project objective is to support households to improve their livelihoods and improvement of socio-physical infrastructure which is implemented in Hoima, Kibaale, and Bullisa, Masindi, Kiryandongo, Kagadi and Kakumiro districts. The period is 01st July 2010 to 30th June 2020.

Performance

The approved GoU budget for FY2017/18 was Ug shs 439.250 million, of which Ug shs 149.293 million (34%) was released and Ug shs 145.655 million (97.5%) spent as at 31st December 2017. This was poor release but good funds absorption.

The physical performance was poor at 19.5%. No planned outputs were achieved. Table 12.9 shows detailed performance as at 31st December 2017.

Table 12.9: Performance of Support to Bunyoro Development as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Pacification and development					
10,000 hand hoes procured and distributed	2	0.149	0.5	16.989	Instead of procuring handhoes, Ug shs 83 million was spent on payment of contract staff. Only 2 staffs operate at the regional office (a pool stenographer and office attendant).
Transfers to Government Units					
100 Micro projects to enhance household	2	0.290	0.075	2.476	Out of Ug shs 62 million, Hoima DLG received ony Ug shs 8.8 million for the bodaboda group in Kigorobya

incomes for youth, women & PWDs supported. 5 Crop nursery operators in the sub-region supported					sub-county, while Masindi Municipal Council received Ug shs 28 million. The funds had not yet been received by the beneficiares by February, 2018. The other funds were used for project appraisals and yet this activity was not planned for.
Total		**0.439**			
Overall weighted physical performance score				**19.5%**	**Poor performance**

Source: IFMS data and OPM progress reports; field findings

The Boda Boda group was sampled and visited in Kigorobya sub-county, Hoima district. It was yet to receive the funds from the district account. The funds were still awaiting approval by the district council.

Challenges

Bodaboda beneficiary group in Kigorobya sub-county, Hoima district

- Lack of serious follow ups by OPM project team on the implementation of operational guidelines and signing of MoUs between OPM and the respective seven districts in Bunyoro thus affecting the smooth running of the project.
- Inadequate staff as the Regional Office has only two contract staff; a pool Stenographer and an Office Attendant.
- The OPM did not involve the district focal point persons and various stakeholders in the region in the initial project proposals, budgeting and appraisals of the micro support project proposals resulting in some districts and municipalities not benefitting. Kibaale District and Hoima Municipality amongst others had never benefited.
- Lack of technical staff based at the Bunyoro regional offices to coordinate the project. Only an office attendant and a stenographer were at the office.

Recommendations

- The OPM should ensure that the operational guidelines are distributed and implemented by the Chief Administrative Officers, District Focal point persons, sub-county chiefs, and beneficiaries in the respective districts. MOUs should be signed with the respective districts for smooth operations of the project.

- The initial planning and project appraisal of micro projects should be initiated at the DLGs and the Bunyoro Regional Office not OPM for smooth operations and impact of the project.
- The OPM should recruit project staff to be based at the regional offices that were specifically renovated for coordinating the project.

12.2.5 Project 0022: Support to Luwero Rwenzori Development Programme (LRDP)

Background

The project objective is to enhance household incomes and is implemented in 43 districts[48] in the sub-regions of Luwero and Rwenzori Triangle.The project period is 01st July 2015 to 30th June 2020.

Performance

The approved GoU budget for FY 2017/18 was Ug shs 2.565 billion, of which Ug shs 470.852 million (18%) was released and Ug shs 305.064 million (65%) spent by 31st December 2017. This was poor release and fair funds absorption.

The physical performance was poor at 42% against the good funds absorption. Only civil works at the regional office in Luwero district were completed. Funds worth Ug shs 183 million for 18 out of 50 microprojects had not reached actual beneficiaries, as they were still on district accounts awaiting validation. Luwero, Kyankwanzi and Wakiso districts were visited. Table 12.10 shows the detailed performance as at 31st December 2017.

Table 12.10: Performance of Support to LRDP as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Coordination of implementation of LRDP					
Contract staff salaries paid	1	0.02	0	0	Funds worth Ug shs 8.5 million were spent on contract staff salaries paid for Q1 and Q2. This activity is not related to the output of coordination.
Transfers to Government Units					

[48] Bundibujo,Ntoroko,Kasese,Kabarole,Kyenjojo,Kyegegwa,Mityana,Mubende,Luwero,Nakasongola,Nakaseke,,Kyankwanzi,Kiboga,Wakiso,Mukono,Kibaale,Butambala,Bukomansimbi,Gombe,Buvuma,Kalangala,Kayunga,Kiruhura,Kiryandongo,Mpigi,Kalungu,Lwengo,Masaka,Masindi,Rakai,Hoima,Bullisa,Insingiro,Ibanda,Lyantonde,Sembabule,Buikwe, Kamwenge,Mbarara

50 Micro projects to enhance household incomes for youth, women, veterans and PWDs supported. Parish Cooperative Association (PCA) Model project established and supported.	2	1.65	0.76	24.370	Funds worth Ug shs 183 million were spent on payments to 18 micro projects in the districts of Luwero, Nakaseke, Kyankwanzi, Rakai, Wakiso, Kasese, Butambala, Gomba, Kabarole, and Nakaseke. However, the beneficiaries had not received the funds because the District Councils had not yet approved the supplementary budgets.
Government Buildings and Administrative Infrastructure					
Regional Office Constructed War monuments renovated	2	0.90	1	17.544	Out of Ug shs 246 million, a total of Ug shs 112 million was spent on contractual obligations for civil works on the Regional office in Luwero district.
Total		2.57			
Overall weighted physical performance score				**42%**	**Poor performance**

Source: IFMS data and OPM progress reports; field findings

The regional office was visited in Luwero district and quality of works was good.

Challenges

- Poor planning: There were no clear work plans, performance targets and reports to ascertain value for money. For instance contract salaries were paid against the output of coordination, and projects were appraised in districts with no reports available.
- Delays in remitting indicative planning figures of Micro projects to DLGs thus delaying implementation of Micro pojects.
- Lack of staff to operationalize the Luwero Regional Office

Completed Regional Office at Luwero district Headquaters under Support to LRDP

Recommendations

- The OPM project team and the planning unit should develop clear workplans, targets and reports for the project
- The MFPED should remit the Indicative Planning Figure to OPM of micro support projects to Local Governments for timely implementation of the projects.
- The OPM should recruit a technical team to be based in the regional office in Luwero
- The OPM through the HR department and the planning unit should harmonize the contract salaries.

12.2.6 Project 0932: Post-War Recovery and Presidential Pledges

Background

The project objective is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Northern Uganda and Karamoja regions and reducing vulnerability of women, youth, PWDs, children, ex-combatants, elderly and other groups by supporting them out of poverty. The coverage includes 55 districts and nine municipalities in the greater North covering eight sub-regions of West Nile, Acholi, Bunyoro, Lango, Teso, Karamoja, Elgon and Bukedi.

The approved GoU budget for FY 2017/18 was Ug shs 28.007 billion, of which Ug shs 4.719 billion (17%) was released and Ug shs 3.852 billion (82%) spent by 31st December 2017. This was poor release but good funds absorption.

Performance

The physical performance was poor at 46.1% against good funds absorption. Despite the high expenditures, there was less implementation of planned outputs. Only Serere District out of the 55 districts received 209 cattle as at 31st December 2017. Most funds under the coordination output were spent on meetings; reallocations to clear outstanding unexplained arrears for agricultural items procured in the FY 2016/17. Table 12.11 shows the detailed performance.

Table 12.11: Performance of Post War Recovery project as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Implementation of PRDP coordinated and monitored					
Meetings held; vehicles maintained; computers, printers procured, PRDP documentation printed and activities publicized and disseminated	5	3.557	2.375	6.033	Three meetings were held; one to draft operational manual for DDEG Livelihood component; to review the Japanese Overseas Development Assistance (ODA) in Northern Uganda; and MS/NUR and Alebtong DLG to review management of agriculture tractors for Alebtong farmers group.

Staff in Northern Uganda department trained in procurement, record keeping, and performance enhancement					A total of Ug shs 742 million was spent with high expenditures on allowances (Ug shs 135 million); workshops and seminars (Ug shs 114 million); and tavel inland (Ug shs 179 million).
Pacification and Development					
15,000 hand hoes and 5,000 iron sheets procured and distributed Bench-marking study visits in developing countries undertaken Poor households and religious institutions targeted and supported with startup funds	4	1.1	1	0.982	A total of Ug shs 184 million was spent on procurement of 15,000 handhoes, Ug shs 30 million to clear outstanding bills for transportation of Presidential pledges and post war recovery items for distribution for FY 2016/17. Core activities under this output were not undertaken
Restocking Programme					
Procuring and distribution of cattle, monitoring visits to beneficiary districts	2	20	1.011	36.098	A total of Ug shs 958 million was spent on payments for cattle. Serere (209 cows) at Ug shs 198 million); Ug shs 309 million was spent on 316 cattle for Kumi; and Ug shs 450 million on 375 ankole long horned cows for Nwoya. Serere District was sampled and 209 were delivered to beneficiaries including women, elderly youth and PWDs. Disbursed operational funds to 55 LGs (Ug shs 840 million) for operations districts visited confirmed receipt.
Transfers to Government units					
Support to NYUDC to enhance vocational skills development	1	1.2	0.27	1.253	Disbursed Ug shs 352m for to National Uganda Youth Development Centre for skills development such as catering, sewing, building and construction.
Government Buildings and Administrative Infrastructure					
Construction of the palace and council hall for Alur kingdom; Lango Chiefs complex; and housing for selected beneficiaries Renovation of OPM Gulu	4	1.9	1	1.696	A total of Ug shs 501 million was spent. Ug shs 477 million on payments for construction of houses in Nebbi (2) and Alebtong (1) which were completed and handed over, and Serere (2) that was at finishes level. The quality of works was good and beneficiaries were satisfied.

regional office					
Total		28.007			
Overall weighted physical performance score				**46.1%**	**Poor performance**

Source: IFMS data; OPM progress reports; and field findings

The new accommodation for teachers in Serere District was visited. The beneficiaries appreciated the descent accommodation. Civil works were ongoing and the quality of works on infrastructure was good.

Old residence of one of the teachers in Serere District

Newly constructed residence for teachers in Serere District

Challenges

- Poor planning resulting in persistent reallocations of funds against unplanned activities. For example under Pacification and Development output, Ug shs 30 million was spent on clearing outstanding bills for transportation of Presidential pledges and post war recovery items.
- Delays in supply of cattle by the contracted suppliers. By January 2018, only Serere District out of 55 districts had received 209 cattle.

Recommendations

- The OPM Planning Unit and the project team should develop clear workplans, targets and budgets for the project.
- The OPM Procurement Unit should select competent suppliers for the project contracts.

12.3 Vote 005: Ministry of Public Service

12.3.1 Public Service Programmes (Reforms)

Background

The main objective of the Public Service reform programme is "to support transformation of the Public Service so that it is affordable, efficient, accountable and responsive to the needs of the clients" and to support Ministry of Public Service to ensure efficient and effective utilization of the human resources. Ministry of Public Service spearheads the following reforms: Civil Service College, National Archives and Records Centre (NARC) and Performance Management. Whereas MFPED MoPS, Local Governments and Ministries, Departments and Agencies spearhead the decentralised wage, pension and gratuity reforms:

The approved budget for development and recurrent outputs for FY 2017/18 was Ug shs 10.056 billion, of which Ug shs 3.406 billion (34 %) was released and Ug shs 1.432 billion (42%) spent by 31st December 2017. This was poor release and absorption.

Performance

The physical performance was poor at 29.7%. There are still persistent duplicated outputs such as MDAs and LGs Capacity Building under Human Resource Development and Human Resource Management and the Civil Service College with allocated resources. Additionally, a total of Ug shs 489 million was used for capacity building under the development component yet this is a recurrent activity. The Civil Service College and the National Archives budgets are under MoPS and this affects smooth operations of the public service reforms. Detailed performance is shown in table 12.12.

Table 12.12: Overall Performance of MoPS as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
MDAs and LGs Capacity Building	1	0.900	0.5	4.475	A total of Ug shs 489 million was spent on capacity building, however this is a duplicated output.
Ministerial and Support Services	2.00	0.490	1.50	2.438	A total of Ug shs 73 million was spent on Q.1 and Q.2 lease fees for 6 printers; and fuel and lubricants.
Government Buildings and Administrative Infrastructure	3.00	1.550	1	5.138	Ug shs 14.7 million out of the Ug shs 3 billion was paid for civil works on non-residential buildings.

Purchase of Motor Vehicles and Other Transport Equipment	1	0.500	0.5	2.486	Under procurement.
Purchase of Office and ICT Equipment, including Software	1	1.602	0	0	Still under procurement process.
Purchase of Office and Residential Furniture and Fittings	1	0.340	0	0	No funds released
MDAs and LGs Capacity Building	4	1.056	1	2.627	Though this is a training component, most funds were spent on allowances, travel inland, and welfare and entertainment
Public Service Performance management	3	0.342	1.4	1.585	16 of 57 (28%) MDAs and LGs were supported on implementation of performance management initiatives, however no reports were available.
Management of the Public Service Payroll and Wage Bill	2	0.301	1	1.497	Although Payroll Deductions Management Guidelines were developed and disseminated to 135 MDAs and 162 LGs, and 57 LGs were trained and guided in Wagebill, Payroll, Pension and Gratuity Management, there are still wage short falls every quarter.
IPPS Implementation Support	3	2.485	1.4	11.534	The IPPS was rolled out to 3 out of 20 Votes (Makerere University Kampala (MUK), Makerere University Business School (MUBS) and Kyambogo University); Structures for 51 MDAs & LGs were updated on the IPPS out of 100% yet over Ug shs 490 million was spent.
Implementation of the Public Service Pension Reforms	2	0.794	1	2.430	71 Votes were trained in decentralized management of active and pension payroll
Overall weighted physical performance score				**29.7%**	**Poor Performance**

Source: IFMS data; MoPS progress report and field findings

The NARC under MoPS, was constructed to create sufficient space to accommodate and manage public records/archives of the country, decongest record centers, assure proper retention and disposal of records, and provide secure economical storage and rapid retrieval of inactive records. However the intende objective is not being achieved as the facility lacks staff and mobile shelves for operationalization and poor coordination between LGs and the NARC. For instance, in most LGs monitored records centres and registries are over congested despite the existence of NARC.

Records Centre completely full to capacity in Hoima District

Completed but not fully functional NARC Building at Nakasero, Kampala

Challenges

- MDAs and LGs Capacity Building output is still duplicated under Human Resource Development, Human Resource Management and Support to MoPS (development project) and the Civil Service College with allocated resources which is a wastage of public resources.

- Despite the hefty investment in the Civil Service College and the National Archives Records Centre, there is still uncoordinated capacity building.

- Constant wage and gratuity shortfalls in LGs. In all LGs visited, this problem still persists despite the submission of recruitment plans and staff lists to MFPED and MoPS and this is attributed to human resource forecasts based on the month of May payrolls used by MFPED to determine the IPFs and yet in some cases there are ongoing recruitments. In some instances it was due to inadequate releases from MFPED especially on gratuity. For example, Masaka district had a gratuity shortfall of Ug shs 1. 478 billion. Districts of Hoima, Rukungiri, Bugiri, Moroto, Napak, Kayunga, Nakapiripirit, and Entebbe MC, Kiira MC, Lugazi MC also had shortfalls.

- Shortage of staff in strategic positions especially in LGs, despite the release of funds by MFPED for recruitments. This is evident in the departments of Engineering, Production, Planning, Environment, Community. Most LGs wasted funding advertising more than thrice, but had failed to attract staff because of the rigid structures that lack positions at Principal level, and yet this was a requirement in the job description that most officers lack.

- Lengthy procurement processes delayed purchase of office and ICT, and office and residential furniture.

Recommendations

- The planning unit together with Heads of Departments should develop clear plans and performance targets to avoid duplication of outputs.
- The MoPS through the Department of Capacity Building and Planning should develop the strategic needs analysis and plan for the public sector that should be used by the Civil Service College.
- The Civil Service College and the National Archives and Records Centre (NARC) should be given administrative and financial autonomy for smooth running of its operations. This will strengthen supervision and inspection functions of institutions through improved coordination to harness the existing resources.
- The MFPED and MoPS should conduct an analysis of recruitment plans submitted from MDAs and LGs and use these as a basis of release funds to avoid wage shortfalls.
- The MoPS through the Management Sevice Department should critically review the staffing stuctures of the following departments in LGs: Engineering, Community Environment, Audit, and Finance which all lack positions at Principal level.
- The MoPS and procurement unit should hasten procurements so that outputs are implemented on time.

12.4 Vote 011: Ministry of Local Government (MoLG)

Introduction

The Vote's Mission is to coordinate and support LGs in a bid to provide efficient and sustainable services, improve welfare of the people and eradicate poverty. The Community Agricultural and Infrastructure Improvement Project-III; Urban Markets and Marketing Development of the Agricultural Project (UMMDAP); Support to MoLG and Project for Restoration of Livelihoods in Nothern Region (PRELNOR) were sampled and visited.

12.4.1: Project 1236: Community Agriculture Infrastructure Improvement Programme (CAIIP-III)

Background

The project objectives are to enhance farmers' access to markets, attract competitive prices and increased incomes through investments in rural infrastructure and their sustainable management by well mobilised communities. The key components implemented included; rehabilitation of community access roads, agro-processing facilities and installation of grid power.

CAIIP III is implemented in 68 sub-counties in 31 districts in Western, Northern, Central and Eastern Uganda[49]. The project start date was April 2012 and end date was 31st December, 2017.

Performance

ADB and IDB loan performance

Table 12.13 shows the disbursements as at 31st December 2017. Both release and absorption capacity were good.

Table 12.13: ADB Loan Performance from 1st July to 31st December 2017 (UAC)

Category	Allocation	Disbursed	Commitments	Total Disbursements	% Actual Disbursed	% Disbursed (including commitments)
	UAC	UAC	UAC	UAC		
Goods	3,119,000	2,940,393	159,005	3,099,399	94	99
Works	34,622,000	32,443,814	2,026,214	34,470,028	94	100
Services	1,179,000	849,660	107,615	957,275	72	81
Operating Costs	1,080,000	711,020		711,020	66	66
	40,000,000	36,944,887.9	2,292,834.1	39,237,721.9	92	98
Special Account		1,310,437	(1,310,437)	-		
	40,000,000	**38,255,325**	**982,397**	**39,237,722**		**98**

Source: MoLG, CAIIP III Progress Reports September 2017

The IDB loan expenditure as at 31st December 2017 is shown in table 12.14.

Table 12.14: IDB Loan Performance as at 31st December 2017

Component	Allocation	Disbursed	Commitments	Uncommitted	% Actual Disbursed
	US$	US$	US$	US$	
Rural Infrastructure	6,040,000	5,547,188	-	492,812	91.8
Studies and Supervision Consultancy	550,000	347,219	-	202,781	63.1
Programme Management and Capacity Building	270,000	207,219	-	62,781	76.7
Start Up workshop	230,000	13,698	-	216,302	6.0

[49] Apac, Bugiri, Kabarole, Kamwenge, Kanungu, Kasese, Buhweju, Bundibugyo, Bushenyi, Busia, Hoima, Ibanda, Isingiro, Kabale, Kiruhura, Kisoro, Kole, Kyegegwa, Luwero, Masindi, Mayuge, Mbarara, Mitooma, Nakaseke, Namayingo, Ntoroko, Ntungamo, Oyam, Rubirizi, Rukungiri and Sheema district.

Contingencies	910,000	-	-	910,000	-
	8,000,000	6,115,323	-	1,884,677	-
Special Account		175,721	175,721)		
	8,000,000	6,291,044	175,721)	1,884,677	-
Percentages		**78.6%**	**-2.2%**	**23.56%**	**78.64%**

Source: MoLG, CAIIP III Progress Reports March 2018

GoU Performance

The approved budget for FY 2017/18 was Ug shs 2.498 billion, of which Ug shs 696 million (28%) was released and Ug shs 546 million (78%) spent by 31st December, 2017. This was poor release but good absorption.

Funds were spent on social security contributions, travel inland and maintenance of vehicles; and taxes for roads and bridges.

Performance

Physical performance of the project was fair at 64.4%. All the 2,547.5km of community access roads were rehabilitated and in use; 78 out of 79 Agro-Processing Facilities were constructed with machinery installed and tested. Of these 60 were functional with 58 out of 61 APFs connected to grid; although the coffee hullers were not operational because it wasn't season for harvesting coffee, but in other places there were delays by UMEME in installing power from the main line to the facility. Detailed performance is shown in table 12.15.

Table 12.15: Physical Performance of CAIIP III as at 31st December 2017

Component	Planned output	Achieved	% achieved	Remarks
Rural Infrastructure Improvement component			93.2	(Average Performance)
Completion of CARs	2,916.3	2,882.8	98	Good performance. The rehabilitated community access roads were handed over to LGs for use and maintenance under the ADB IDB loans, civil works for the remaining km are at different stages of completion
Completed civil works of APF	79	78	99	78 APF sites have private operators identified.
Installations of machines	79	77	98	77 sites have machinery installed, of which all sites with generators and diesel engines were test run.
Installation of 118 km Grid extension to APFs	61	58	95	Three APFs are awaiting installation of powerlines from the main road to the facility.

sites				
Operationalization of Agro-processing	79	60	76	60 APFs were operational in the various districts under the project.
Community Mobilization			50%	(Average Performance)
Gender, HIV/AIDS sensitization and mainstreaming	1	0.5	50	Process is ongoing.
Organize the training of the Local Artisans in the basics of Operations and Management of the APFs	1	0.5	50	323 infrastructure management trainings (IMTs) with 3,146 members (1,441 women, 1,705 men) formed and trained in all the implementing districts.
Programme Facilitation			50%	
Carry out routine monitoring and support supervision	1	0	50	Monitoring and technical support provided to all the beneficially districts.
Overall weighted physical performance score			**64.4%**	**Fair physical performance**

Source: CAIIP III, MoLG progress reports, field findings

Functional coffee APF in Nyarushanje sub-county, Rukungiri District

Rukungiri, Bushenyi, Busia, Mbarara, Kole and Oyam APFs that were visited were complete and civil works were of good quality; machines for these facilities were installed; however the coffee hullers in Bushenyi were non-functional as it was not yet the season for coffee. The maize facility in Siduka sub-county, Busia District awaits extension of power lines from the main poles.

Challenges

- Delays in connection to the grid. The contractors had applied for energy meters awaiting approval and connection by UMEME.
- Delay in operationalization of APFs affected the intended objective of the project as the districts are still in

Installed maize mill machinery but non-functional in Siduka sub-county, Busia District

the process of recruiting private operators.

Recommendations

- The MoLG and districts should follow up with UMEME to hasten the process of grid connection for functionality and use.
- The districts should hasten the process of recruiting private operators to allow functionality of APFs so that objectives are achieved.

12.4.2 Project 1381: Project for Restoration of Livelihoods in Nothern Region (PRELNOR)

Background

The Project objective is increased sustainable production and climate resilience of small holder farmers with increased and profitable access to domestic and export markets. It is comprised of three components i.e the Rural Livelihoods; Market Linkages, Infrastructure; and Project Management and Coordination, and implemented in Gulu, Kitgum, Lamwo, Agago, Pader, Amuru, Nwoya, Omoro and Adjumani districts.

The project is financed by the GoU, International Fund for Agricultural Development (IFAD) Loan, an Adaptation for Smallholder Agricultural Program (ASAP) grant and beneficiaries' contributions (Table 12.16). IFAD is financing 70.8% of the project costs (US$ 50.2 million); the ASAP grant financing 14.1% of total costs (US$ 10 million); GoU is financing the taxes and duties (US$ 9.2 million, representing 13% of total costs). The Ministry of Local Government (MoLG) coordinates and manages the GoU, IFAD loan and ASAP grants funds which are unified and mainstreamed through all the planned activities.

Loan Performance

Table 12.16: IFAD/ASAP Loan in Ug shs as at 31st December, 2017

COMPONENTS/OUTPUTS	BUDGET	EXPENDITURE	VARIANCE	%
A. RURAL LIVELIHOODS				
A1: Community Planning & Capacity Dev't	3,291,580	195,086	3,096,494	5.93
A2. Priority Climate Resilient Crop Prodn Systems	12,062,605	2,123,104	9,939,501	17.60
Subtotal	15,354,185	2,318,190	13,035,995	15.10
B: MARKET LINKAGES AND INFRASTRUCTURE				
B1: Improved Market Access Processes	2,032,806	97,543	1,935,263	4.80

B.2 Market Access Infrastucture	2,567,695	-	2,567,695	0.00
Subtotal	4,600,501	97,543	4,502,958	2.12
C. Project Mgt & Coordination	5,462,862	553,820	4,909,042	10.14
GRAND TOTAL	**25,417,548**	**2,969,553**	**22,447,995**	**11.68**

Source: PRELNOR Progress Report January 2018

There was low absorption capacity of funds released. This was attributed to delayed procurement processes and identification of staff (designers, consultants).

GoU Performance

The FY 2017/18 budget was Ug shs 1billion, of which Ug shs 210 million (21%) was released and Ug shs 20 million (10%) spent by 31st December 2017. This was poor release and absorption attributed to late release of funds by MFPED.

Performance

Physical performance was fair under the donor component at 58.2%. There was skills training in Agricultural Market Information System and provision of agricultural extension services to 24 farmer groups (20 male and 4 females) in Gulu and Omoro districts. Mentoring of vulnerable households focused on empowering groups towards self-sustainability was rolled out in Nwoya, Omoro and Gulu districts. Table 12.17 shows the detailed performance of the project as at 31st December 2017.

Table 12.17: Performance of PRELNOR under donor as at 31st December 2017

Output	Activity (Detailed description)	Annual Planned Quantity or Target	Cum. Achieved Quantity	Remarks
Component A: Rural Livelihoods	Conduct Experience sharing workshops at sub county level for community based facilitators	25	0	Activity not implemented, but was postponed to Q3
	Conduct Training on Gender Action learning System for project implementers.	2	0	Activity not implemented, but was postponed to Q3
	Preparation and Printing of Gender Action learning System Handbook	600	0	Drafting initiated, final write shop
	Procure and distribute Bicycles for House hold Mentors and community	400	400	400 bicycles procured and distributed to 200 household

	based facilitators			mentors and 200 facilitators.
	Monthly Supervision visits of District Level activities of household mentoring, Farmer groups, Sub-counties per quarter	3	3	3 visits conducted
	Supervision and follow up of Mentors	2	2	2 supervision visits by community development officers, sub-county chiefs and parish chiefs
	Training of community based facilitators in Extension approaches , crop agronomy and Natural Resources Management	200	200	Training ongoing
	Printing and binding of extension handbook	300	0	Activity was not implemented
	Bi-annual review meetings with partners and service providers on Farmer Extension activities	1	1	One review meeting held in January 2018
	Training, Technical Support and Supervision of farmer group activities	600	600	Training, technical support and supervision is ongoing
	Technical Support and Supervision of farmer group activities by district,production and agricultural officers)	600	600	Training, technical support and supervision ongoing
	Technical support and Supervision of Farmer activities by project management unit	3	1	1 technical support visit done in Q2
	Procurement of Extension Motorbikes for District field assistants, local governments and Project management unit	120	0	Contract for supply cleared in Q2 by IFAD, Contracts Committee and Solicitor General
	Procurement of bio latrine systems	1	0	Design by Ministry of Energy and evaluation of bids completed.
	Procurement of institutional cook stoves	26	0	Procurement initiated in Q2
	Technical backstopping and data collection	4	4	Completed

	Rehabilitation of existing Automatic Weather Stations	6	0	Proposal evaluation completed
	Out-scaling sustainable land management technologies	1	0.5	On-going
	Technical backstopping on Sustainable Land Management practices	1	1	Completed
	Develop technical guides for 8 commodities (Cassava, Maize, Rice, Beans, Sesame, Sorghum, Groundnuts and Soybeans) for use by extension staff	10	0	Drafting initiated and ongoing
Average Performance		***2905***	***1812.5***	***62.4%***
Market Linkages and Infrastructure	Capacity building of agribusiness farmer groups In development of business	200	200	Training of farmer groups was initiated and ongoing.
	Technical backstopping of field extension workers on Capacity building of agribusiness farmer groups In FAAB & development of business	4	1	1 technical backstopping visit to each of the project districts was conducted.
	A meeting to validate house hold training materials	1	1	One validation meeting was conducted.
	Production and printing of training materials	1000	0	Final manuals were being prepared and printing would be done in March, 2018.
	Technical back stopping & of field activities of partners	2	1	One technical support visit provided to each of the 9 districts.
	Institutional back stopping – market stakeholder plattform	2	1	Two technical backstopping visits were conducted.
	Facilitate activities and meetings	7	9	9 meetings were held.
	Institutional Backstopping	6	8	8 backstopping visits held.
	Appraisal, prioritization and mapping of a second and third batch of selected 950 km of CARs roads for design and rehabilitation	950	950	Mapped 950Km of batched B and C Community Access Roads
Average		***2172***	***1171***	***53.9%***

performance				
Total average performance for two components			**58.2%**	**Fair performance**

Source: PRELNOR progress report, field findings

A total of 232 members attended three trainings and sensitization, of these 178 were male and 54 female (table 12.18). Household mentoring of vulnerable households on sanitation and hygiene, under the Rural Livelihoods component was carried out to improve living conditions.

Table 12.18: Summary on Stakeholders' Trainings/Sensitizations as at 31st December 2017

S/N	Activity Description	Participant's category	Location/Districts	Total trained	Male	Female
01	Market stakeholder Platforms (MSPs) technical backstopping meeting on land acquisition for the Kitgum bulk market	MSP members	Kitgum	25	19	6
02	MSP and district stakeholders meeting site/land acquisition for the Elegu bulk market	MSP members	Elegu Town Council (Amuru & Adjumani)	39	28	11
03	Technical backstopping of MSPs on visioning in preparation for design	MSP members	Mungula, Cwero, Olwiyo, Gulu, Kitgum markets	144	111	33
04	Pilot training of farmers/traders in Agricultural Market Information System - AgriPar	Farmers and Traders	Gulu and Omoro	24	20	4

Source: PRELNOR Reports, field findings

Challenges

- Delay in finalizing and obtaining a "No Objection" for the annual workplan and budget for FY 2017/18 affected the timely implementation of activities. IFAD country office had to consult Rome, Italy on implementation of some outputs like equipment, consultancies on roads.
- Due to the lengthy process of land acquisition, the construction of markets delayed.

Mentoring of households on Tippy Tap Hand Washing In Nwoya District

Recommendations

- The MoLG and IFAD partners should ensure "No Objections" are cleared on time for outputs to be implemented on schedule.
- The MoLG and district officials should sensitize communities on the importance of market infrastructure and encourage them to donate land for the markets.

12.4.3: Project 1416 - Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP)

Background

The objective of UMMDAP is to enhance and develop the agricultural sector by: a) Providing an outlet for the agricultural product, b) Availing opportunities for the smallholders in rural areas to sell their products for better prices than prices at farm gate, leading to the improvement of their incomes and hence reduction of poverty in rural areas. The Government of Uganda secured funding from the African Development Bank (AfDB) and Arab Bank for Economic Development in Africa (BADEA) to finance the re-development and upgrading of Urban Markets.

The programme has one core field component and two service components namely Market Infrastructure Development, Market Management and Trade Enhancement and Programme Management and Coordination. Busega and Nyendo markets were visited to assess progress on performance.

BADEA loan performance

The disbursement rate still stands at 65%. Table 12.19 shows the disbursement status per category.

Table 12.19: Budget and Expenditure as at 31st December, 2017 (US$)

	Amounts in USD						
Category	Allocation	Disbursed	Commitments	Total Disbursed	%age disbursed actual	Uncommitted	%age Disbursed
Civil Works	8,300,000	6,351,637	1,219,223	7,570,860	76.5	729,140	91.2
Consultancy services	500,000	133,915	119,000	252,915	26.8	247,085	50.6
Auditing Services	50,000	-	-	-	0.0	50,000	0.0
Unallocated	1,150,000	-	-	-	0.0	1,150,000	0.0
Totals	**10,000,000**	**6,485,552**	**1,338,223**	**7,823,775**	**64.9**	**2,176,225**	**78.2**

Source: MoLG coordination office February 2018

There was good release and absorption of funds as at 31st December 2017 for the loan component. Whereas for the GoU performance**,** a total of Ug shs 198 million out of Ug shs 210 million was spent by 31st December 2017. This was poor release and good absorption of funds.

Performance

The physical performance was fair at 52.5%. Although the infrastructure is in place, vendors at Nyendo market in Masaka District are still resisting to occupy the stalls in the upper part of the market and this is attributed to poor sensitization of various stakeholders. For Busega, additional works had just commenced. Table 12.20 shows the detailed performance of Nyendo and Busega Markets by 31st December 2017.

Table 12.20: Physical Performance of UMMDAP by 31st December 2017

Component	Output	Achievements	Remarks
Market Infrastructure Development	Execute additional works on Busega market phase I and Nyendo Market	Commenced on the implementation of the Busega Market Phase 1 additional Works comprising of external works and canopy over roof parking Procurement Process for additional works for Nyendo Market was ongoing. Bulk Agricultural Delivery and Auction Centre, shelters for matooke vendors and rain water harvesting facilities.	Project achieved 20% as additional works had started Project achieved 20% as procurement was at evaluation stage. Average performance 20%
Programme Management and Coordination	Undertake site supervision and technical support	This activity is ongoing	Output was 85% achieved. This was done by engineers; inter-ministerial policy committee, consultant and PFT on routine basis.
Overall weighted physical performance score			**52.5% Fair performance**

Source: UMMDAP progress report; field findings

Challenge

- Inadequate sensitization of the project objectives to the stakeholders resulted in unoccupied stalls, hence defeating the intended project objectives.

Empty stalls on the upper floors of the Nyendo market in Masaka District

Recommendation

- The MoLG and district officials should further sensitize stake holders on the project objectives.

12.4.4 Project 1307: Support to Ministry to Ministry of Local Government (MoLG)

Background

The project objectives are to: (1) Provide facilities to support effective implementation of the decentralization policy; (2) Support LGs in mobilizing resources for implementation of the decentralization policy, (3) Ensure coordinated and effective delivery of service at the local levels.

Performance

The approved budget for FY 2017/18 was Ug shs 6.533 billion, of which Ug shs 5.176 billion (79.2%) was released and Ug shs 3.074 billion (59.4%) spent by 31st December 2017. This was a good release and fair absorption.

Physical performance was poor at 43.6%. Whereas funds released under some ouputs were spent on clearing arrears, other outputs were not implemented due to delayed modalities for disbursement worth Ug shs 700 million to LGs. Table 12.21 shows the detailed performance of the project as at 31st December 2017.

Table 12.21: Overall Performance of Support MoLG by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Government Buildings/ Administrative	1	0.5	0	0	Activity was not implemented. Funds were meant to support the construction of LG offices and other physical infrastructure. The MoLG was still working out modalities for

Infrastructure					disbursement to LGs.
Purchase of Motor Vehicles and Other Transport Equipment	1	6	0.50	42.347	Outstanding obligations worth Ug shs 3.023 billion on vehicles for district chairpersons was cleared; and 4 ministry vehicles were procured and taxes cleared.
Purchase of Office and ICT Equipment, including Software	1	0.10	0.4	0.612	Ug shs 43 million was spent on ICT equipment like the laser jet printer for the office of the PS(Ug shs 2.4 million); laptop for Minister of State's office (Ug shs 3.4 million); items for communications office (Ug shs 6.9 million); computer accessories (Ug shs 28.9 million); VAT payments (Ug shs 747 thousand).
Purchase of specialized machinery and equipment	1	0.10	0.2	0.306	Ug shs 6.790 million was advertising for the bid for solar and facilitation of the survey.
Purchase of Office and Residential Furniture and Fittings	1	0.10	0.2	0.306	Ug shs 880,000 was spent on procurement of vertical filing cabinet for internal audit.
Acquisition of other capital assets	1	0.2	0	0	Activity not implemented. Funds were meant for support to LGs for other physical infrastructure. The MoLG was still working out modalities for disbursement to LGs.
Total		**6.5**			
Overall weighted physical performance score				**43.6%**	**Poor Performance**

Source: IFMS data/MoLG progress report, field findings

Challenge

- Delayed procurement process has resuted in delayed implementation of planned outputs such as purchase of ICT equipment, furniture solar, machinery and capital assets.

Recommendation

- The MoLG procurement unit should ensure procurements are implemented on a timely basis so that planned outputs are not rolled to the next financial year.

12.5 Vote 122: Kampala Capital City Authority (KCCA)

KCCA is mandated to facilitate the delivery of quality services to the people of Kampala City in a manner that ensures value for money. Under PSM, Human Resource Development and Organizational Restructuring; Policy, Planning and Legal Services; Purchase of Office and ICT Equipment, including Software were monitored.

12.5.1: Project 0115: Local Government Management Service Delivery Programme (LGMSD)

Background

The objectives under PSM are to; i) build capacity of KCCA staff; and (ii) retooling of KCCA. The Local Government Management Service Delivery Programme (LGMSD) is a continuation of the first and second Local Government Development Program. It was initiated to support implementation of the decentralization policy and enable LGs to provide services to the communities. The project period is from 1st July, 2015 to 30th June, 2020.

Performance

The approved GoU budget was Ug shs 1.547 billion, of which Ug shs 1.415 billion (91%) was released and Ug shs 1.118 billion (71%) spent as at 31st December 2017. This was good release and absorption.

The physical performance was poor at 27.6%. Much as training was implemented, no training reports were availed to support this activity; funds for organizational restructuring output were instead used for civil works; additionally this project had persistent duplicated outputs under recurrent and development. For instance Trainings, and Policy, Planning and Legal services are both under recurrent and development budget which is a wastage of public resources. Table 12.22 shows the detailed performance of LGMSD as at 31st December 2017.

Table 12.22: Overall Performance of LGMSD as at 31st December 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Human Resource Development and organizational restructuring					
Renovation of City Hall .Human resource development	2	1.056	0.5	17.070	Funds worth Ug shs 489 million were spent on trainings, however reports on these trainings were not availed to the monitoring team. Funds worth Ug shs 640 million were spent on civil works instead of organizational restructuring.

Policy, Planning and Legal Services					
Project planning and monitoring Activites Project monitoring and Inspection grant under LGMSD. Project monitoring and inspection grant under LGMSD.	2	0.328	0.5	5.297	Although funds worth Ug shs 38 million were spent, this is a duplicated output with the recurrent plans and budgets.
Purchase of Office and ICT Equipment, including Software					
Replacement of Office Working Tools (Retooling)	1	0.163	0.5	5.265	Funds worth Ug shs 57million were spent on office machinery and equipment.
Total		1.548			
Overall weighted physical performance score				**27.6%**	**Poor performance**

Source: IFMS data; KCCA progress report; field findings

Implementation Challenges

- There is lack of a clear comprehensive needs assessment, capacity building, and M&E framework to determine the impact of training.
- Reallocation of funds to implement activities not planned for. Funds for training under the Human Resource Development output were reallocated to civil works.
- Poor planning has resulted in duplicated outputs under recurrent and development budgets leading to wastage of public resources. For example Policy, Planning and Legal Services; and Human Resource Development and Orgainsational Restructuring output is still duplicated in both the development and recurrent component under the Administration and Human Resource sub-programme with different budgets and expenditures.

Recommendations

- The KCCA through its Human Resource Department should develop a training needs assessment report, capacity building plan and Monitoring and Evaluation framework.
- The KCCA should get authority from MFPED for reallocation of funds to implement non-planned outputs.
- The KCCA through the planning unit should harmonize Human Resource Development and Orgainsational Restructuring output under both the recurrent and development to avoid duplication and wastage of public resources.

12.6 Vote 021: Ministry of East African Community Affairs (MEACA)

Background

The strategic objective is to: provide strategic leadership, guidance and support for EAC integration; enhance awareness and increase active participation of public, private sector, CSOs and other stakeholders in EAC integration; and steering uganda's regional integration agenda. The project period is from 1st July, 2017 to 30th June, 2020.

Performance

The approved budget for both development and recurrent was Ug shs 0.993 billion, of which Ug shs 0.506 billion (51%) was released and Ug shs 0.489 billion (97%) spent by 31st December 2017. This was good release and funds absorption.

The physical performance was poor at 29%. There was less implementation of planned outputs, where some activities implemented were not in line with the planned outputs. Most funds were spent on meetings, workshops and seminars, travel abroad and clearing arrears. Table 12.23 shows the detailed performance of MEACA as at 31st December 2017.

Table 12.23 Performance of MEACA as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Harmonized Policies, Laws and Strategic Frameworks developed					
Progress report on harmonisation of Peace and Security. Report on emerging Interborder issues	2	0.233	1	11.713	This output was partially achieved. Funds worth Ug shs 111 million were spent on workshops and seminars, and travel abroad.
Compliance with implementation of EAC decisions and directives monitored and evaluated					
Cabinet memos for MDAs and Cabinet secretariat ; Ministerial statement on Progress made on domestication	2	0.024	0.5	0.602	Funds worth Ug shs 57 million were spent on telecommunications, workshops and seminars and travel abroad not the actual output.

of peace and security Policies.					
Strategic leadership, Guidance and Support for EAC regional Integration strengthened					
Matters dealing with the EAC Organs and Institutions coordinated and followed up; Research reports on Socio-Economic impact of refugees influx produced and disseminated; Resolutions agreed upon at EAC councils followed up.	3	0.496	1	16.663	Matters dealing with the East African Community, Organs and Institutions Coordinated and followed up was undertaken. However, funds worth Ug shs 167 million were spent on travel abroad consultancies and workshops and seminars.
Purchase of Motor Vehicles and Other Transport Equipment					
3 Station wagons (and 1 van	1	0.240	0	0	Resources worth Ug shs 125 million were spent on clearing arrears
Total		0.993			
Overall weighted physical performance score				**29%**	**Poor performance**

Source: IFMS data/MEACA progress report; field findings

Challenge

- Most activities implemented were not in line with the planned outputs which is wastage of public resources. Under the outputs, most funds were spent on travel abroad, workshops and seminars.

Recommendation

- The Planning Unit of MEACA should implement activities as per the agreed workplans.

12.7 National Planning Authority (Vote 108)

Background

The strategic objectives of NPA are to: strengthen and establish additional systems for a comprehensive, participatory and inclusive integrated development plans and frameworks; strengthen research for provision of evidence based public policy; monitor and evaluate the effectiveness and impact of development policies, plans, programmes and performance of the economy; and develop and promote networks, collaboration, partnership for innovation development and planning.

Performance

The approved budget for both development and recurrent was Ug shs 23 billion, of which Ug shs 11.5 billion (50%) was released and Ug shs 11.404 billion (99%) spent by 31st December 2017. This was good release and funds absorption.

The physical performance was rated poor at 31.8%. NPA has no quarterly departmental workplans and performance targets. There was less implementation of planned outputs and more on consultancies, workshops and seminars, travel inland and abroad under all outputs. Detailed performance of the NPA as at 31st December 2017 as shown in table 12.24.

Table 12.24: Performance of National Planning Authority by 31st December 2017 (Ug shs)

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Functional Planning Systems and Frameworks/Plans	1	5.11	0.50	11.004	The outputs were National Development Plans (Analytical Papers); Draft 10 Year National Development Plan prepared, The Final Human Resource Development Planning Framework for Uganda was developed. Under National Planning; most funds were spent on workshops and seminars (Ug shs 170 million); consultancy services (Ug sh 178 million); travel inland and abroad (109 million). Under Sector Planning, most funds were spent on workshops and seminars (Ug shs 123 million); consultancy services (Ug sh 74 million); travel inland and abroad (Ug shs 140 million).

Functional Think Tank	1	8.40	0	0	Instead of implementing Functional National Spatial Data Portal; under Development Performance; most funds were spent on consultancy services (Ug shs 75 million) and subscriptions (Ug shs 82 million); Under Governance; the Preparing the Second Country Review Report was ongoing, however funds were spent on travel abroad (Ug shs 304 million); workshops and seminars (Ug shs 145 million); and subscriptions (Ug shs 350 million). Under Monitoring and Evaluations, most funds were spent on consultancy services (Ug shs 143 million), workshops and seminars (Ug shs 55 million), postage and courier (Ug shs 132 million) and travel abroad and inland (Ug shs 108 million).
Finance and Administrative Support Services	2	8.953	1	19.267	There were no clear planned outputs and performance targets. Under Human Resource and Administration, the highest expenditures were on workshops and seminars (Ug shs 110 million); printing and stationery (Ug shs 168 million); training (Ug shs 100 million); travel abroad and inland (Ug shs 489 million); consultancies (Ug shs 57 million); maintainance of vehicles (Ug shs 112 million).
Government Buildings and Administrative Infrastructure	1	0.408	0	0	This output had no workplan, however Ug shs 101 million was spent on Engineering and Design Studies and Plans for capital works for NPA offices. Ug shs 149 million on Non-Residential Buildings, however no reports were availed.
Purchase of Motor Vehicles and Other Transport Equipment	1	0	1	1.555	A total of Ug shs 149 million was spent to purchase a vehicle.
Total		**23.233**			
Overall weighted physical performance score				**31.8%**	**Poor performance**

Source: IFMS/NPA progress report; field findings

Challenges

- Most activities implemented were not in line with the planned outputs hence wastage of public resources.
- Despite having a strategic plan, NPA still lacks clear quarterly departmental workplans, reports and performance targets and a clear effective performance appraisal system for staff.
- Most funds were spent on hiring consultants to do technical work, and travels abroad yet they have technical teams in place.

Recommendations

- The NPA should develop clear departmental quarterly work plans in line with the planned outputs.
- The NPA is a think tank of this country, the technical staff should have capacity of doing work instead of hiring expensive consultants where government is losing a lot of money.

12.8: Vote 146 - Public Service Commission

Background

The Public Service Commission strategic objective is to attract, recruit and retain highly skilled and professional staff in the Public Service.

Performance

The approved budget was Ug shs 1.275 billion, of which Ug shs 0.859 billion (67%) was released and Ug shs 0.395 billion (46%) spent which was good release and absorption.

The performance was fair at 55.7%. The E-Recruitment System was established; 23 members of District Service Commission inducted in seven districts; 31 Selection Tests administered to 4,265 applicants; and 38 out of 44 Appeals received were determined and decisions communicated. The performance of the project by 31st December 2017 is presented in table 12.25.

Table 12.25: Performance of Public Service Commission as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
DSC Capacity Building	2	0.223	1	8.741	This output was partially achieved. 23 members of DSCs were inducted. These included 7 secretaries to the DSCs and 7 PHROs from CAOs offices from the districts of Moroto, Napak,

					Abim, Nakapiripirit, Kotido, Amudat and Kaabong.
Recruitment Services	2	0.261	1.8	18.452	560 Appointments, 81 Appointments on Local Contract, 122 Renewal of Local. The E-Recruitment System was launched on 13th December, 2017.
Selection Systems Development	3	0.181	1.5	7.081	A total of 31 Selection Tests were administered to 4,265 applicants. 16 Competence Selection Tests were also developed.
DSC Monitored and Technical Assistance provided	2	0.125	1	4.940	38 out of 44 appeals received were determined and decisions communicated and 7 DSCs monitored and guidance tendered.
Purchase of Motor Vehicles and Other Transport Equipment	1	0.263	0	0	Funds worth Ug shs 262 million were not spent.
Purchase of Office and ICT Equipment, including Software	1	0.107	1	8.370	Procurement of five laptops and printers as initiated.
Purchase of Office and Residential Furniture and Fittings	1	0.115	0.9	8.117	Procurement of assorted office furniture was initiated.
Total		1.275			
Overall weighted physical performance score				**55.7%**	**Fair Performance**

Source: IFMS data/PSC progress report; field findings

Challenge

- Inadequate funding to implement planned outputs.

Recommendation

- The MFPED should revise the budget of the Public Service Commission upwards to meet the increased demands.

12.9 Vote 147: Local Government Finance Commission (LGFC)

Background

The Strategic objectives are to**:** (i) contribute to improvement of the state of funding for LGs in the National Budget; (ii) promote equity in resource allocation among LGs; (iii) support LGs to improve local revenue performance; (iv) enhance the institutional capacity of the LGFC to effectively perform its mandate.

Performance

The approved budget was Ug shs 4.888 billion, of which Ug shs 2.567 billion (52%) was released and Ug shs 2.483 billion (96%) spent; which was good release and absorption as at 31st December 2017.

The physical performance was poor at 37%. There was less implementation of outputs which was attributed to delayed procuremenst process. Table 12.26 shows the overall performance.

Table 12.26: Performance of Local Government Finance Commission as at 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
LGs Budget Analysis	3	0.231	1.80	2.685	Updated the fiscal data bank with data from FY 2015/2016 LGs; Feedback was provided to five LGs on the findings of the LGs budget analysis. These were; Bundibugyo, Kalungu, Oyam, Iganga, Amura and Kyegegwa.
Enhancement of LG Revenue Mobilisation and Generation	2	0.638	1	6.176	Establishment of local revenue data bases to 14 out of 30 districts was carried out. Follow up support on establishment of local revenue databases was provided to 8 LGs of Ngora, Kapchorwa, Oyam, Kole, Lwengo, Gombe, Kyegegwa, Kamwenge, Agago, Kibaale, Ibanda, Namayingo, Zombo, Buhweju, Abim and Butambala.
Equitable Distribution of Grants to LGs	2	0.575	1	5.570	Negotiations with sectors on conditional grants and midterm review of progress conducted, and 12 out of 25 LGs were supported in budget formulation.

Institutional Capacity Maintenance and Enhancement	3	3.147	1	20.320	Nine districts were visited to test the tools for assessing annual sector negotiations on conditional grants and these included Katakwi, Kamuli, Kabarole, Gulu, Kiruhura, Moroto Mityana, Koboko and Mbarara MC.
Purchase of Motor Vehicles and Other Transport Equipment	1	0.505	0.2	1.957	Evaluation process was completed for two four wheel vehicles.
Purchase of Office and ICT Equipment, including Software	1	0.066	0.2	0.258	Procurement process is ongoing for computers, printers, projector, office furniture chairs. A total of Ug shs 31 million was spent on advertising for bidders.
Total		**5.163**			
Overall weighted physical performance score				**37%**	**Poor Performance**

Source: IFMS data; LGFC progress report; field findings

Challenge

- Lengthy procurement process affected implementation of planned outputs such as purchase of motor vehicles and ICT equipment.

Recommendation

- The LGFC procurement unit should ensure procurements are completed in time to enable achievement of planned outputs.

Overall Sector Performance

The sector performance was poor at 47%. The release was good at 47.7% of the annual budget and resource absorption was very good at 86.4% as shown in table 12.27.

Table 12.27: Overall Performance of the PSM as at 31st December 2017

Projects	**% Physical Performance**
OPM	
Dry Lands Intergrated Development Project	60.9
humanitarian assistance	30.5
Karamoja Integrated Development Programme	23
support to Luwero Rwenzori Project	42
support toBunyoro Development Project	19.5
Post-war Recovery and Presidential Pledges III	46.1

Ministry of Public Service	29.7
Community Agriculture Infrastructure Improvement Programme	64.4
Urban Markets and Marketing Development of the Agricultural Project	52.5
Support Ministry of Local Government	43.6
Project for Restoration of Livelihoods in Nothern Region	58.2
Kampala Capital City Authority	27.6
Strengthening Ministry of East African Community Affairs	29
National Planning Authority	31.8
Local Government Finance Commission	37
Public Service Commission	55.7
Average performance	**47**

CHAPTER 13: ROADS

13.1 Introduction

"Roads'' is one of the three sub-sectors[50] under the Works and Transport sector whose mandate is to: (i) plan, develop, and maintain an economic, efficient, and effective transport infrastructure and transport services by road, rail, water and air; (ii) manage public works including government structures; and (iii) promote standards in the construction industry.

The sub-sector mission is to promote adequate safe and well maintained works and transport infrastructure services for social economic development of Uganda[51].

The road sub-sector has four votes namely; Vote 016: Ministry of Works and Transport (MoWT), Vote 113: Uganda National Roads Authority (UNRA), Vote 118: Uganda Road Fund (URF) and Vote 500: Local Governments (LGs).

The key implementing institutions in the roads sub-sector are: MoWT; Uganda National Roads Authority (UNRA); Uganda Road Fund (URF); Kampala Capital City Authority (KCCA), District Local Governments (DLGs), lower local governments (sub-counties) and urban councils. Other institutions outside the works and transport sector that have projects with roads sub-components include: the Office of the Prime Minister (OPM) and the Ministry of Local Government (MoLG).

13.1.1 Sub-sector Objectives and Priorities

The roads subsector objectives are: (i) develop an adequate, reliable and efficient multi modal transport network in the country; (ii) improve the human resource and institutional capacity of the transport sector to efficiently executes the planned interventions; (iii) improve the national construction industry; and (iv) increase the safety of transport services.

In line with the second National Development Plan (NDP II) strategic objectives, the sector budget priorities for the FY 2017/18 for the roads sub-sector are[52].: Continue with the on-going national road development programme; Development of Oil Roads; Support reforms in UNRA to enhance governance and improve performance; Continue with ongoing bridge works (68 Nos.); Undertake routine maintenance of entire road network and periodic maintenance of 2,225km; Road Safety and Axle Load Control; Increasing the stock of district road equipment and improving the capacity of Local Governments to implement Force Account; and Developing the capacity of Local Construction Industry.

Other sector priorities for other sub-sectors included: Development of the Standard Gauge Railway line; Provision of ferry services; Improvement of railway transport infrastructure and services; Improvement of inland water transport infrastructure and services; Establishment of the maritime administration department; Expansion and upgrading of Entebbe International

[50] The three sub-sectors under the Ministry of Works and Transport are: 1. Transport Services; 2. Roads; and 3. Construction Standards and Quality Assurance

[51] Ministerial Policy Statement for Ministry of Works and Transport for FY 2017/18

[52] Ministerial Policy Statement for Ministry of Works and Transport for FY 2017/18

Airport; Development of a new airport at Kabaale in Hoima district; Revival of the national airline; and Rehabilitation of upcountry aerodromes.

13.1.2 Sector Financial Performance

The total budget for the Works and Transport Sector in FY 2017/18 excluding arrears is Ug shs 4,534.51 billion, of which Ug shs 563.73 billion (12.4%) is for recurrent expenditure and Ug shs 3,970.79 billion (87.6%) for development expenditure. Of this amount, the Government of Uganda (GoU) will contribute Ug shs 1,762.68 billion (51.7%) while development partners will contribute Ug shs 2,208.10 billion (48.3%).

The breakdown of the budget for FY 2017/18 by Vote (excluding arrears) is: Vote 016 - MoWT is Ug shs 475.541 billion (10.5%); Vote 113 - UNRA is Ug shs 3,618.716 billion (79.8%); Vote 118 - URF is Ug shs 417.413 billion (9.2%); and Vote 500 – Local Governments is Ug shs 22.840 billion (0.5%).

Table 13.1 shows the financial performance by the end of December 2017 of the three votes monitored in the semi-annual performance of the roads sub-sector. The table shows a good release (37%) and very good absorption (87%) performance.

Table 13.1: Overall Financial Performance of the Votes by 31st December, 2017

Votes	Vote Names	Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
016	MoWT	461.111	229.995	223.778	49.88	48.53	97.30
113	UNRA	3,620.937	1,141.207	934.390	31.52	25.81	81.88
118	URF	417.394	285.150	283.165	68.32	67.84	99.30
Total[53]		**4,499.44**	**1,656.35**	**1,441.33**	**36.81**	**32.03**	**87.02**

Source: UNRA, URF and MoWT Q2 Performance Reports for FY 2017/18, IFMS

The UNRA release performance was the poorest because the external financing component of Ug shs 1,971.542 billion (54.4% of the UNRA approved budget) had a release of Ug shs 376.955 billion (19.1% of donor budget) by the end of December 2017. This was attributed to the long procurement processes that always require a no objection at each stage of procurement from the external partners. Additionally, the MFPED allocated Ug shs 1,971 billion on externally financed projects, whereas only Ug shs 429.2 billion (22%) was needed for the ongoing projects and Ug shs 1,540 billion (78%) was allocated to projects that were still under procurement and were expected to commence within Quarter Three.

13.1.3 Scope

The projects/programmes monitored for the semi-annual performance FY 2017/18 were selected on the basis of regional representation, level of capital investment, planned annual

[53] Figures exclude Ministry of Local Government

outputs, and amount of releases during the first half of the FY. Two (2) projects were monitored under MoWT, 13 projects under the National Roads Construction/Rehabilitation Programme under UNRA (9 road and 4 bridge projects) and two programmes under URF. Under URF the District Urban and Community Access Roads (19 Local Governments) and National Roads Maintenance at UNRA stations (7 stations) programmes were monitored, and are shown in table 13.2.

Table 13.2: Project/programmes monitored for semi-annual FY 2017/18

Implementing Institution	Project/programme and location
Ministry of Works and Transport – Vote 016	i) Urban Roads Resealing Project: Bwanda Convent in Kalungu and Mityana Catholic Shrine ii) Rehabilitation of District Roads: Gulu and Mbale Regional Force Account Units
Uganda National Roads Authority – Vote 113	**A) Upgrading – 5 Projects** • Bumbobi – Lwakhakha (44.5km) • Bulima – Kabwoya (66km) • Kyenjojo – Kabwoya (100km) • Kashenyi-Mitooma District Headquarters Road (11.52km) and Kitabi Seminary Access Road (0.8km) • Rushere-Nhwerenkye (11.1km) **B) Rehabilitation – 4 Projects** • Jinja/Kamuli Town Roads (22km) • Kyenjojo – Fort Portal (50km) • Rehabilitation of Namunsi-Sironko-Muyembe/Kapchorwa (65km) • Mbarara Bypass (41km) **C) Bridges – 4 Projects** • Nyalit (15m) and Seretyo Bridges on Kapchorwa-Suam road • Lopei Bridge on Moroto – Kotido road • Kaabong Bridge on Kotido -Kaabong road • Nalakasi bridge on Nalakasi- Arimoi- Kaabong road
Uganda Road Fund – Vote 118	**A) District, Urban and Community Access Roads (DUCAR) Maintenance Programme –** **i) 10 Districts** Buhwejju, Butambala, Kagadi, Kyegegwa, Lyantonde, Oyam, Maracha, Nwoya Rubanda, and Sironko **ii) 9 Municipalities** Busia, Gulu, Hoima, Ibanda, Kabale, Lira, Makindye Ssabagabo, Masaka and Mitiyana, **B. National Roads Maintenance Programme - 7 UNRA stations** Hoima, Ibanda, Kabale, Kotido, Mpigi ,Moyo and Tororo

Source: Author's Compilation

13.1.4 Limitations

- Lack of ready Q2 reports for sampled programmes/projects during monitoring.
- Absence of some respondents at the time of monitoring yet appointments were made.
- Inconsistence of information provided by respondents.

13.2 Ministry of Works and Transport

The MoWT mission is "*to promote adequate, safe and well maintained works and transport infrastructure and services for socio-economic development of Uganda*."[54]

The approved budget for FY2017/18 was Ug shs 461.111 billion, of which Ug shs 229.64 billion (49.8%) was released and Ug shs 223.431 billion (97.29%) expended by the end of December 2017. This was an excellent financial performance as the release fell short of the expected 50% by 0.2%. Despite the excellent overall financial performance of the Vote, the GoU development component performed fairly as only 38.2% of budget was released. Details of the financial performance are presented in table 13.3.

The Vote 016 is comprised of six programs namely: Transport Regulation; Transport Services and Infrastructure; Construction Standards and Quality Assurance; District, Urban and Community Access Roads; Mechanical Engineering Services; and Policy, Planning and Support Services.

Table 13.3: Financial Performance of MoWT by end of December 2017

		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	9.182	4.591	3.874	50.0	42.2	84.4
	Non-wage	60.715	28.076	27.075	46.2	44.6	96.4
Development	GoU	154.299	58.992	54.496	38.2	35.3	92.4
	Donor	236.564	137.986	137.986	58.3	58.3	100.0
Total GoU		**224.196**	**91.659**	**85.445**	40.9	40.9	38.1
Total GoU + Ext Fin. (MTEF)		**460.76**	**229.645**	**223.431**	49.8	49.8	48.5
Arrears		0.350	0.350	0.347	100.0	100.0	99.1
Grand Total		**461.110**	**229.995**	**223.778**	**49.9**	**49.9**	**48.5**

Source: MoWT, Q2 Performance Report for FY 2017/18

Semi-annual monitoring for the FY 2017/18 covered two (2) development projects namely: Urban Roads Resealing and Rehabilitation of District Roads under the program: District, Urban and Community Access Roads.

[54] Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

13.1.4 Performance

i) Urban Roads Re-sealing

Background

Urban roads deteriorated dramatically during the 1970s and early 1980s, largely due to lack of maintenance. This arose due to the dwindling resources and poor management in the urban authorities. Since 1987, concerted efforts have been made to rehabilitate and repair some of the major roads and streets within Kampala City. During phase I, which ended in 1989, 41km of butimen roads were rehabilitated in Kampala financed by EU and KCC.

In 1991, the Japanese Government extended a grant of USD 2.4 million to the GoU in form of construction plant and equipment spares for rehabilitation of urban roads. Consequently, the JICA II Urban Roads Resealing Project was constituted and charged with implementation of the dilapidated roads in the urban centres of Uganda. The GoU through the annual budget provisions of the ministry provided operational funds.

Four urban councils were selected each financial year, one from each region of the country, that is, North, East, West and Central. Each benefitting urban council was required to counter fund the operations with at least Ug shs 50 million from their local revenue. A total of 164km was rehabilitated in 54 urban centres, while using the force on account implementation strategy in the second phase.

The third phase of the project started on 30th June 2011 and is expected to end on 30th June 2021. The MoWT is the implementing agency represented on site by the Urban Roads Resealing Unit. The Unit Manager is the works supervisor and is assisted by a team comprising of a Civil Engineer, Mechanical Engineer, Site Clerk, Surveyor and Quality Control Teams.

In August 2012, the Urban Roads Resealing Programme was allocated part of the new equipment purchased by the GoU under the Chinese Exim Bank loan of USD 100 Million. Under this new method of project operation which started in FY2013/14, no co-funding was to be requested from the urban councils as had earlier been the practice of contributing Ug shs 50 million. The role of urban councils is now limited to selection of the roads to be constructed and monitoring the works progress. All the project inputs like construction materials, fuel, etc. are procured centrally by the MoWT.

The project objectives are to: create a better working environment by reducing mud and dust in urban areas; reduce vehicle operating costs and transport charges; improve traffic movement and circulation within urban areas; and attract the investment in urban areas to boost the economy. The project is funded by the GoU.

In FY 2017/18, the Urban Roads Construction and Rehabilitation component has an approved annual budget of Ug shs 3.3 billion from the GoU, of which 1.36 billion (40.8%) was released and 99.7% expended by the end of December 2017. This was a good financial performance.
Planned activities for the FY 2017/18 are: tarmacking of 0.52km on Nyakasaru – Gahire road in Rubirizi Town Council, 0.8km on Chebrot road in Kapchorwa Town Council; Design of access roads and parking yard at Jinja Agricultural showgrounds; Completion of drainage construction

of 4,850m^2 and shoulder improvement works along Sika Mudali – Bwanda Covent Access road section (1.0km) in Kalungu District; Completion of outstanding drainage and sealing of parking areas of 2,450m^2 on NALI estate roads in Kyankwanzi; and preparation of feasibility study and preliminary design for urban roads rehabilitation project. The unit was also to undertake emergency works.

The semi-annual annual performance of the Urban Roads Resealing Unit in FY 2017/18 is presented in table 13.4.

Table 13.4: Semi-Annual Performance of the Urban Roads Resealing Unit Project by 31st December 2017

Intervention	Annual Target	Cumulative Quantity Achieved	Physical Performance Score	Remarks
0.52km tarmac on Nyakasaru – Gahire Road in Rubirizi Town Council constructed	0.52 km	0 km	0%	Procurement of construction materials for undertaking was in progress.
0.8km tarmac on Chebrot Road in Kapchorwa Town Council constructed	0.8 km	0 km	0%	Procurement of construction materials for undertaking was in progress.
Access roads and parking yard at Jinja Agricultural show grounds designed	-	-	0%	No funds released for this activity. Planned for execution by in-house design team in Q3.
Drainage construction (4,850m^2) and shoulder improvement works along Sika Mudali – Bwanda Covent Access road section (1.0km) in Kalungu District completed	4,850 m^2 of stone pitching	4,732m^2 drainage construction works completed	97.6%	Increase in scope of drainage construction works for Sika Mudali and Bwanda Convent road was encountered.
Outstanding drainage and sealing parking areas, (2,450m2) on NALI estate roads in Kyankwanzi completed	2,450 m^2 of stone pitching	0 m^2	0%	Procurement of construction materials for NALI estate roads in Kyankwanzi in progress.
Feasibility study and preliminary design for urban roads rehabilitation project prepared	-	-	0%	Consultancy contract for undertaking feasibility study for urban roads development was signed and the consultant was mobilizing to start the assignment.
Emergency works on station road in Mityana Muncipal Council	-	-	0%	To be undertaken in Q3
Overall weighted physical progress			**16.3%**	**Poor Physical Performance**

Source: Author's Compilation

The project achieved an overall physical progress of 32.6% of the half year targets, which is a poor performance. This was attributed to the utilization of funds released in the first half of the financial year on two activities: the completion of the overlay works on the access and parking area at the Uganda Martyrs Shrine – Mityana which was spilling over from the previous FY; and shoulder reclamation; completion of second seal works; and the installation of kerbstones along the stretch of the road inside the convent, on the drainage construction and shoulder improvement works project along Sika Mudali – Bwanda Covent Access road in Kalungu District.

All the other planned activities in FY 2017/18 were not implemented due to the lengthy procurement process which was still ongoing at the end of December 2017. The unit was beefed up with the newly road construction equipment from Japan, and thus will overcome the problem of inadequate equipment to undertake works.

Access and parking area of Uganda Martyrs Shrine – Mityana District

Shoulder improvement works of stone pitching along Sika Mudali – Bwanda Covent Access road – Kalungu District

Implementation challenges

- Rains in the first and second quarter disrupted works on both projects.
- Delays arising from the procurement of materials which was done centrally at the MoWT headquarters.
- Budgets cuts in addition to the mode of release of funds, where by the unit has to first accumulate funds in order to carry out substantial works.

Recommendation

- Substantial funds should be committed and released at ago for this project in order to effectively complete activities.

Rehabilitation of District Roads

The rehabilitation of district roads project is aimed at reducing the transport costs by improving district roads to an all-weather status by 2018 and should improve the stock and quality of road infrastructure. The project is funded by the GoU wth a total cost is Ug shs 4.062 billion. The project budget for FY 2017/18 was Ug shs 8.8 billion, of which Ug shs 10.51 billion (119.4%) was released and Ug shs 10.25 billion (97.5%) expended by half year.

The budgeted funds were earmarked for: clearing, shaping and compacting 145km of district roads under force account.

Overall the performance of the project was fair with about 50% of the half year plans achieved. This performance however does not match the 119.4% financial disbursement to the project and the 97.5% overall expenditure of the project. It was also observed that the releases made to the force account units were inadequate and inconsistent with the approved work plans despite the project receiving over 100% of the budget, this affected the achievement of planned outputs. Details of performance for the units monitored are presented below.

Gulu Force Account Unit

The unit planned to rehabilitate 81.6km on the following roads: Cwero – Omel – Minja (40km), Okwir – Goro TC (10.1km), Omelapem – Boke TC(5.6km), Tedwii – Adoma – Oloro corner (7.0km), Corner Odieny – Corner Kiik – Awala – Apala (16.7km) and Gulu High (2.15km). The approved budget was Ug shs 2,537,874,610, of which Ug shs 807,237,312 (32%) was received.

By the end of December 2017, the unit had expended Ug shs 650,850,165 (80.6%). The unit expended the funds on earthworks and procurement of chippings for surface dressing works along Gulu High and; shaping and grading 40km and gravelling of 12km along Cwero – Omel – Minja roads. Dumping of gravel was on going for the remaining section of Cwero – Omel – Minja road.

The physical performance of the unit is presented in table 13.5.

Table 13.5: Physical Performance of the Gulu Force Account Unit by 31st December, 2017

Road Name	Annual target (km)	Cum. quantity achieved (km)	Physical performance (%)	Remarks
Cwero – Omel – Minja (40km)	40	12	30	Grading on the 12km was completed
Gulu High (2.15km	2.15	2.15	50	Materials have been procured
Omelapem – Boke TC	5.6	0	0	No works were done due to inadequate funds
Okwir – Goro TC	10.1	0	0	To be worked on during second half of FY2017/18
Tedwii – Adoma – Oloro corner	7.0	0	0	To be worked on during second half of FY2017/18
Corner Odieny – Corner Kiik – Awala – Apala	16.7	0	0	To be worked on during second half of FY2017/18
Overall performance			40	Poor performance

Source: Author's Compilation

Overall the physical performance of Gulu was poor at 40% and this was attributed to inadequate financing of the planned activities as the unit only received 32% of the annual budget.

a) Mbale Force Account Unit

The unit planned to rehabilitate 47.6km on the following roads: Aberani – Yalakwai (7.7km), Ochen – Araso (6.6km), Okungulu – Aurio (10km), Angerepo – Abelela (5.0km) and Amuria T/C – Wila (18.9km) in Amuria district at an approved budget of Ug shs 1,432,133,100. The unit received Ug shs 300 million (20% of budget) and expended Ug shs 298 million (99.3% of release) by 31st December 2017. This was a poor financial performance for the unit. The unit achieved 14.6km on two roads (Aberani – Yalakwai; 7.7km and Ochen – Araso 6.9km) these roads were on varying progress as shown in table 13.6.

Table 13.6: Physical Performance of the Mbale Force Account Unit by 31st December 2017

Road name	Annual target (km)	Cum. quantity Achieved (km)	Physical performance (%)	Remark
Aberani – Yalakwai	7.70	7.7	69	The entire road was graded and dumping gravel was ongoing.
Ochen – Araso	6.00	6.9	55	Shaping of the road was ongoing.
Okungulu – Aurio	10.0	0	0	To be worked on during second half of FY2017/18.
Angerepo – Abelela	5.0	0	0	To be worked on during second half of FY2017/18.

Amuria T/C – Wila	18.90	0	0	To be worked on during second half of FY2017/18.
Overall performance			**62**	**Fair performance**

Source: Author's Compilation

The overall performance of the force account unit was fair at 62% of the half year targets. The performance was attributed to inadequate funding and lack of a full set of equipment at the unit. The two roads that were implemented were inspected at the time of our visit and construction works were in progress as indicated by the photographs.

Conclusion

The overall performance of the rehabilitation of district roads project was fair at 50% by 31st December 2017 against an overall financial disbursement and expenditure of 119.4% and 97.5% respectively. Despite the over 100% financial release to the project, the force account units continued to receive less funds and so cannot achieve the planned outputs. The financial expenditure therefore does not match the physical outputs at the force account units.

Challenges faced by the District Road Rehabilitation Units

- Inadequate and irregular funding where by releases made to the force account units are in small amounts and inconsistently vis-a-vis the work plan, hence leading to delays in works completion.
- Lack of adequate supervision vehicles to ease monitoring of works.
- High cost of maintaining equipment.
- Inadequate imprest to counteract the field problems like frequent breakdown of vehicles.

Grading and shaping ongoing along Ochen – Araso Road

Dumped gravel yet to be spread along Aberani – Yalakwai Road

Overall MoWT Conclusion

The overall performance of the roads sub-sector component in the MoWT was poor at an estimated 41.3% despite a good financial performance of over 70%. This was mainly attributed to: implementing activities spilling over from the previous FY which were not budgeted for in the current FY; and the continued receipt of less funds than budgeted for at the implementing force account units despite a good release for the projects. The financial expenditure therefore does not match the physical outputs for the projects.

13.3: Uganda National Roads Authority (UNRA) – Vote 113

Background

The mandate of UNRA is to develop and maintain the national roads network, advise Government on general roads policy and contribute to addressing of transport concerns, among others. The mission is "*to develop and maintain a safe national roads network that fosters the economic development of Uganda*[55]". The national roads network was estimated at 10,000km by June 2009 however, this has since grown to about 22,000km.

The UNRA executes its mandate under two programmes and these are; National Road Construction/Rehabilitation (NRC) and National Road Maintenance which started in July 2008 with the establishment of the UNRA. National Road Construction/Rehabilitation Programme is funded by both the GoU and other development partners (donors) and it mainly caters for only paved roads. The entire development budget of UNRA is allocated to this programme.

National Road Maintenance Programme mandate is carried out by 22 UNRA stations across the country. The stations undertake maintenance works on all national unpaved roads and minor repairs on paved national roads. The works under the programme are financed by the GoU through Vote 118-Uganda Road Fund (URF). Details of the findings are presented under URF.

Overall financial performance of UNRA- Vote 113

The approved annual budget for the vote in FY 2017/18 is Ug shs 3,620.937 billion (increased by 37.5% from the previous FY), of which 31.5 % was released and 81.9% was expended by 31st December, 2017. This was a fair financial performance. Table 13.7 summarizes cumulative releases and expenditures by 31st December 2017.

Table 13.7: Overview of the UNRA Expenditure (billions)

Item	Approved budget	Release	Expenditure	% of budget released	% of release spent
Recurrent (GoU)	100.245	49.187	45.451	49.067	92.404
Development (GoU)	1,517.800	683.715	601.754	45.046	88.012
External financing	1,971.542	376.955	258.474	19.120	68.569
Arrears	31.350	31.350	28.711	100.000	91.582
Total GoU + Ext. Financing	**3,620.937**	**1,141.207**	**934.390**	**31.517**	**81.877**

[55] UNRA's magazine Issue No.33, January 2015

Source: Quarter 2 -UNRA report FY2017/18

The failure to absorb all the funds under the development component of GoU was attributed to: the slow progress on some projects; the lengthy procurement process; and the slow pace of land acquisition as valued Project Affected Persons (PAPs) on some projects like the Kampala Jinja Expressway cannot be compensated without establishing the rightful owners of the land through the courts of law, since some of these are tenants or "*bibanja*" holders.

The main hindrance to absorption of funds from external financing was due to the long procurement process that always requires a "no objection" at each stage of procurement from the external partners. There were expenditures on some projects that had exceeded the actual budget allocation. These include Mbarara-Kabale Road, New Nile Bridge, Gulu-Atiak and Albertine Region Sustainable Development.

National Road Construction/Rehabilitation Programme (NRC)

The annual planned outputs under the programme in FY 2017/18 are: Continue with the ongoing road development programme: 295km of national roads upgraded; 146km of national road network rehabilitated; Construction and rehabilitation of bridges and procurement of ferry services; Construction of 556km of roads by 2020 to support the oil sector ; Payment of any outstanding debts; Land Acquisition/counterpart funding: Projects for which Government has made commitments with Development Partners; and Implementation of externally (donor) financed projects for which funding is available[56].

By 31st December 2017, approximately 157km (53.2%) and 36km equivalent (25%) of national roads were upgraded to tarmac and rehabilitated respectively. The semi-annual performance of the programme was monitored under the following categories: 5 projects under upgrading, 4 projects under rehabilitation, and 4 projects under the bridges category. Details of the performance of the projects are presented in table 13.8.

Table 13.8: Performance of the National Roads Construction/Rehabilitation Programme for half year FY 2017/18

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
Upgrading Projects				
Upgrading of Bumbobi – Lwakhakha (44.5km) road to bitumen standard	13.35	2.53	18.9	The contract for this project was awarded to M/s China State Construction Engineering Corp. Ltd at a sum of 140,724,365,533.35. The physical performance of the project was at 4.11% against a planned 46.48% with 57.8% of the contract duration already

[56] MoWT Ministry Budget Policy Statement for FY 2017/18, March 2017

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
				passed. The contractor had done majorly earthworks for the subgrade and sub-base. Mobilisation of the necessary equipment was complete. The project was behind schedule mainly due to delays in acquisition of the right of way (RoW) which greatly affected contractors planning. The delays in acquisition of land were attributed to non-payment of the PAPs. A total of four IPCs amounting to Ug shs 8,777,257,210 (USD 1,443,611 and Ug shs 3,691,141,371) were certified but two certificates amounting to Ug shs 6,734,255,245 were paid. Cumulative financial progress was at 11.98% against the planned 49.39%.
Bulima-Kabwoya (66km)	36.63	2.13	5.81	The project started on 1st December 2015 and is expected to end on 31st May 2018. The cumulative physical progress attained was 55.45% vs planned 87.63% hence, the project was behind schedule by 32.18%. This was mainly attributed to noncompliance to environmental and social safeguards which led to suspension of works for a period of 36 days; and poor mobilization of equipment by the contractor. The financial progress was at 49.91% against a planned 85.43%. A total of 12 IPCs amounting to Ug shs 43,660,962,544 (30.76% of contract sum) were submitted, of which Ug shs 31,987,314,248 (73%) was paid. This was anticipated to attract interest, an amount that was still under review by the consultant. A total of 25 invoices were raised by the consultant, out of which 24 amounting to Ug shs 2,432,282,561 were paid. All project activities were still ongoing.
Kyenjojo-Kagadi-Kabwoya (100km)	7.93	3.01	37.96	The works commenced on 05th April 2016 and were expected to be completed on 04th, April 2019.The cumulative physical progress was at 32.96% vs planned 36.8% against a time progress of 59.45%. Hence, the project

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
				was behind schedule by 3.874%. The project was facing challenges of incomplete mobilization of equipment and frequent equipment breakdown. The financial progress was at 24.40% against a planned 38.12%. A total of seven (7) IPCs amounting to Ug shs 26,781,016,513 (12.48% of contract sum) were submitted and all were paid. A total of 21 invoices amounting to Ug shs 3,050,865,179 were submitted and all paid.
Kashenyi-Mitooma (11.53km) and Kitabi Seminary Access Road	75	19.11	25.48	The overall cumulative physical progress was at 21.45% vs planned 99.45%, hence the project was behind schedule by 78%. This was mainly attributed to delayed land acquisition which disrupted progress of works. The financial progress was at 20.45% against a planned 97.95%. A total of two (2) IPCs amounting to Ug shs 11,150,065,624 (22.66% of contract sum) were submitted for payment and only one of Ug shs 7,379,943,626 was paid as advance payment.
Rushere-Nshwerenkye (11.1km)	85.7	71.26	83.15	The overall cumulative physical progress was at 74.11% vs planned 80.26% hence, the project was behind schedule by 6.15%. This was attributed to the late start of priming and Double Surface Bituminous Treatment works. The financial progress was at 67.29% against a planned 69.54%. A total of three (3) IPCs amounting to Ug shs 14,164,428,203 (51.12% of contract sum) were submitted for payment and two IPCs amounting to Ug shs 13,149,314,248 were paid.
Rehabilitation Projects				
Tarmacking of 22.24km (15.7km in Kamuli and 6.5km in Jinja) in Kamuli town and other	62.26	58.37	94	The overall physical performance within the FY was very good at 94% of the semi-annual targets. Surfacing of the entire carriageway was complete. A total of Ug shs 4,335,021,868 was paid within the FY by

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
selected roads in Busoga Sub Region				end of Q2 FY 2017/18. IPCs 3&4 totalling to Ug shs 12.511 billion were not paid. Cumulative financial progress was at 88% against a cumulative physical progress of 90.69%. Remaining works were; drainage works, road signage and markings. The completion date was extended by 65 calendar days due to delayed payments and compensation. The project was expected to have a savings of about Ug shs 1.5billion which shall construct another 4km stretch with an addition of Ug shs 3.7 billion.
Kyenjojo-Fort Portal (50km)	74	6.16	8.32	The contract started on 29th June 2016 and was expected to end on 28th December 2017. The end date was however extended to 30th April, 2018. The overall cumulative physical progress was at 29.18% vs planned 100% hence, the project was behind schedule by 71.82%.This was attributed to: lack of a substantive design at tender stage; poor mobilization by the contractor; and delayed relocation of services. The financial progress was at 14.9% against a planned 69.54%. A total of five (5) IPCs amounting to Ug shs 10,653,745,009 (14.9% of contract sum) were submitted and all paid. The consultant had also forwarded 19 invoices amounting to Ug shs 1,527,244,694,of which 12 invoices amounting to Ug shs 946,874,694 (62%) were paid.
Rehabiliation of Namunsi-Sironko-Muyembe/ Kapchorwa (65km)	45	26	57.8	The contract was awarded to M/S China Civil Engineering Construction Corporation at a contract sum of Ug shs 50,150,331,600. This has since been revised to Ug shs 59,177,391,288 (addendum 1) to cater for a revised scope of works arising from the design review. The design review recommended the road to be implemented in two phases. This contract is handling phase 1 (up to Km 36). The cumulative physical progress was at 95% against a planned 100%. Much of the pavement works were

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
				complete; earthworks, concrete and drainage works on the remaining 4km of the road were the only activities yet to be finalised. Financial performance was at 76.89% against a planned 100%. A total of seven IPCs amounting to Ug shs 33,883,579,442 were certified and all were paid. Delayed issuance of design details and clarification of the scope of works for the entire project road were the main causes of delay on this project.
Bridges				
Kaabong Bridge on Kotido -Kaabong road	64.38	28	43.5	The design and build contract was awarded to M/s Terrain Services Ltd at a contract sum of Ug shs 13,321,891,188. By December 2017, the physical progress was estimated at 28% against a planned 64.38%. The contractor had completed casting the base and was erecting the bridge piers. The project was however behind schedule and this was attributed to delays by the contractor to finalise the design and flush floods in the region. Financial performance was at 13%. Three IPCs were certified amounting to Ug shs 4,363,674,126. Two IPCs amounting to Ug shs 3,478,305,523 were paid.
Nalakasi bridge on Nalakasi- Arimoi-Kaabong road	65	15	23.1	The design and build contract was awarded to M/s Terrain Services Ltd at a contract sum of Ug shs 8,894,788,933. The overall physical progress was at 15% against a planned 65%. The contractor had fully mobilised and foundation works were ongoing. The contract however experienced delays arising from the weak nature of foundation soils which required a modification in the design. Financial performance was at 20%. The contractor received advance payment amounting to Ug shs 1,778,957,786. Two IPCs amounting to Ug shs 804,963,113 were

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
				paid.
Lopei Bridge on Moroto – Kotido road	25	5	20	The design and build contract was awarded to M/s Terrain Services Ltd at a contract sum of Ug shs 812,468,382,364. Overall physical progress was estimated at 5% against a plan of 25%. The contractor completed diversions, hardcore filling, blinding and base slab. Mobilisation was estimated at 80%. Financial performance was at 3.99% against a planned of 25%. The contractor received advance payment amounting to Ug shs 2,493,676,472.8. One IPC amounting to Ug shs 497,838,937.6 was paid.
Nyaliti Bridge on Kapchorwa-Suam Road and Seretiyo bridge on Muyembe road	55	25	45.5	The contract for the construction of these bridges was awarded to M/s Multiplex Ltd on 31st July 2014 at a contract sum of Ug shs 6,746,114,196 with a revised completion date of 20th May 2017. The contract duration had since expired and the contractor was paying liquidated damages in accordance with the contract. The overall physical progress was at 80% against 100%. The contractor had completed the bridge structures on both bridges and work on the approach roads was in progress although the pace was low. The project was behind schedule and this was attributed to the poor performance of the contractor and delays in compensation of the PAPs. The progress of works at Seretiyo bridge was hampered further by the graves on the Nakapiripirit approach road whose owners rejected the compensation value approved by the Chief Government Valuer.
Mbarara Bypass (41km)	8.29	6.08	73.34	Works commenced in November 2013 and addendum No.01 signed for widening the bypass to a dual carriage way on 30 September, 2016. An addendum 02 for upgrading of a 0.9km access road from the Bypass to Ruti trading Center was signed on 16 June 2017. These were provisionally completed on 17 December 2017 with a physical progress of 97.79% against a target

Project Name	Annual Target Physical Progress (%)	Cum. Achieved Physical Progress (%)	Physical Performance Score (%)	Remark
				of 100%. Borrow pit restorations were on-going. A total of 99 (91.7%) out of 108 PAPs were settled while those pending were government institutions i.e. Uganda Prisons, National Forestry Authority and four (4) other PAPs with different reasons.
Weighted physical performance of the NRC is 34.4%				**Fair physical performance**

Source: Q2- FY 2017/18 UNRA Progress Report and Field Findings

Key Observations and Challenges

i. **Use of in-house supervision teams:** The UNRA has created a construction and supervision department where it is deploying its staff to supervise projects instead of outsourcing the service. It was observed that works on these particular projects had accelerated since decision making is fastened. Some of these projects are: Jinja Kamuli town roads (22.24km), Rushere-Nshwerenkye (11.1km) and Namunsi-Sironko-Muyembe/Kapchorwa (65km).

ii. **Pre-coating of aggregates for road surface works** to improve adhesion and reduce bitumen spray rate in the Double Bitumen Surface Treatment (DBST) works for the wearing course. This was noted on Rushere-Nshwerenkye (11.1km).

iii. ***Poor mobilization by the contractors*** which led to significant slippage in progress of works especially on Bulima-Kabwoya (66km), Kyenjojo-Kagadi-Kabwoya (100km), and Kyenjojo-Fort Portal (50km) roads.

iv. ***Delayed land acquisition*** which disrupted steady progress of works on projects such as Rushere-Nshwerenkye (11.1km), Kyenjojo-Kagadi-Kabwoya (100km)-only 48.7km were handed over, Bumbobi–Lwakhakha (44.5km); and Kashenyi-Mitooma (11.53 km) at Km 0+800.

v. ***Inadequate designs:*** This mainly affected Kyenjojo-Fort Portal (50km) where the design was being done concurrently with construction supervision. Additionally, the wearing course surfacing was changed from double surface dressing to asphaltic concrete.

vi. ***Delayed relocation of services:*** This affected smooth progress of works on projects such as: Kyenjojo-Kagadi-Kabwoya (100km) where the activities were ongoing; Bulima-Kabwoya (66km) especially on Km (0-2+000) where works stalled due to pending compensation; Kyenjojo-Fort Portal (50km) where works stalled in towns of Rugombe and Kyenjojo; and Bumbobi – Lwakhakha (44.5km).

vii. **Delayed Payments:** This was on Bulima-Kabwoya road (66km)-where some of the contractor's IPCs were not fully paid and on Kyenjojo-Fort Portal road (50km) where the consultant was not paid seven (7) out of the 19 invoices raised.

viii. **Gender employment:** All projects are still failing to observe the 30% policy of female employment.

Upgrading Projects

A house yet to be compensated within the RoW along Bumbobi – Lwakhakha Road at Km13

Another section at KM 6+140 with land compensation issues yet to be resolved along Bumbobi – Lwakhakha Road

Property in the RoW obstructing works at Km 0+800 which had not been compensated on Kashenyi-Mitooma (11.53km)

Pre-coated aggregates to be used for the surface layers on Rushere-Nshwerenkye (11.1 km)

Stone pitching works at km 6+702 at Bulima-Kabwoya Road (66km)

First seal works at Km 90+145 at Kyenjojo-Kagadi-Kabwoya (100km)

Rehabilitation Projects

Asphalt surfacing works ongoing at KM 30 in Bulambuli Trading Center along Sironko–Muyembe Road

Preparation of a reinforce concrete surface works at KM 36 along the Muyembe–Kapchorwa Road

Completed section along market street in Kamuli Town Council roads with poor waste management along the drainage channels in Kamuli Town

A stone pitched drain and laid asphalt layer on the carriageway at Km 2+680

Double cell culverts of 900mm laid at km10+500

Bridge Projects

Finished deck for Nyalit Bridge in Bukwo District

Finished deck for the Seretiyo Bridge along Muyembe – Nakapiripirit road

Ongoing foundation works at Nalakasi bridge in Kaboong District

Finished foundation and reinforcement works for the Lopei Bridge along Moroto – Kotido Road

Conclusion

The overall achievement of the National Roads Construction and Rehabilitation programme was estimated at 68.8% which is a fair performance. All projects were behind schedule with the worst case being Kyenjojo-FortPortal (50km) at 29.18% against a planned 100%. Consequently, this is likely to result in cost and time overruns.

Recommendations

1. The Solicitor General, MoWT and UNRA should provide a clause in the works contracts which penalises contractors who do not meet their equipment and personnel mobilisation levels as provided for. This should be tagged on to the advance payment.
2. The GoU/UNRA should mobilize sufficient funds for full compensation of the PAPs, and construction contracts should only be signed after the land acquisition process is finalized.
3. The UNRA should step up monitoring of the level of contractors equipment mobilization and the extent to which the equipment on site meets the project requirements.
4. The UNRA should give enough time and resources to the project design phase before tendering projects. This should also take into consideration reviewing of designs for rehabilitation projects which have not been implemented within two years.

13.4 Uganda Road Fund – Vote 118

The fund was set up 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 collected to finance road maintenance programmes.

The public roads network is managed by 145 Designated Agencies (DAs), comprising of 121 districts, two authorities (KCCA and UNRA) and 22 municipalities. The DAs and sub-agencies collectively look after a total of 78,000km of public roads, made up of 21,000km of national roads under UNRA management; 1,100km of KCCA roads; 22,500km of district roads; 4,000km of urban roads under town councils; 3,400km of urban roads under municipal councils; and 30,000km of Community Access Roads (CARs) managed by sub-counties.

The Designated Agencies employed a mix of force account and contracting to deliver planned works. Since FY2012/13, there has been a policy emphasis towards the use of force account to maintain the District, Urban and Community Access Road (DUCAR) network. This policy was since been buttressed by the distribution of a fleet of road equipment first from China in FY2012/13 and most recently in FY2017/18 from Japan. The equipment received mainly included: a grader, a tipper, wheel loader and roller for each local governments.

This Vote has two programmes namely: the District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP). These two programmes were monitored for the semi-annual performance in the FY 2017/18.

Financial performance

The vote has an approved budget of Ug shs 417.423 billion[57] of which Ug shs 285.18 billion (68.3%) was released and Ug shs 283.195 billion (99.3%) spent by the end of December 2017. This was an excellent financial performance because more than the expected 50% was released by half year and almost all the funds were absorbed. Table 13.9 shows the performance of the Vote by 31st December 2017.

Table 13.9: Financial Performance of URF in FY 2017/18 by 31st December 2017 (Ug shs billions)

		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billon)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	2.511	1.256	1.182	50.0	47.1	94.1
	Non-wage	412.412	282.472	281.886	68.5	68.4	99.8
Development	GoU	2.47	1.422	0.097	57.6	3.9	6.8
Total GoU		**417.393**	**285.15**	**283.165**	68.3	67.8	99.3
Arrears		0.03	0.03	0.03	100.0	100.0	100.0
Grand Total		**417.423**	**285.18**	**283.195**	**68.3**	**67.8**	**99.3**

Source: URF Q2 FY2017/18 Performance Report

Physical Performance

The overall physical performance of the vote was rated as fair. The level of achievement of the semi-annual targets was estimated at 63%. The performance of the DUCAR programme was estimated at 54.2% while that of the NRM programme was good at 72%. Overall the implementation of the routine manual maintenance activities did not perform well in most of the entities because these activities only commenced in quarter two and were done for only one or two months instead of the three months per quarter. The performance of the two programmes under URF is presented as follows;

i) District, Urban and Community Access Roads

District, Urban and Community Access Roads (DUCAR) are maintained by LGs using funds from the central government under the DUCAR Programme through the URF Vote and, to a limited extent using locally generated revenue. The districts also utilise the non-conditional

[57] URF Quarter 2 report FY2017/18

grants from the central government under the Local Government Management and Service Delivery (LGMSD) now referred to as Discretionary Development Equalisation Grant (DDEG) since FY2016/17, Peace Recovery and Development Programme (PRDP), Community Agriculture Infrastructure Improvement Project (CAIIP), Northern Uganda Social Action Fund (NUSAF) and U-Growth programmes. The MoWT provides the collective technical support and supervision to the Local Governments under DUCAR.

In the FY 2017/18, the program has an approved budget of Ug shs 138.86 billion (33.2% of approved URF budget), of which Ug shs 61.42 billion (44.2%) was released by the end of December 2017.

For the FY 2017/18, planned outputs[58] of the DUCAR program were:

1) Routine Manual Maintenance: 578km of paved and 1,525km of city roads, 26,496km of district roads and 1,185km of municipal roads.
2) Routine Mechanised Maintenance: 587km paved city roads, 1,525km unpaved city roads, 11,486km of district roads and 3,739km of municipal roads.
3) Periodic Maintenance: 4.9km of city roads.

For the semi-annual performance assessment of the programme in 12 districts of Buhweju, Butambala, Buyende, Kagadi, Kyengegwa, Lyantonde, Maracha, Nwoya, Oyam, Pallisa, Rubanda and Sironko; and eight (8) Municipal Councils of: Busia, Gulu, Hoima, Ibanda, Kabale, Lira, Masaka and Mityana were monitored. The findings are presented below:

District Local Governments

a) Buhweju District

The district has a road network of 240km of which 22km (9.2%) are paved, while 93km are unpaved (38.8%) gravel, and 125km (52.0%) unpaved earth. The annual approved budget for the district roads maintenance for FY 2017/18 is Ug shs 256,890,454, of which Ug shs 102,823,186 (40%) was released and Ug shs 102,823,186 (99.7%) expended by 31st December 2017. This was a good release against 50% and a very good absorption of funds. Table 13.10 shows a summary of the physical performance of the district.

Table 13.10: Performance of Buhweju District Roads Maintenance funded by the URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	960.00	400.0	22.682	The achievement of the semi-annual target was good at over

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Routine Mechanised Maintenance	52	24	14.665	80%.
Periodic Maintenance	4	1	2.121	40% of the semi-annual targets were achieved due to budget cuts,
Culverts	107	107	3.182	The target was achieved
Overall weighted performance was at 39.5%				**Good Performance**

Source: Buhweju District Annual Workplan and Quarterly progress reports FY2017/18 and Author's Compilation

The district achieved 79% of the semi-annual targets, hence a good physical performance. However, the roads that underwent routine mechanized maintenance did not have drainage improvement therefore; water was a threat to completed works.

Observations

Nyakishana-Kiisa-Bihanga (17km) - The scope of works involved pothole patching, grading and drainage improvement at a budget of Ug shs 23.199 million. The road was shaped and graded for the entire stretch at Ug shs 24.350 million. The road surface was fairly motorable although it had a few gulleys due to poor drainage.

Kitega-Mushasha-Buhuga Road (11km) - The scope of works involved pothole patching, grading and drainage improvement at a budget of Ug shs 12.675 million. The road was shaped and graded for the entire stretch at Ug shs 21.577 million. The road was in a fair motorable condition however, it had a challenge of boulders and rock outcrops.

Nyakishojwa - Kirungu – Bucuro (4km) - The scope of works involved pothole patching, grading and drainage improvement at a budget of Ug shs 4.609 million. The road was shaped and graded for a stretch of 6km at Ug shs 4.282 million in December 2017. The road was in a fair motorable condition.

A section of Kitega-Mushasha-Buhuga Road at km 1+500

A section of Nyakishana-Engaju Road at 0+000

b) Butambala District

The district has a network of 238 km which is all unpaved. Of these, 140km (48.8%) are gravel and 147km (51.2%) are earth. The district's approved annual budget for district roads maintenance in FY 2017/18 is Ug shs 272,378,000, of which Ug shs 92,375,593 (40%) was released and Ug shs 89,221,535 (96.6%) expended by 31st December 2017. Therefore, absorption of funds was very good.

The semi-annual achievement of the targets was estimated at 35.2%% against a 50% target; thus the district had a good performance. This was attributed to the acquisition of new Japanese road equipment unit (grader, wheel loader, roller and water bowser) from MoWT. However, there were no routine manual maintenance works due to low remuneration rates to attract road gangs. The performance of the district roads maintenance programme is summarized in table 13.11.

Table 13.11: Performance of Butambala District Roads Maintenance funded by the URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	205.9	0.0	0.000	No works were carried out.
Routine Mechanised Maintenance	54.9	33.4	31.586	Half year target was achieved due to achievement of new equipment.
Periodic Maintenance	5.0	00	0.000	No works were carried out.
Installation of Culverts (No)	60.0	24	3.579	Progress was poor.
Overall weighted physical performance was 35.2%				**Good Performance**

Source: Butambala DLG Annual Workplan and Quarterly progress reports FY 2017/18 and Author's compilation

Observations

- ***Kibibi Butaka Road (2km)***-the scope of works was grading, shaping, and drainage improvement. Only grading was carried out in Q1, and the road was in a fair motorable condition.
- ***Senge Nsozibirye Road (km)***-the scope of works was grading, shaping, compaction and drainage improvement. The works were executed in Q2. Culverts of 600mm were installed i.e. at km 1+600, 1+100, 2+900, and 7+900.
- ***Luzinga Kakubo Mutaba Road (12km)*** - the scope of works was grading, shaping, and drainage improvement. The works started in December and were still ongoing.

- ***Kibibi- Simba –Busoolo Road (2km***) – there was a diversion of the workplan with approval from URF, from Kinoni-Gomba boarder. Grading works were executed in September.

A section of Kibibi-Butaka Road at 0+000

On-going grading works along Luzinga-Kakubo-Mutaba at 3+400

c) Buyende District

The district has a total road network of 400.9km, of which 115.9km (29%) are gravel and 285km (71%) are earth. The road network in fair to good condition improved to 85% by half year FY 2017/18 as compared to 80% by the end of FY 2016/17.

The district's approved annual budget was Ug shs 447,253,300, of which Ug shs 151,831,607(33.9% of annual budget) was released by 31st December 2017. Absorption of funds was very good at 99.9%. The physical performance of the district is shown in table 13.12.

Table 13.12: Performance of Buyende District Roads Maintenance by 31st December, 2017

Output	Annual target (km/No.)	Cum. achieved quantity (km/No.)	Weighted physical performance (%)	Remarks
Routine mechanised maintenance	74.5	30	28.2	Spot gravelling and drainage works had not commenced.
Routine manual maintenance	336	55	4.9	Manual maintenance was only carried out in Q2.
Overall physical performance			**33**	**Fair Performance**

Source: Buyende DLG Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The physical performance was at 66% of the half year targets (or 33% of annual targets). This under performance was attributed to budget cuts and the fact that funds are not released in line with the work plan. Therefore some of the activities that would have been implemented within the half year were halted to enable funds accumulate.

Ndalike-Bugaya (19km) road was sampled for inspection and it was observed that certain aspects of maintenance such as offshoots and culvert installations were not carried out.


A graded section (L) and an exposed culvert (R) along Ndalika-Bugoya road in Buyende District

d) Kagadi District

The district has a network of 343.87 km[59] which are all unpaved. The approved annual budget of the district roads maintenance in FY 2017/18 is Ug shs 394,269,981, of which Ug shs 157,810,830 (40%) was released by 31st December 2017. Absorption of funds was good at 73.7%.

The physical performance was estimated at 29.1%; thus the district did not achieve the semi-annual targets. Table13.13 shows the performance of the district.

Table 13.13: Performance of Kagadi District Roads Maintenance funded by the URF by 31st December 2017

Output	Annual Target	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	145.23	80	5.302	Two cycles out of four were executed.
Routine Mechanized Maintenance	64	17	4.089	Only two out of five roads were attended to due to delayed receipt of funds (31st November 2017) and breakdown of the newly acquired grader.

[59] Exclusive of town councils and sub-counties where applicable

Culvert Installation	73.3	19.3	19.743	Delayed receipt of funds affected the progress of works.
Overall weighted physical performance was 29.1%				**Fair performance**

Source: Kagadi DLG Annual Workplan and Quarterly progress reports FY2017/18 and Author's Compilation

The district received a motor grader, a motor roller and a wheel loader in September 2018. However, the failure to achieve targets was attributed to late release of funds in Q2 – November 31, 2017, which hindered implementation of Q2 works; mechanical breakdown of the newly acquired Japanese grader; and lack of a water bowser which would have enabled works to be carried out in the dusty conditions of the dry season. Absorption of funds (73.7%) was commensurate to the physical performance. Additionally, the district also received funding from other sources as seen in table 13.14.

Table 13.14: Performance of other funding sources for the Kagadi District Roads Maintenance by 31st December, 2017

Source	Annual Budget (Ug shs)	Total funds released by end of Q2 (Ug shs)	Expenditure as at the end of Q2 (Ug shs)
Road Rehabilitation Grant	968,134,000	564,744,979	383,586,773
Local revenue	5,520,000	2,334,647	0

Source: Kagadi DLG

Observations

URF Funding

- Mugalike-Kyanaisoke (8km)- the scope of works was; full length grading, off shoot digging, installation of one line of culverts (7m) of diameter 600mm as well as shaping and compaction. The works were carried out in September and the road was in a fair motorable condition.
- Naigana-Kyenzige (9km) - the scope of works was full length grading, off shoot digging, shaping and compaction. The works were carried out in Q1 and the road was in a fair motorable condition.
- Shanzou-Nalufutu road has loose (plastic soils) that impede safe movements especially during the rainy season as it becomes too muddy.

Road Rehabilitation Grant

Rutete-Kinyarwanda section (8.2km) - the scope of works was opening up, widening, culvert installation, shaping, spot gravelling, and swamp filling. The works were carried out and the road was fairly motorable and culverts were installed.

Mugalike-Kyanaisoke Road section at Km 0+000

A culvert laid along Mugalike-Kyanaisoke at Km 6+000

e) Kyegegwa District

The district has a network of 287km which is all unpaved. Of these, 140km (48.8%) are gravel and 147km (51.2%) are earth. The district's approved annual budget for road maintenance in FY 2017/18 is Ug shs 355,050,095, of which Ug shs 142,112,647 (40%) was released by 31st December 2017. Absorption of funds was fair at 67.4%. The unabsorbed funds were partly due to the pending payments for some supplies like culverts delivered close to the end of December.

The semi-annual achievement of the targets was estimated at 42.7% against a 50% target; thus the district had a very good performance. This was mainly attributed to acquisition of the new Japanese road equipment unit (grader, wheel loader, roller and water bowser). However, there was poor performance in routine manual maintenance works due to poor response of road gangs. The performance of the district roads maintenance program is summarized in table 13.15.

Observations

- ***Harunyinya-Kyarugumba-Mukagera-Kesonbiire-Kasansa-Kisinda (14km)*** - the scope of works was grading and drainage improvement. The works started in September and were completed in October with 14 lines of culverts installed. The road was in a fair motorable condition.
- ***Migamba-Rwentuha (8.4km)***-the scope of works was grading, shaping, compaction and drainage improvement. Only grading was carried out in November and December.

Table 13.15: Performance of Kyegegwa District Roads Maintenance funded by the URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	287.00	70.50	7.271	Target was not achieved as works were only carried out in Q2 due to poor response of road gangs as well as low and delayed release of funds.
Routine Mechanized Maintenance	51.20	19	20.633	Target was not achieved due to heavy rains and shortfall in procurement staffing levels.
Installation of Culverts (No)	120.00	120	14.800	Target was achieved.
Overall weighted physical performance was 42.7%				**Good Performance**

Source: Kyegegwa DLG Annual Work plan and Quarterly progress reports FY 2017/18 and Author's Compilation

A culvert installed at km 3+200 along Harunyinya-Kyarugumba-Mukagera-Kesonbiire-Kasansa-

A section of Migamba-Rwentuha in Rwentuha town

f) Lyantonde District

The district has a road network of 315km which are all unpaved of which 237km (75%) are gravel and 78km (25%) are earth. The annual approved budget for the district roads maintenance for FY 2017/18 is Ug shs 241,258,000, of which Ug shs 96,566,316 (40%) was released and Ug shs 64,757,432 (67.1%) expended by 31st December 2017. This was a good release against 50% and a fair absorption of funds. Table 13.16 shows a summary of the physical performance of the district.

Table 13.16: Performance of Lyantonde District Roads Maintenance funded by the URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	316.00	0.0	0.000	Limited funds that cannot fully pay the road task force.
Routine Mechanized Maintenance	64.7	31.1	32.075	The target was not achieved.
Period maintenance	8	0	0.000	The target was not achieved due to absence of drivers and operators who had gone for training in Mbarara District prior to the issuance of the newly acquired equipment.
Overall weighted performance was at 32.1%				**Fair performance**

Source: Lyantonde District Annual Work plan and Quarterly progress reports FY2017/18 and Author's Compilation

The achievement of semi-annual targets by the district was fair at 64.2%. This was mainly attributed to the absence of a sound equipment unit in the first quarter. However, a new Japanese road equipment unit was received in Q2 from the MoWT which enabled the district improve its performance. The level of absorption was commensurate to the works carried out.

The district also received an emergency release, whose funds (Ug shs 125 million) were requested for in the previous FY from URF of Ug shs 110,000,000, of which Ug shs 74,219,060 (67.5%) was expended by December 2017. The funds were spent on two roads, i.e., Kalagala-Lwamayongo-Katangengera-Kamukamu (13.1km) at Ug shs 30 million and Kibinika Composite Bridge at Ug shs 80 million.

<u>Status on emergency Works</u>

- ***Kalagala-Lwamayongo-Katangengera-Kamukamu Road;*** Bush clearing, grading, shaping, and culvert installation was complete. Pending works were head wall construction on culverts.
- ***Kibinika Composite Bridge-*** Works had not started, however procurement of supplies was ongoing.

Observations

- ***Emergency works on Kalagala- Lwamayongo-Katangengera-Kamukamu; - (2km)***

Three lines of concrete pipe culverts were installed at km 9+000, 10+900 and 12+100. The road was fairly motorable although some sections were deformed with deep gulleys due to inadequate drainage. The culverts also lacked headwalls.

- ***Kasambya-Kitazigolokwa-Kinuuka Road (18km)*** - Bush clearing and grading were carried out in November and December at Ug shs 26,664,000 (83.35% of the received funds). Pending works were culvert installation. The road was in a fair motorable condition.

A section of Kalagala-Rwamayongo Road at 9+000

A section of Kinuuka-Kasambya Road at 0+010

g) Maracha District

The district has a road network of 261km which is all unpaved. The road network in fair to good condition improved to 63% for the half year period of FY 2017/18 as compared to 55% by the end of FY 2016/17.

The district's approved annual budget was Ug shs 563,589,000 inclusive of Ug shs 120,000,000 under the Discretionary Development Equalisation Grant (DDEG), of which Ug shs 248,635,777 (48%) inclusive of Ug shs 70 million from DDEG was released by 31st December 2017. Absorption of funds was fair at 65%. The physical performance of the district is summarized in table 13.17.

Table 13.17: Performance of Maracha District Roads Maintenance by 31st December 2017

Output	Annual target (km/No.)	Cum. achieved quantity (km/No.)	Weighted physical performance (%)	Remarks
Periodic maintenance	21	0	0.0	Activity was scheduled for Q3.
Routine mechanised maintenance	71	30	12.3	Only grading was carried out on 45km, spot gravelling and drainage works had not commenced.
Routine manual maintenance	239	120	20.3	Worked for one month in Q1 and two months in Q2.
Culverts	18	0	0.0	These were emergency works.

Output	Annual target (km/No.)	Cum. achieved quantity	Weighted physical performance	Remarks
Bridges	1	0	0.0	The bridge is being funded by District Discretional Equalization Grant (DDEG). Contract had just been awarded
Overall physical performance			**33**	**Fair Performance**

Source: Maracha DLG Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's Compilation

The physical performance of the district was fair at 33% of the annual plan which was commensurate to the funds absorbed; thus the district did not achieve its semi-annual targets. Failure to achieve targets was majorly attributed to budget cuts and late fund releases.

By January 2018, the district had graded the following roads: Yivu-Goyigoyi (7.4km); Nyadri-Tara (13.5km); Wanize-Ojapi-Karongo (6km); Konzi-Onzilabori (6km). The other planned outputs such as gravelling and installation of culverts were not implemented. The roads were however motorable.

A graded section along Konzi-Onzilabori Road

A well graded section along Yivu-Goyigoyi Road

On all the above roads, the planned drainage works and spot gravelling was not done.

Key observation

Due to the inadequate funds, the district was unable to take on rehabilitation works for the 35km of Uganda-Democratic Republic of Congo (DRC) border road. This road is a critical security road linking Uganda to DRC border with a financial requirement of Ug shs 500 million for rehabilitation works which cannot be accommodated within the district budget. The district has written to the MoWT and UNRA seeking their intervention given the economic value of the road but were yet to get a response.

h) Nwoya District

The district has a total road network of 293km all of which is unpaved. The district's approved annual budget for FY2017/18 was Ug shs 378,843,000, of which Ug shs 116,551,000 (30.7%) was received by 31st December 2018 and Ug shs 111,496,000 (96%) expended.

The semi-annual achievement of the planned outputs was poor estimated at 21.2%. The district only implemented routine manual activities for the half year period. The other activities were not achieved, however the district utilized the funds in procuring inputs such as fuel and the implementation of such works commenced in third quarter. Table 13:18 shows a summary of the physical performance of the district by 31st December 2017.

Table 13.18: Performance of Nwoya District Roads Maintenance by 31st December 2017

Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	228.00	171.00	21.08	Target not achieved.
Routine Mechanised Maintenance	222.00	0.00	0.00	Target not achieved due to inadequate funds.
Periodic Maintenance	6.00	0.00	0.00	To be implemented in quarter three.
Overall physical performance			**21.1**	**Poor performance**

Source: Nwoya DLG Annual Work plan and Quarterly progress reports FY2017/18 and Author's compilation

Some of the road works implemented in quarter three were inspected and it was found that only grading works were carried out. One of the roads; Galiyango – Kinene (6km) which was worked upon was not in the workplan.

Graded section of the Anaka TC-Amuru TC Road

A graded section of Galiyango – Kinene Road

i) Oyam District

The district has a total network of 529km all of which is unpaved. The approved annual budget of the district in FY2017/18 is Ug shs 734,924,000, of which Ug shs 358,160,000 (48.7%) was released by 31st December 2017. By half year, the district had expended Ug shs 256,475,254 (71.6%) which was a good absorption.

The physical performance was fair estimated at 68.4% of the half year targets; thus the district did not achieve all the planned outputs. Table 13.19 shows the performance of the district.

Table 13.19: Performance of Oyam District Roads Maintenance by 31st December 2017

Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	552.00	456.00	52.12	Routine manual maintenance works were conducted only for one month in Q1 instead of the planned three. Performance was affected by lack of contracts for the road gangs and inadequate funds.
Routine Mechanised Maintenance	33.80	23.80	16.25	Grading works of some roads was done.
Periodic Maintenance	14.00	0.00	0.00	Activities to be implemented in Q3.
Overall physical performance			**68.4**	**Fair performance**

Source: Oyam DLG Annual Work plan and Quarterly progress reports FY2017/18 and Author's compilation

Some of the road works that were implemented were inspected and the roads were motorable and in good condition. The district had however not installed drainage structures on all the roads that were implemented. The district intends to prioritize mechanised maintenance because of the availability of the newly acquired equipment and the fact that the impact of mechanised maintenance is felt more than that of routine manual.

During this FY, the planned routine manual maintenance will not achieve the annual targets because the road gangs are given short term contracts of three months and these are renewed based on availability of funds. As a result, the districts will allocate more resources on mechanized maintenance than manual maintenance.

Well graded section along Allidi-Awangi Road

Some of the newly acquired equipment from MoWT

j) Pallisa District

The district has a total road network of 250km all of which is unpaved. The road network in fair to good condition decreased to 78% in FY 2017/18 from 85% in FY 2016/17.

The district approved annual budget was Ug shs 324,427,307, of which Ug shs 129,811,554 (40%) was received and all absorbed by 31st December 2017. The physical performance of the district is summarized in table 13.20.

Table 13.20: Performance of Pallisa District Roads Maintenance by 31st December 2017

Output	Annual target (km/No.)	Cum. achieved quantity (km/No.)	Weighted physical performance (%)	Remarks
Routine mechanised maintenance	44.2	22.2	36.1	Culvert works and spot gravelling were to be done in Q3.
Routine manual maintenance	230	0	0.0	Road gangs' activities were proposed for Q3 due to intermittent releases.
Structural and road bottle neck maintenance: culverts, stone pitch, raising and spot gravelling	4	4	7.1	The works were complete.
Overall physical performance			**43**	**Very good performance**

Source: Pallisa DLG Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The physical performance of the district was very good at 43% of the annual targets which was commensurate to the funds absorbed.

In January 2018, the following roads were sampled for inspection;

- Agule-Gogonyo (14km); drainage, grading and spot gravelling were planned for. Grading and swamp raising of about 2.6km were completed. Gravel was dumped on the road waiting for the rains.

- Agule-Palissa (6km); this road was planned for under DDEG with a scope of gravelling, swamp raising, grading and culvert structures at a total budget of Ug shs 78,802,500. Opening and shaping were complete.


Gravel stock piles (L) and a graded section waiting culvert installation (R) along Agulo-Ogonyo Road in Pallisa District

It was observed that the district had a number of bridges which were constructed in the 1960s and were in a poor state and needed immediate intervention yet the district's budget is inadequate to cater for them. During the rainy season, the roads are cut off due to flooding within the bridge sections. Some of the bridges are; Kaboloi, Otut and Chelekura.


A dilapidated Kaboloi bridge that was constructed in 1960s requires iimmediate replacement along Agule-Pallisa Road in Pallisa District

k) Rubanda district

The district has a road network of 290.6km which is all unpaved. Of these, 196.8km (67.7%) are gravel and 93.8km (32.3%) are earth. The annual approved budget for the district roads maintenance for FY 2017/18 is Ug shs 332,313,473, of which Ug shs 133,008,217 (40%) was released and Ug shs 44,923,165 (33.8%) expended by 31st December 2017. This was a good release though with a poor absorption of funds. So far, the implementation of works was done with only Q1 funds. Table 13.21 shows a summary of the physical performance of the district.

Table 13.21: Performance of Rubanda District Roads Maintenance funded by URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	60.50	0.0	0.000	District opts to carry out these works in the last two quarters of the FY due to budget constraints.
Routine Mechanized Maintenance	136.3	8	5.018	The progress was disrupted due to late receipt of the new Japanese equipment from MoWT and training of operators.
Culverts	10	0	0.000	
Overall weighted performance was at 5%				**Poor performance**

Source: Rubanda district Annual Work plan and Quarterly progress reports FY2017/18and Author's compilation

The physical performance of the district was very poor as only 10% of the semi-annual targets were achieved. This was attributed to the change in bank accounts of the district from DFCU to Centenary bank which took long to be effected (finalised in November 2017); untrained operators despite receipt of the new Japanese equipment unit (a grader and wheel loader) from MoWT; and the heavy rains in the first half of the FY. The training of operators took place in November and December 2017.

Observations

- ***Kagarama – Rubare (5km):*** The scope of works involved grading of the entire road section and drainage improvements of culvert installation. Only grading of the 3km out of 5km was done in Q2 and the road surface was still in a good condition and motorable. Stone mining/breaking was ongoing in the first 200m of the road and was damaging the road section. There was also need for the drainage improvement intervention of culvert installation since the road was in a hilly terrain.

- ***Kachwekana-Rubinga-Kibuzigire (13km):*** The scope of works involved grading of the entire road section and drainage improvements along the road. Only 5km out of the

13km were graded in Q2. In some sections between Kachwekano and Rubinga, the road surface was affected by runoff from the hills which necessitated the installation of culverts at these sections. The road was still in a fair motorable condition.

A well graded section of Kagarama-Rubare Road at Km 5+000

A section of Kachwekana-Rubinga-Kibuzigire Road at Km 4+800 where potholes were developing on the road and routine manual maintenance works were not done

l) Sironko District

The district has a road network of 614km and all are unpaved. The district's approved annual budget was Ug shs 482,029,533, of which Ug shs 196,348,617 (65% of annual budget) was released by 31st December 2017. Absorption of funds was fair at 65%. The physical performance of the district is shown in table 13.22.

Table 13.22: Performance of Sironko District Roads Maintenance by 31st December 2017

Output	Annual target (km/No.)	Cum. achieved quantity (km/No.)	Weighted physical performance (%)	Remarks
Periodic maintenance	8	0	0.0	Activities were not implemented and so rolled to Q3.
Routine mechanised maintenance	36	31.5	19.0	Only grading was carried out on 31.5km.The planned spot gravelling was not carried out.
Routine manual maintenance	226.3	60	9.0	Worked for one month in Q1 and two months in Q2.
Culverts	14	0	0.0	Procurement process was ongoing by end of Q2.
Overall physical performance			**28**	**Poor performance**

Source: Sironko DLG Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The physical performance of the district was fair at 28% of the annual plan thus the district did not achieve its semi-annual targets. The district did not achieve its targets due to delays in finalization of procurement and the fact that releases are not done in line with the submitted work plans.

Some roads implemented were sampled for inspection, these were: Kidega-Bugiboni(2km), Nakiwondwe-Bukyambi(2km), Busulani-Bunaseke (2km), Nakirungu-Kipande (2km), Nakiwondwe-Bugitimwa (2km, Patto-Kaduwa(3km). On all these roads, grading works were complete except for Kidega – Bugiboni road where works were ongoing.

Bush clearing of Bugibuni – Kidega Road in progress

A graded section along the Nakiwandye – Bugibuni Road with grass already growing due to lack of gravel

Municipal Councils

m) Busia Municipality

The municipality has a total road network of 60km, of which 68% are paved and 32% are unpaved. The municipality had an approved annual budget of Ug shs 753,322,182 in FY 2017/18 and by end of Q2, had received Ug shs 281,509,927 (37.36% of the budget) and financial absorption was at 100% of the received funds. The physical performance of Busia municipality by end of Q2 FY 2017/18 is shown in table 13.23.

Table 13.23: Performance of Busia Municipality Roads Maintenance by 31st December 2017

Output	Annual targets (km/No.)	Cum. achieved quantity (km/No)	Weighted physical performance (%)	Remarks
Periodic maintenance (Paved)	1.074	0	0	Materials were procured. Activity scheduled for Q3.
Routine mechanised maintenance (Unpaved)	0.6	0	0	The municipal had no grader and so could not carry out these activities.

Routine manual maintenance (Paved)	40	0	0	Materials were procured.
Routine manual maintenance (Unpaved)	18.92	0	0	
Overall physical performance			**0**	**Poor performance**

Source: Busia Municipality Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The physical performance of the municipality was poor. No physical works were carried out during the half year period. The failure to work was attributed to lack of a grader to carry out routine mechanized works and delays in procurement. By half year, the municipality had only procured inputs for the routine maintenance works for the paved roads.

n) Gulu Municipality

Gulu Municipality has a total road network of 172.69km, of which 36km (20.9%) are paved, and the rest are unpaved. For the FY2017/18, the municipality planned to carry out maintenance works on a total of 32.121km at an approved budget of Ug shs 1,430,278,000. A total of Ug shs 561,789,354 (39.3%) was received and Ug shs 449,380,368 (80%) expended by the end of December 2017. The physical performance of the municipality is presented in table 13.24.

Table 13.24: Performance of Gulu Municipality Roads Maintenance by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance (Paved)	19.85	19.81	20.74	Activities were done in quarter two only. No work was executed in quarter one.
Routine Mechanized Maintenance (Unpaved)	11.7	3.828	3.40	Only opening of roads was done. Shaping and grading of these roads was yet to be carried out.
Periodic Maintenance (Paved)	0.571	0	0	Not executed
Overall weighted physical performance			**24.14**	**Poor performance**

Source: Gulu Municipal Council Annual Work plan and Quarterly progress reports FY2017/18and Author's compilation

Overall the municipality performed poorly with only 24.14% of the targets achieved. The municipality carried our bush clearing under routine mechanised maintenance aimed at opening new roads and cleaning and sweeping of roads under routine manual maintenance works. The performance of the municipality is however hampered by lack of adequate and sound equipment. Only one functional grader and an old tipper truck associated with frequent breakdowns are available. Clearance to hire equipment was sought and was granted by URF. Routine manual maintenance works were however carried out for one month in quarter two.

The following roads which were opened were inspected: Kiguka, Peter Opoka, Laminakulu and Perry Oketch roads. It was observed that only bush clearing was done. No grading and shaping was carried out within the half year period, although it had commenced at the time of monitoring in quarter three.

Part of the opened up Kiguka Road

Graded and shaped section of Laminakulu Road

o) Hoima Municipality

The municipality has a road network of 578.8km of which 11km (2%) are paved, 295km (51%) are unpaved gravel and 272km (47%) are unpaved earth. The annual approved budget for Hoima municipality roads maintenance, for FY 2017/18 is Ug shs 845,300,684, of which Ug shs 338,340,754 (40%) was released and Ug Shs 186,293,668 (55.1%) was expended. This was a good release against but poor absorption of funds which was mainly attributed to lack of a road maintenance equipment unit and thus had resorted to hiring. Table 13.25 shows a summary of the physical performance of the municipality.

Table 13.25: Performance of Hoima Municipality Roads Maintenance funded by URF by 31st December, 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	160.00	70.4	6.771	Works were 88% executed in both quarters due to low rates of gangs.
Routine Mechanised Maintenance	44	14.7	14.273	The works stalled due to equipment break down and delayed assistance from the district.
Periodic Maintenance	0.5	0	0.000	

Multiple culvert drainage structures and Supply of culverts	4	1	4.276	Target was not achieved.
Overall weighted performance was at 25.3%				***Fair performance***

Source: Hoima Municipality Annual Work plan and Quarterly progress reports FY2017/18 and Author's compilation

The municipality also benefited from Uganda Support to Municipal Infrastructure Development Program Project (**USMID Project)** in two batches. Specifically, the municipality had a budget of Ug shs 18 billion which was all released, and Ug shs 3.32 billion (18.4%) spent by 31st December2017. Batch 1 works were at substantial completion (95%) while batch 2 (1.77km) works had just commenced.

Observations

- ***Kasansa Kasingo Road- (2km) -*** the scope of works was grading, spot gravelling and drainage improvement. Bush clearing, grading and gravel works were carried out in September 2016. The road had a bridge like structure at km 1+500 pending backfilling on its approaches. It was in a fair motorable condition although the surface was bumpy.

- ***Kicwamba Butebere Road (3.0km)*** - the scope was similar to that of the above road. The works were carried out in October and the road was fairly motorable.

- ***USMID Project roads-Batch 1 (2.779km):*** The project started in 2015 but was not completed as per the contracted time then. A new contract was signed in June to complete the works by July 2017 at a sum of Ug shs 3,820,290,500. These are; Kabalega (0.187km), Government (0.36km), Main Street (0.667km), Rukurato (0.586km), Old Toro (0.604km), Percy (0.187km), and Coronation Road (0.188km). All roads had kerbs, pedestrian walkways, and solar powdered lights. The ongoing works were along Rukurato Road.

A two line culvert bridge structure at km 1+500 along Kasasa-Kasingo Road

Ongoing drainage works along Rukurato Road (USMID)

p) Ibanda Municipality

The municipality has a road network of 394km, of which 8km (2%) are paved, 12km (3%) are unpaved gravel and 374km (95%) are unpaved earth. The annual approved budget for Ibanda Municipality roads maintenance, for FY 2017/18 is Ug shs 193,108,714 of which Ug shs 77,396,386 (40.1%) was released and Ug shs 41,349,814 (53.4%) was expended. This was a good release against 50% but poor absorption of funds. Table 13.26 shows a summary of the physical performance of the municipality.

Table 13.26: Performance of Ibanda Municipality Roads Maintenance funded by URF by 31st December, 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	70.00	20.10	6.189	57% was achieved due to poor response of road gangs.
Routine Mechanized Maintenance	72	24.9	16.613	The half year target was not achieved due to lack of owned equipment. The municipality instead borrows from the district.
Periodic maintenance	4.5	0.2	0.430	
Vehicle maintenance	3	3	14.009	Target was achieved.
Bridges and culverts	198	54	1.835	Budget constraints affected achievement of target.
Overall weighted performance was at 39.1%				***Good performance***

Source: Ibanda Municipality Annual Work plan and Quarterly Progress Reports FY2017/18 and Author's Compilation

Observations

- ***Nyabuhikye-Kyaruhimbi-Ekyambu (4.3km) in Bufunda Division:*** The scope of works was pothole patching, grading, spot gravelling and drainage improvement. Only grading works were carried out in July 2017. The road was in a fair motorable condition although some sections had become bushy due to lack of routine manual maintenance and others were developing potholes.

- ***Kagorogoro in Bishehe Division:*** Three (3) lines of 600mm diameter concrete culverts were installed at the following sections along the road: Km 0+500, 1+000 and 1+200 in Q1 and Q2. Routine manual maintenance works of slashing the road slide grass were done.

- ***Buzabo Road (0.4km) in Bufunda Division:*** A 100m drainage channel was lined with stone pitching in Q2 in the months of November and December 2017.

A road section of Kagorogoro Road at 0+500 with a culvert of 600mm diameter installed

The stone pitched drain on Buzabo Road

q) Kabale Municipality

The municipality has a road network of 105.84km, of which 11.37km (10.7%) are paved, 65.34km (61.74%) are unpaved gravel and 29.13km (27.52%) are unpaved earth. The annual approved budget for Kabale Municipality roads maintenance, for FY 2017/18 is Ug shs 1,047, 367,045 of which Ug shs 414,491,593 (39.6%) was released and Ug shs 100,769,980 (24.3%) was spent. This was a good release against the expected 50%, but poor absorption of funds. Table 13.27 shows a summary of the physical performance of the municipality.

The municipality physical progress was poor as only 28% of the semi-annul target was attained. The failure to achieve the targets was attributed to heavy rains in the first half of the FY, road maintenance equipment breakdown, and changes in the municipality roads maintenance work plan as some roads planned for under URF were taken on by the USMID World Bank project.

Table 13.27: Performance of Kabale Municipality Roads Maintenance funded by URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	102.91	50.73	6.419	Semi-annual Target was achieved
Routine Mechanized Maintenance	33	5.15	7.069	Failure to achieve targets was due to: the heavy rains in the months of September and October 2017; and road maintenance breakdown.
Culvert installation	36	0	0.000	
Overall weighted performance was 13.9%				**Poor performance**

Source: Kabale municipality Annual Workplan and Quarterly progress reports FY2017/18and Author's compilation

Note: The municipality also received funding from USMID and local revenue for clearing of outstanding payments and works on a rehabilitation project and equipment repairs respectively. The financial performance of these sources of funding is summarized in table 13.28.

Table 13.28: Financial Performance of other funding sources other than URF for Kabale Municipality

Source	Annual Budget (Ug shs)	Total funds released (Ug shs)	Expenditure as at the end of Q2 (Ug shs)
USMID	6,380,000,000	564,744,979	383,586,773
Local revenue	34,393,000	2,334,647	0

Source: Kabale Municipality

Observations

- ***Routine mechanized roads under URF:*** The scope of works involved grading, gravelling and drainage improvement. Kasi Road (0.5km), Katojo Road (0.6km), and Kyetobikire (0.3km) were graded and graveled; and culvert installation of two lines was done on each. Mutebile Close (0.6km) was opened up and shaped, while Hornby Road (1.2km) and Bugonji Road (2.7km) were graded but not shaped. The carriageways of the graveled roads were in good shape.

- ***USMID Project:*** This comprised of Kigongi Road (0.8 Km), Nyerere Road (0.705 Km) and Nyerere Avenue (0.42 Km) that was rehabilitated and paved with asphalt. The project was under defects liability period which started in October 2017.

Completed Nyerere Avenue (0.42 km) in Central Division rehabilitated under the USMID Project


A section of Kasi Road (0.5km) in Northern Division that was graded and gravelled

r) Lira Municipality

The municipality has a total road network of 110.69km, of which 24km are paved and the rest are unpaved. During the FY2017/18, the municipality planned to carry out maintenance works on a total of 62.6km at an approved budget of Ug shs 1,133,146,000. By the end of December

2017, Ug shs 559,639,374(49.4% of budget) was received and Ug shs 115,956,000 (20.7%) expended. The physical performance of the municipality is presented in table 13.29.

Table 13.29: Performance of Lira Municipality Roads Maintenance by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	16.5	11.4	4.20	Only one out of four cycles was executed
Routine Mechanized Maintenance	42.6	11.6	12.51	The target was over achieved and the roads were in a fair motorable condition.
Periodic Maintenance	3.2	0.7	10.49	Not executed
Overall weighted physical performance			**27.2**	**Poor performance**

Source: Lira Municipal Council Annual Workplan and Quarterly progress reports FY2017/18 and Author's Compilation

Overall the municipality performed poorly with only 27.2% of the targets achieved. The municipality commenced patching works along Ogwal Ajang, Kakungulu, Owiny and Kole roads and grading works on Fr. Leo Odong and Ebong Opeto roads. The poor performance was due to delays in commencement of works and lack of sound equipment.

s) Masaka Municipality

The municipality has a road network of 195.19km, of which 40km (20.7%) are paved, 55km (28.2%) are unpaved gravel and 99.69km (51.1%) are unpaved earth. The annual approved budget for the municipality roads maintenance for FY 2017/18 is Ug shs 1,071,790,000, of which Ug shs 453,503,303 (42.3%) was released and Ug shs 140,813,300 (31%) expended by 31st December, 2017. This was a good release against 50% target, but the absorption of funds was poor. Table 13.30 shows a summary of the physical performance of the municipality.

Table 13.30: Performance of Masaka Municipality Roads Maintenance by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	22.11	10.72	1.773	90% of the half year targets were achieved.

Routine Mechanized Maintenance	33.4	9.13	12.199	The half year target achievement fell 45% short because of frequent equipment breakdown.
Periodic maintenance	1.5	0.28	9.156	Target was not achieved
Overall weighted performance was at 21.5%				***Poor performance***

Source: Masaka Municipality Annual Workplan and Quarterly Progress Reports FY2017/18 and Author's Compilation

The overall performance of the municipality was poor as only 43% of the semi-annual targets were achieved. This was attributed to lack of sound road equipment to execute the works. Consequently, absorption of funds was also poor.

Other sources of funding

The municipality had two projects under USMID i.e.

Rehabilitation of Alex Ssebowa Road (0.97km) and ***Katwe Road (1.1km)*** – The road has a total budget of Ug shs 11,031,974,018, of which Ug shs 10,534,604,018 is for road construction and Ug shs 497,370,000 for supervision consultancy services. It had an annual budget of Ug shs 2,000,337,175, of which Ug shs 1,916,337,715 was for execution of road works and Ug shs 84,000,000 for supervision consultancy services. The contract started on 15th September 2017.

Rehabilitation of Edward Avenue (0.63km), Buddu Street (0.645km), Jathebai (0.320km) and drainage for Ssese Street in Katwe Butego Division - The road has a total budget of Ug shs 15,401,451,986, of which Ug shs 14,949,965,106 is for road construction and Ug shs 451,486,880 for supervision consultancy services. It had an annual budget of Ug shs 4,107,898,286 of which Ug shs 3,975,583,899 was for execution of road works and Ug shs 132,314,387 for supervision consultancy services. The physical progress was at 78% against 94.4% by the end of November 2017. The financial progress was at 64%.

Observations

- ***Batch 2, Rehabilitation of Alex Ssebowa Road (0.97km) and Katwe Road (1.1km) –*** Earth works were in progress.

- ***Batch 1, Rehabilitation of Edward Avenue (0.63km), Buddu Street (0.645km), Jathebai (0.320km) and drainage for Ssese Street in Katwe Butego Division-*** Roads such as Jathebai and Edward Streets had kerbs, streetlights pending construction of the meridian.

A two line culvert bridge structure at km 1+500 along Kasasa-Kasingo Road

On-going clearing works along Katwe Road (USMID-Batch 2)

t) Mityana Municipality

The municipality has a road network of 246.15km, of which 1.15km (0.5%) are paved, 179km (73%) are unpaved gravel and 66km (27%) are unpaved earth. The annual approved budget for the municipality roads maintenance, for FY 2017/18 is Ug shs 199,000,000, of which Ug shs 89,927,745 (45%) was released and all was expended by 31st December 2017. This was a good release against 50% and excellent absorption of funds. Table 13.31 shows a summary of the physical performance of the municipality.

The funds absorption was not commensurate to the executed works as the physical progress was estimated at 63.2% of the semi-annual target. This was attributed to the funds utilized under mechanical imprest for the equipment borrowed from MoWT. Failure to achieve targets was attributed to lack of a road maintenance equipment unit, and an understaffed works department which has only one staff member – a Senior Assistant Engineering Officer.

Table 13.31: Performance of Mityana Municipality Roads Maintenance funded by URF by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Score (%)	Remark
Routine Manual Maintenance	60.0	14.0	2.247	The target was not achieved due to delayed release of funds, under staffing, absence of a road unit and heavy rains. Only one road of 8km was done under the routine mechanized maintenance.
Routine Mechanized Maintenance	23.0	8		
Other structures (culverts)	36.0	0	0.000	Target was not achieved.
Overall weighted performance was at 31.6%				***Fair performance***

Source: Mityana Municipality Annual Workplan and Quarterly Progress Reports FY2017/18 and Author's compilation

Observations

Wabigalo-Busuubuzi-Wabiyinja Road (8km) in Ttamu Division: The scope of work involved: grading of the entire road length, spot gravelling and drainage improvement of installation of 50 pieces and 8 pieces of 600m and 900mm diameter culverts respectively. The works in the road were carried out in two phases. Phase 1 which involved grading of the entire road length and spot gravelling was done in Q1. Phase two which involved installation of the culverts line and spot gravelling of sections which had been left out in the first phase was done in Q2.

The culverts were observed to be installed at the following sections: concrete pipe access culverts (0+700 LHS - 600mm, 2+300 RHS - 600mm, 1+900 RHS 2 lines of 600mm, 4+000 LHS 600mm) and armco cross culverts (2+500 - 900mm, 3+000 – 600mm, 3+500 – 600mm, 7+600 – 600mm). Gravelling was done for 4km; that is from Wabigola to Busuubizi Trading Center. The rest of the section between Busuubizi Trading Center to Wabiyinja was only graded. The road was motorable but the carriageway surface had deteriorated with defects like corrugations, an indication of a high traffic volumes; and small gullies and bumps resulting from surface runoff.

A 600mm diameter access culvert at Km 0+700 on Wabigalo-Busubuuzi-Wabiyanja Road

A well graded but not gravelled section at Km 8+000 which is the end of the project road

The municipality road maintenance also had the following funding:

i) Local Revenue: A budget of Ug shs 40,000,000 for opening up roads in each of the three (3) divisions. Only Ug shs 6,000,000 (15%) was released in Q1 and utilized for opening 5 roads (totaling to 5kms in length) in Busimbi Division using the MoWT Urban Road Resealing force account unit.

ii) DDEG: A budget of Ug shs 70 million for installation of solar power street lighting of 6 units; and heavy grading and shaping of 15km (5km in each of the three divisions). The works were planned to be implemented in Q4 when all funds are released.

Overall Performance of the DUCAR Programme

Overall the LGs did not achieve the planned outputs under this programme. The extent of achievement of the planned outputs was estimated at 54.2% hence; a fair physical performance. The underperformance was majorly caused by shortage in financial resources as only about 42.1% of the expected funding was released for the implementation of the planned activities. Absorption of funds was fair at 66.7%. A summary of the DUCAR performance for the districts monitored is illustrated in table 13.32.

Challenges affecting the DUCAR Programme

- Dilapidated and expanded road network that requires rehabilitation instead of routine maintenance.
- Lack of an excavator and supervision vehicles in all districts. All the districts that received the new set of equipment requested for an addition of excavator which is key.
- Budget cuts. Averagely LGs had a budget shortfall of about 16% in the first half of FY 2017/18 and so could not achieve all the targets.
- Low remuneration for equipment operators and road gangs at LGs resulted in high turnovers and affected performance of the routine maintenance activities.
- The manual maintenance interventions in the district were hampered by delayed procurement.
- Scarcity of road materials like gravel for maintenance works.

Recommendations

- The GoU should consider procuring excavators and supervision vehicles to LGs.
- The URF and MoWT should fasttrack the dissemination and implementation of reviewed remuneration to road gangs so as to motivate them to work.
- Research should be conducted to enable promotion of low cost sealing options especially within the urban councils.

Table 13.32: Overall performance of the DUCAR programme

S/N	Agency Name	% Release	% of Release spent	%Semi-Annual workplan executed	Remarks
Districts					
1	Buhweju	40.0	67.1	79.0	Physical performance was good, however, the roads that underwent routine mechanized maintenance lacked drainage improvement therefore; water was a threat to completed works.
2	Butambala	40.0	95.6	80.4	Physical performance was good. This was attributed to acquisition of new equipment unit (grader, wheel loader, roller and water bowser) from MoWT. However, routine manual maintenance works were affected by low remuneration rates to attract road gangs.
3	Buyende	33.9	99.9	66.0	Physical performance was fair. This was attributed to budget cuts and intermittent fund releases not in line with the work plan.
4	Kagadi	40.0	73.7	58.2	Physical performance was fair and attributed to the late release of funds in Q2 – November 31, 2017; mechanical breakdown of newly acquired Japanese grader; and lack of a water bowser which would have enabled works to be carried out in dry season.
5	Kyegegwa	40.0	67.4	85.4	Physical performance was very good, and mainly attributed to acquisition of new Japanese road equipment unit (grader, wheel loader, roller and water bowser). However, routine manual maintenance performed poorly due to poor response of road gangs.
6	Lyantonde	40.0	67.1	64.2	Physical performance was fair.
7	Maracha	48.0	65.0	66.0	Physical performance was fair, and majorly attributed to budget cuts and late fund releases.
8	Nwoya	30.7	96.0	21.2	Physical performance was poor. The district only implemented routine manual activities for the half year period. The funds were used to procure inputs such as fuel.
9	Oyam	48.7	71.6	68.4	Physical performance was fair.
10	Pallisa	40.0	100	86.0	Physical performance was very good and commensurate to absorption of funds. The unachieved target was due to budget cuts.

S/N	Agency Name	% Release	% of Release spent	%Semi-Annual workplan executed	Remarks
11	Rubanda	40.0	33.8	10.0	Physical performance was poor and attributed to the change in bank accounts of the district from DFCU to Centenary Bank which took long to be effected (finalised in November 2017); untrained operators despite receipt of new Japanese equipment unit (a grader and wheel loader) from MoWT and the heavy rains in the first half of the FY.
12	Sironko	65.0	65.0	56.0	Physical performance was fair. The district did not achieve its targets due to delays in finalization of procurement, and the fact that releases were not done in line with the submitted work plans.
Municipalities					
13	Busia	40.0	100.0	-	Physical performance of the municipality was poor. No physical works were carried out during the half year period. The failure to work was attributed to lack of a grader to carry out routine mechanized works and delays in procurement.
14	Gulu	39.3	80.0	24.1	Physical performance was poor, and hampered by lack of adequate and sound equipment.
14	Hoima	40.0	55.1	50.6	Physical performance was fair, and mainly attributed to lack of a road maintenance equipment unit and thus had resorted to hiring.
16	Ibanda	40.1	53.4	78.2	Physical performance of the municipality was good.
17	Kabale	39.6	24.3	56.0	Physical performance was fair, and attributed to the heavy rains in the first half of the FY, road maintenance equipment breakdown and changes in the municipality roads maintenance workplan as some roads planned for under URF were taken on by the USMID World Bank project.
18	Lira	49.4	20.7	27.2	Physical performance was poor. This was due to delays in commencement of works and lack of sound equipment.
19	Masaka	42.3	31.0	43.0	Physical performance was poor, and attributed to lack of sound road equipment to execute the works.

S/N	Agency Name	% Release	% of Release spent	%Semi-Annual workplan executed	Remarks
20	Mityana	45.0	100.0	63.2	Physical performance was fair. Failure to achieve targets was attributed to lack of a road maintenance equipment unit; and an understaffed works department which has only one staff member – a Senior Assistant Engineering Officer.
Overall		**42.1**	**66.7**	**54.2**	**Fair Performance**

ii) National Roads Maintenance (NRM) Programme

The programme involves several activities of maintenance of 19,600km on the national roads network, ferry services or inland water transport services and axle load control across the network. This programme is implemented by UNRA through their stations. It aims at improving and maintaining interconnectivity of the national road network across the country by reducing the rate of deterioration, lowering vehicle operating costs and travel time as well as ensuring safety of road users and ferry services.

The UNRA stations are responsible for directly executing force account activities which involve routine manual (labour based contracts) and routine mechanised maintenance. In addition, they undertake supervision services for periodic and term maintenance which are usually contracted out and managed at the headquarters.

For the FY2017/18, planned outputs[60] for the NRM programme were

i) Routine Manual Maintenance: 3,420km of paved and 12,956km of unpaved roads maintained;

ii) Routine Mechanised Maintenance: 3,150km of paved roads and 15,000km of unpaved roads maintained; and

iii) Periodic maintenance: 40km of paved and 2,500km of unpaved roads and 333 bridges maintained.

For the half year FY 2017/18 annual performance, seven (7) UNRA stations (Hoima, Ibanda, Kabale, Kotido, Moyo, Mpigi, and Tororo) were monitored.

Overall Financial Performance

This programme is funded by URF but implemented by UNRA Stations. The programme had

[60] URF Quarter Two Progress Report FY2017/18

an approved budget of Ug shs 267.92 billion[61] (64.1% of URF budget) of which Ug shs 115.96 billion (43%) was released and Ug shs 115.96 billion (100%) spent by 31st December, 2017. On average for the stations monitored, 41.34% of the budget for the NRM was released, of which 71.16% was expended by 31st December 2017.

Overall Physical Performance

The overall physical performance of the force account component of the National Roads Maintenance Programme was good. The programme achieved an estimated 72% of the half year targets. This was an increase in the performance of the programme compared to 58% of last FY by 31st December 2016. Although the performance was good, there was a general decline in the achievement of routine manual maintenance activities under force account which are usually carried out on a monthly basis. These activities were not carried out in quarter one for most stations, and so spilled to quarter two. Activities such as gravelling and installation of culverts under routine mechanised maintenance were not achieved due to delays in procurement. For most of the entities, procurement delayed due to lack of fully constituted contracts committee at the UNRA regions level.

All the contracts were rolling from the previous FY, with most of them behind schedule. The performance of the contracts was affected by poor mobilisation of equipment by the contractors and delays in payment by UNRA. Table 13.33 shows a summary of the performance of stations.

Table 13:33: Summary of the Performance of the National Roads Maintenance Programme by 31st December 2017

Station	% budget released	% release spent	Overall Physical Performance (Force Account)	Overall Physical Performance (Contracts)	Remark
Hoima	34.80	87.60	80.00	88.00	Overall physical performance was good, and attributed to a full staffing, readily available materials like gravel and complaint contractors.
Ibanda	49.34	96.60	86.00		Overall performance was good, however only 67% of the targets under routine mechanised were achieved. The underperformance was due to lack of sound equipment.
Kabale	39.00	70.20	86.70	68.54	Overall performance was good, however routine mechanised maintenance did not perform well with only 30.4% of the targets achieved.

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Station	% budget released	% release spent	Overall Physical Performance (Force Account)	Overall Physical Performance (Contracts)	Remark
Kotido	52.90	58.00	63.10	85.1	Overall physical performance of force account activities was fair. Performance was affected by delays in procurement of inputs due to lack of a fully constituted contracts committee.
Moyo	20.80	62.40	31.00	59.00	Performance was poor. Grading works for the roads implemented were done although none of the roads was compacted due to lack of a roller compactor at the station. Poor performance was attributed to procurement delays, lack of equipment such as rollers, tipper trucks, supervision vehicles and motor cycles to facilitate the execution of quality work and supervision by the staff. The low performance of the contracts was due to poor planning by the contractors and low capacity to implement works.
Mpigi	38.25	58.62	79.28	46.70	Overall performance was good. However, labor based contracts did not perform well due to abscondment of the workers arising from delayed payments. Other reasons that affected implementation of planned activities were: the lengthy procurement process; frequent break down of equipment due to old age; and lack of enough tippers for gravel works.
Tororo	54.30	64.70	75.90	96.00	The overall performance was good, however it was affected by frequent breakdown of equipment, procurement delays and late receipt of funds.
Average	**41.34**	**71.16**	**71.71**	**72.87**	**Good performance**

Source: Author's Compilation

The details of the performance findings for the stations are presented below per UNRA station monitored.

a) Hoima

Hoima UNRA station network comprises of 1,101.1km of which 198km (18%) are paved and 903.1km (82%) are unpaved. The road network is found in seven (7) districts of Buliisa, Hoima, Kagadi, Kakumiro, Kibaale, Kiboga and Kyankwanzi.

i) Implementation by Force Account

The station received Ug shs 1,231,283,520 (34.8% of its annual budget) for force account activities, of which Ug shs 1,078,311,887 (87.6%) was spent by 31st December, 2017. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.34.

Table 13.34: Performance of force account at Hoima UNRA station by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	179	94.9	11.85	53% of the annual target was met hence, good performance.
Routine Mechanised Maintenance (unpaved)	359.1	120	13.29	33% of the annual target was met. Therefore, most of the Q2 works spilled over to Q3 especially culvert installation.
Routine Manual Maintenance (paved)	791.972	340	3.80	Two cycles were executed i.e. Q1 and Q2.
Routine Manual Maintenance (unpaved)	3,141.972	1200	11.08	
Overall physical performance			**40.03**	**Good performance**

Source: Hoima Station Quarterly progress reports FY 2017/18 and Author's compilation

The overall physical performance of the force account works at the station was estimated at 80% of the half year targets which is a good performance. This was attributed to; the fully staffed and well facilitated station, readily available materials like gravel, and complaint and responsive labour based contractors for the routine manual works. The unachieved targets were due to aged equipment which faced frequent mechanical breakdown; and lack of supervision vehicles.

Observations

- ***Buseruka-Kigorobya Road (17.5km) in Hoima district:*** The scope of works involved widening, heavy grading, and graveling and culvert installation at an annual budget of Ug shs 90,000,000. The works started in Q1 but spilled over to Q3. A total of Ug shs 32,695,000 was received out, of which Ug shs 27,155,000 (83%) was expended. The road was in fairly motorable condition for the entire section. Concrete pipe culverts of 900mm diameter were installed and encased in concrete at various chainages such as km 1+100 ,5+100, 5+900, 6+100, 7+100, 8+100 (two lines), 12+900, 13+300,16+500.

- ***Buseruka-Bugambe (19.2km):*** The scope of works involved medium grading, culvert installation and spot graveling at an annual budget of Ug shs 90,000,000. Grading works were carried out at Ug shs 2,370,000 (100% of the receipt). The road was in a good motorable condition for the first 6.9km however, routine manual works such as slashing of the road sides on the section ahead were not executed.

Two lines of culverts of 900mm encased in concrete at km8+100 along Kigorobya-Buseruka Road

A section of Buseruka Bugambe Road at km 13+400

ii) Implementation by Contracts

The station had three (3) contracts running as shown in table 13.35.

Table 13.35: Performance of contracts at Hoima UNRA Station by 31st December 2017

Contract Name	Annual Target (km)	Cum. Achieved Quantity (km)	Physical Performance (%)	Weighted Physical Performance (%)	Remark
Term maintenance of Hoima Kizirafunfumbi Kagadi Mzizi and Hoima Biiso Change Order: (Kyenzige Rugashaali-Mabaale (30km) & Kibaale-Kyebando-Paacwa (46.2km)	19	15	78.95	23.08	The project started on 10/07/2013 and was to end on 7/11/2016 at a contract sum of Ug shs 6,124,280,000. However, there was a change order to another road which led to an extension of time to 07/08/2017. The cumulative progress was at 98% against a target of 100%.
Term maintenance of Kagadi Kibaale Road(40.2km) Change Order: {Isunga-Bugwara-Kikwaya Road (36km)}	78	48	61.54	15.48	The road project started on 27/10/2014 and was to end on 27/10/2017 at a contract sum of Ug shs 2,622,631,440. However, there was change order to another road which led to an extension of time to 7/02/2018. The cumulative progress was at 60% against a target of over 90%.
Term maintenance of Bukwiri ktyankwanzi and Bukwiri Ntwetwe Kiyindiyindi Road	68.8	8.8	12.79	5.83	The road project started on 29/12/2014 and was to end on 28/12/2017 at a contract sum of Ug shs 4,754,791,540 and thereafter extended to 23/07/2018. The cumulative progress was at 40%.
Overall physical performance				**44.39**	**Good performance**

Source: Hoima Station Quarterly Progress Reports FY 2017/18 and Author's Compilation

Overall the performance of contracts in Hoima was good as 88% of the half year targets were achieved. The good performance was attributed to the fact that all the contracts were rolling over from the previous FYs which required the contractors to expedite works to avoid liquidated damages. However, the contract progress had stalled due to poor equipment mobilization and delays in payments by UNRA which were attributed to budget constraints.

Observations

Isunga-Bugwara-Kikwaya Road (36km): The works were at the sixth (6th) and last cycle which started in December 2017. The scope of works entailed graveling and drainage works. The gravelling works were completed, while culverts of 600mm and 900mm diameter were installed at Km 9+200 (two lines of 600mm), 14+000, 14+900, 15+600, 22+200, 22+300 and 34+600 (600mm); while head wall construction was ongoing. The road was in a fair motorable condition although the surface was bumpy in some sections.

A culvert of 600mm encased in concrete at km 14+900 Isunga-Bugwara-Kikwaya Road

A section of Isunga-Bugwara-Kikwaya Road at km 14+900

b) Ibanda

Ibanda UNRA station network comprises of 838km, of which 153.3km (18.3%) are paved and 684.7km (81.7%) are unpaved. The road network is found in four (4) districts of Ibanda, Kamwenge, Kiruhura, and Buhweju.

i) Implementation by Force Account

The station received Ug shs 566,567,000 (49.34% of its annual budget) for force account activities, of which Ug shs 547,392,751 (96.6%) was spent by 31st December 2017. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.36.

Table 13.36: Performance of force account in Ibanda UNRA Station by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	7	0	0.00	No works were executed under this intervention.

Routine Mechanised Maintenance (unpaved)	473	160	8.87	About 67% of the semi-annual targets were achieved.
Routine Manual Maintenance (paved)	633.2	296.6	6.55	Two cycles; 150.3 km in Q1 and 146.3 km in Q2 were conducted. The road sides were well maintained.
Routine Manual Maintenance (unpaved)	2650.8	1276	27.58	Two cycles @ 638km were executed. The road sides were well maintained.
Overall physical performance			**43**	**Good performance**

Source: Ibanda Station Quarterly Progress Reports FY 2017/18 and Author's Compilation

The overall physical performance of the force account works at the station was estimated at 86% of the half year targets, which is a good performance. The station did not achieve all the targets due to aged equipment which faced frequent mechanical breakdown, and high costs of construction materials like gravel which exceeded the approved rates.

Observations

- ***Ruhumba-Byanamira-Kashwa Road (33km) in Mbarara District:*** The scope of works involved medium grading, culvert installation and spot graveling. The road, which was in fair motorable condition, was graded in Q1 and had culverts installed in Q2 at Ug shs 26,850,000 (85.5% of the received funds).
- ***Kashongi-Kantaganya Road (24.5km) – Kiruhura District:*** The scope of works involved medium grading, culvert installation and spot graveling. The works were carried out in Q2 at Ug shs 32,375,000 (62.8% of the received funds) pending culvert installation due to delayed procurement but one line of Armco culverts had been installed. The road was in a fair motorable condition but with a few defective sections.
- ***Mzizi-Buremba-Kakinga Bridge (70km)***: The scope of works involved medium grading of the entire section. Only 30km were graded at an expenditure of Ug shs 8,745,000 (19.4% of the received funds) and works were still ongoing.
- ***Kanyarugiri-Nyamarebe-Ishongoro (23.4km) in Ibanda district-*** The scope of works involved medium grading, culvert installation, and spot gravelling. Grading of the entire section was carried out in Q2 at Ug shs 8,270,000 (20.7% of the received funds). The road was motorable but there was need for spot gravelling.

A section of Rhuhumba-Byanamira-Kashwa at km 0+000 **An armco culvert installed along Kashongi-Kantaganya Road at km 11+700**

c) Kabale

The station network comprises of 1,209.4km, of which 322.8km (26.7%) are paved and 886.6km (73.3%) are unpaved. The road network is found in nine (9) districts of Bushenyi, Kabale, Kanungu, Kisoro, Mitooma, Ntungamo, Rubanda, Rukiga and Rukungiri.

i) Implementation by Force Account

The station received Ug shs 759,003,100 (39% of its annual budget) for force account activities, of which Ug shs 533,044,212 (70.2%) was spent by 31st December 2017. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.37.

Table 13.37: Performance of force account at Kabale UNRA Station by 31st December 2017

Output	Annual Target (km/No.)	Cum. Achieved Quantity (km/No.)	Weighted Physical Performance (%)	Remark
Routine Mechanized Maintenance (paved)	138.5	89	1.96	64.3% of the annual targets were achieved. De-silting works, opening of blocked cross drains and clearing of landslides was done on Kabale-Kisoro-Bunagana (88.5km) in Q2.
Routine Mechanised Maintenance (unpaved)	236.71	72	3.28	30.4% of the annual targets were achieved, this was attributed to the emergency works on Butoobere-Muyumba-Rwamucucu (18.2km) which involved culvert installation and swamp raising in Q1.

Output	Annual Target (km/No.)	Cum. Achieved Quantity (km/No.)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance (paved)	1159.3	526.0	10.18	This was good performance. Over 85% of the semi-annual targets were achieved.
Routine Manual Maintenance (unpaved)	3295.02	1444.6	27.94	
Overall physical performance			**43.36**	**Good performance**

Source: Kabale Station Quarterly Progress Reports FY 2017/18 and Author's compilation

The overall physical performance of the force account works at the station was estimated at 86.7% of the half year targets, which is a good performance. This was attributed to complaint and responsive labour based contractors for the routine manual works.

Observations

- ***Butobere - Muyumbu – Rwamucucu (18.2km) in Kabale District:*** The scope of works done as an emergency in Q2 to make the road motorable after it was cut off by heavy rains involved culvert installation of 153m of armco pipe culverst and swamp raising of 3500m^3. A total of 60m of culverts lines (2.1m diameter - 5 lines and 2.5m diameter - 1 line) were installed on the road. Gabion works were also done at the approaches of the section where swamp raising was done. The progress of works was at 40% by 31st December 2017.

- ***Kanungu - Kihihi - Ishasha Junction (33km) in Kanungu District:*** The scope of works involved medium grading of the entire road length and spot gravelling. Only grading was done and completed in Q2 at Ug shs 10,770,000. The road was motorable with a few sections like Km 11+000 which required graveled having deteriorated due to the surface run off from the rains.

- ***Rukungiri - Ruhinda (20km) in Rukungiri District:*** This was a pilot project whose rehabilitation was to be done by force account intervention at Ug shs 111,700,000. The scope of works involved medium grading of the entire road length, gravelling of the first 10km and swamp raising. The works commenced in Q2 with grading of the entire road section.

  By 31st December 2017, only 5km were graveled. The graveled section was in a good and motorable condition. Dumping of gravel was still ongoing with heaps of the material observed on the road. The physical progress of works was estimated at 50%. Scarcity of the gravel material in the project area was reported to contribute towards the delays in implementation of works.

Left: Emergency works of double cell culvert installation on Butobere - Muyumbu – Rwamucucu (18.2km); Right: Dumped heaps of gravel at Km 4+00 on Rukungiri - Ruhinda (20km)

ii) Implementation by Contracts

The station had one (1) contract running as shown in table 13.38.

Table 13.38: Performance of contracts at Kabale UNRA Station by 31st December 2017

Contract Name	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Periodic Maintenance of Kanungu - Rugyeyo - Kabaranga (38.5km) and Kihihi - Nyamirama-Kigongi - Burama (26km) roads	48.0	32.9	32.27	The road project started on 09/09/2016 and was to end on 09/09/2017 at a contract sum of Ug shs 3,227,376,700. There was an extension of time to 22/12/2017. The physical progress was at 90% against 100%. Torrential rains, change in scope and landslides affected the works.
Overall physical performance			**32.27**	**Fair performance**

Source: Kabale Station Quarterly Progress Reports FY 2017/18 and Author's compilation

Overall the performance of contracts at Kabale UNRA station was fair as 68.54% of the half year targets were attained. The performance was attributed to torrential rains, change in scope and landslides which affected the progress of works.

Observations

Kanungu - Rugyeyo - Kabaranga (38.5km) and **Kihihi - Nyamirama- Kigongi - Burama (26km *in Kanungu and Rukungiri districts:*** The periodic maintenance contract works involved heavy grading and gravelling of the entire road length; and culvert installation for a period of 12 months (9th September 2016 – 9th September 2017) at a contract price of Ug shs 3,227,376,700. The completion period was extended for 3.4 months (to 22nd December 2017) due to rescoping for the under scoped items like widening from the existing 5.5m to 7m on Kanungu - Rugyeyo – Kabaranga road; insufficient quantities of the culverts and rock excavation; and protecting the embankments with gabions.

By 31st December 2017, the physical progress of the project was estimated at 85% against a financial progress of 33% and time progress of 100%. Delays in the project were attributed to torrential rains which disrupted the gravelling activity, landslides and widening works executed outside the scope. Completed activities included heavy grading on both road sections; and gravelling and culvert installation on Kihihi - Nyamirama- Kigongi–Burama road. Gravelling and culvert installation on Kanungu-Rugyeyo–Kabaranga road were ongoing. The sections which were graveled were in good and motorable condition.

In order to complete the works, the contractor submitted a request for extension of time to January 25, 2018 which was being analysed. There is a need to raise the low lying areas especially the swamps where the armco culverts were installed, and to design for box culverts to cater for extreme cases other than installing temporary armco culverts.

d) Kotido Station

Kotido UNRA station road network comprises of 843.2km, all of which are unpaved. A total of 436.1km were in good condition, 232.5km in fair and 174.6km in poor condition..

The station's annual budget for roads maintenance works is Ug shs 2,133,600,000 for FY 2017/18. The station received Ug shs 1,128,030,975 (52.9%), of which Ug shs 653,803,915 (58%) was spent by 31st December 2017.

i) Implementation by Force Account

For the FY2017/18, the station planned to implement routine mechanised and manual maintenance activities on 637.2km and 610.2km respectively. The physical performance of the station by 31st December 2017 is presented in table 13.39.

Table: 13.39: Performance of the Force Account Programme at Kotido Station by 31st December 2017

Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Weighted physical performance (%)	Remark
Routine Mechanised Maintenance (un paved)	637.20	212.00	18.37	Only grading and gravelling were carried out. No culverts were installed, except along the Kotido – Abim Road. No compaction was done due to lack of water.
Routine Manual Maintenance (unpaved)	610.20	610.20	44.78	Target was achieved
Overall physical performance			**63.1**	**Fair performance**

Source: Kotido UNRA Station Quarterly Work plans and Progress Reports FY2017/18

The overall performance was fair as 63.1% of the targets were archived; this was attributed to inadequate equipment as the station has one reliable grader, erratic supplies of fuel and delays in procurement of culverts and cement due to lack of a fully constituted contracts committee at the regional level.

ii) Implementation by contracts

The station had two term maintenance contracts, which were at different levels of performance. Table 13.40 summarises the performance of the contracts as at 31st December 2017.

Table 13.40: Performance of Contracts at Kotido UNRA Station at 31st December 2017

Contract	Contract sum (Ug shs)	Cum. work Target by end of Q2	Cum. Achieved	Weighted Physical Performance (%)	Remark
Term Maintenance of Kanawat – Kaabong, Kaboong – Kapeedo and Kapeedo- Karenga roads	10,813,823,020	95% of Physical progress achieved	85% of physical works	44.9	Contract was in the sixth cycle but behind schedule. Cumulative financial performance was at Ug shs 8,961,581,748. The financial performance is commensurate to the quantity of works done.
Term Maintenance of Ariamoi – Lopei and Kotido – Kapelimoru – Lopei	8,027,833,000	94 % of Physical progress achieved	76% physical works	40.2	The contract was behind schedule. The cumulative financial progress was at Ug shs 4,946,508,248. The financial expenditure matches the quantity of work achieved by the contractor.
Overall physical performance				**85.1**	**Good performance**

Source: Kotido UNRA station progress reports

The overall performance of the contracts in Kotido UNRA station was good, as 85.1% of the half year targets were achieved, despite all the contracts being behind schedule. The contractor had completed grading of the entire road awaiting the rains to commence gravelling. The contracts were behind schedule because they both delayed to commence works by about three (3) months and delays in payment of IPCs by UNRA led to slow progress of works.


Constructed two cell culverts along Kotido–Abim Road

A graded section of the Kanawat–Kabong Road within Kabong trading centre

e) Moyo

The station has a total road network of 776 km, of which 1.5km (0.19%) are paved and 774.5km (99.81%) are unpaved. The road network in fair to good condition improved to 96% in FY 2017/18 as compared to 84% in FY 2016/17. This was majorly attributed to the mechanised contracts at the station. The station network is in the following four (4) districts: Adjumani, Amuru, Moyo and Yumbe.

i) Implementation by Force Account

The station had an annual budget of Ug shs 3,652,720,000. By end of Q2 of FY 2017/18, the station had received a total of Ug shs 760,379,143(20.8% of the annual budget) for its force account activities of which Ug shs 474,351,485 (62.4% of releases) was expended which was a fair financial performance.

The station planned to implement routine manual and mechanised maintenance activities on both paved and unpaved roads. Physical performance of the force account activities by 31st December 2017 is presented in table 13.41.

Table 13.41: Performance of Moyo UNRA Force Account Programme by 31st December 2017

Output	Annual target (km/No.)	Cum. Achieved quantity (km/No.)	Weighted Physical Performance (%)	Remark
Routine mechanised maintenance (unpaved)	644.5	160	14.4	Only grading was carried out on 241km, due to lack of sound grader, delays in funds release and floods in Q1. Spot gravelling and drainage works were not carried out.

Routine manual maintenance(Paved)	1.5	0.75	0.0	Q1 and Q2 targets achieved.
Routine manual maintenance(unpaved)	774.5	309	16.7	Q1 and Q2 targets nearly achieved.
Overall physical performance			**31**	**Fair performance**

Source: Moyo UNRA Annual Workplan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The physical performance of the force account activities was rated as poor at 31% of the annual targets. Grading works for the roads implemented were done, although none of the roads was compacted due to lack of a roller compactor at the station. Additionally failure to achieve the semi-annual targets was attributed to procurement delays and IFMS challenges. Most of the maintenance works spilled to quarter three.

Generally the station lacks adequate equipment such as; rollers, tipper trucks, supervision vehicles and motor cycles to facilitate the execution of quality work and supervision by the staff.

ii) Implementation by Contract

In the FY 2017/18, the station had one term maintenance contract; two periodic maintenance contracts and one a supervision contract spilling over from the previous FY. Details of the performance of these contracts are as shown in table 13.42.

Table 13.42: Performance of Maintenance Contracts at Moyo UNRA Station by 31st December 2017

Contract Name	Budget FY 2017-18 (Ug shs)	Semi-Annual Target (%)	Cum achieved (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Adjumani-Mungula-Amuru (88km)	2,279,040,000	38	31	34.16	Target not achieved. The project was behind schedule by 7%. Cumulatively the contract was at a physical progress of 93% and a cumulative expenditure of Ug shs 5,555,199,548 (92.8% of the contract sum) was achieved. The performance of the project was affected by delays in approval by the contracts committee of a revised rate for installation of culverts arising from a change in scope of work for from size 600mm to 900mm diameter.
Periodic Maintenance of Moyo-Obongi (28km)	1,301,874,855	23	10	12.35	Cumulative physical progress was at 86% against a target of 100%. The value of the works achieved was Ug shs 1,200,531,084 but no payments were made yet to the contractor.
Periodic Maintenance of Pakele-Pabbo (32km)	1,618,606,000	28	12	12.74	Target not achieved. The project was behind by 16%. Grading of the road was done but without compaction. Lack of water to facilitate the compaction was a major challenge to the project during the half year period because it was a dry season within the region.
Overall physical performance				**59**	**Fair performance**

Source: Moyo UNRA Annual Work plan; Quarterly progress reports Q1 & Q2 FY 2017/18 and Author's compilation

The overall physical performance of the contracts in the station was fair estimated at 59% of the semi-annual target. Grading works were done on all the contracts, however compaction of the road works was not done due to lack of water.

It was observed that all the contracts did not perform well and so were behind schedule. The low performance of these contracts was attributed to poor planning by the contractors, and the fact that the contractors' capacity to implement works is low yet with more than one running contract with UNRA.

f) Mpigi

Mpigi UNRA station network comprises of 698km, of which 157km (22.5%) are paved and 541km (77.5%) are unpaved. The road network is found in six (6) districts of Butambala, Gomba, Kalungu, Mityana, Mpigi and Wakiso.

i) Implementation by Force Account

The station received a total of Ug shs 1,324,458,900 (38.25% of its annual budget) for force account activities, of which Ug shs 777,385,778 (58.62%) was spent by 31st December 2017. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.43.

Table 13.43: Performance of force account at Mpigi UNRA Station by 31st December, 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	53	0.0	0.00	No work was executed in Q1 and Q2.
Routine Mechanised Maintenance (unpaved)	381	154.0	18.55	40% of the annual targets were achieved.
Routine Manual Maintenance (paved)	588	293.9	7.67	Two cycles were executed i.e. Q1 and Q2.
Routine Manual Maintenance (unpaved)	1352	623.5	13.40	
Overall physical performance			**39.64**	**Good performance**

Source: Mpigi Station Quarterly Progress Reports FY 2017/18 and Author's compilation

The overall physical performance of the force account works at the station was estimated at 79.28% of the half year targets, which is a good performance. However, the station shared an accountant with Mubende UNRA Station which affected implementation especially when abscent. For example, there were delays in effecting payments of the labour based contractors which led to absconding of workers. Other reasons that affected implementation of planned activities were the lengthy procurement process, frequent break down of equipment due to old age, and lack of enough tippers for gravel works.

Observations

- ***Kayabwe - Nkozi - Kabulasoke (42km) in Mpigi, Butambala and Gomba districts:*** The first 3kms of the road from Kayabwe to Nkozi University are paved and thus the force account works for the unpaved works start at Km 3+000. The scope of works involved medium grading of the entire road section, spot gravelling, culvert installation and river training at a budget of Ug shs 70,092,000. Grading of the entire road section, spot gravelling and river training were done and completed in Q1 at Ug shs 55,209,150 (78.8%).

  The road surface was still in a good condition and motorable, however a few sections had deteriorated due to the surface runoff and high traffic volumes. Defects like corrugations, gulleys and dust were observed in these sections. At Km 13+000, a swamp crossing, river training were well done, but the 1.2km carriage way was not worked on as it was earmarked for swamp raising.

- ***Kanoni-Misigi-Mityana (36km) in Gomba and Mityana districts:*** The scope of works involved medium grading, spot graveling and river training at a budget of Ug shs 20,000.000. The works were carried out in Q1. The road surface was in good condition and motorable with a few sections being defective with corrugations due to high traffic volumes. River training was noted to be well done at the following sections: 12+000 and 26+100.

- ***Nakawuka-Katende-Kakiri (31km) in Wakiso and Mpigi districts:*** The scope of works involved medium grading, spot graveling, river training and construction of end structures of culvert lines at a budget of Ug shs 46,870,000. Apart from the construction of the end structures of culvert lines which was yet to be done, all the other activities were carried out in Q2 at a cost of Ug shs 41,925,000 (89.5%). The road surface was in good condition and motorable with minor defects in a few sections. The following sections were noted to have been spot graveled: 6+400-7+000; 13+000-14+900; 20+800-22+200; and 25+000-26+400.

- ***Mpigi-Kasenge-Bunamwaya (21.5km) in Mpigi district:*** The scope of works involved medium grading, spot graveling and drainage improvements of river training and culvert installation at budget of Ug shs 38,751,000. The works were carried out in Q2 at a cost of Ug shs 30,810,500 (79.5%). The road surface was in good condition and motorable with a few sections being defective with depressions due to the heavy traffic that uses the road while ferrying sand.

A swamp crossing at km 13+000 where river training was done along the Kayabwe-Nkozi-Kabulasoke Road (42km)

A well graveled section along Nakawuka-Katende-Kakiri (31km) at Km 21+200 from Kakiri

ii) Implementation by Contracts

The station had one (1) contract running as shown in table 13.44.

Table 13.44: Performance of Contracts at Mpigi UNRA Station by 31st December 2017

Contract Name	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Term Maintenance of Mitala-Maria-Bulo-kanoni (30km) and Mityana-Busunju (30km)	60.0	14	23.33	The project started on 02/02/2015 and was to end on 02/02/2018 at a contract sum of Ug shs 4,145,933,000. The cumulative progress was at 74.95% against a target of 98%. Only Mityana-Busunju (28.3km out of 60km) was graded in December 2017. Pending works were culvert installation, river training, stone pitching, and manual works.
Overall physical performance			**23.33**	**Poor performance**

Source: Mpigi Station Quarterly Progress Reports FY 2017/18 and Author's Compilation

Overall the performance of contracts in Mpigi UNRA station was poor as 46.7% of the half year targets was attained. The poor performance was attributed to the slow and inadequate mobilization by the contractor, and the contractor's delay to commence the cycle works which resulted in the slow progress.

Observations

Mitala-Maria-Bulo-Kanoni (30km) and Mityana-Busunju (30km)*:* The contract was in the sixth (6th) and last cycle. It was to end on 2nd February, 2018. The contractor had only graded 28.3km on Mityana-Busunju in December 2017, out of the 60km for the whole contract. The culverts were also not installed. The overall contract physical process was estimated at 75% against a time progress of 98%. The contractor was cautioned to expedite the works.

g) Tororo

Tororo UNRA station network comprises of 647.3km, of which 113.5km are paved and 533.8km unpaved. A total of 354.3km (54.7%) were in good condition, 261.8km (40.4%) in fair while 31.2km (4.8%) were in poor condition. There was an improvement in performance of FY2016/17 whose road condition assessment figures were 47.1% and 52.9% respectively.

i) Implementation by Force Account

The station's approved annual budget was Ug shs 2,108,950,000, of which Ug shs 1,144,419,100 (54.3% of its annual budget) was received and Ug shs 740,773,092 (64.7% of release) expended by 31st December 2017. The funds were expended on planned routine manual and mechanised maintenance works on both paved and unpaved roads as shown in table 13.45.

Table 13.45: Performance of Force Account in Tororo UNRA station by 31st December 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	108.00	51.00	1.80	Patching works were carried out.
Routine Mechanised Maintenance (un paved)	381.3	165	16.83	Culvert installation and gravelling works were not achieved due to lack of a fully constituted contracts committee for eastern region to handle procurement.
Routine Manual Maintenance (paved)	112	112	13.28	Target was achieved.
Routine Manual Maintenance (un paved)	371	371	44.02	Target was achieved.
Weighted physical performance was 75.9%				**Good performance**

Source: Tororo Station Quarterly Progress Reports FY 2017/18 and Author's Compilation

The overall physical performance of the force account programme in the station was estimated at 75.9% of the half year targets, which is a good performance. The station did not achieve all the targets due to:

- Frequent breakdown of equipment
- Delayed release of quarterly funds
- Lack of fully constituted contracts committee and so procurement of spares, culverts and other inputs was not done.

ii) Implementation by Contracts

The station had one term maintenance contract which was at substantial completion stage by 31st December 2017. Table 13.46 shows the performance of the contract.

Table 13.46: Performance of Maintenance Contracts at Tororo UNRA Station

Output	Annual Target (%)	Cum. Achieved Target (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Tororo – Nagongera (20km), Nagongera – Busolwe – Busaba (24km), Busolwe – Nabumali (35km) and Busolwe – Budumba (17.5km) roads	16.67	16	96	The contract was in the sixth cycle and was at substantial completion. The contract graded all the roads and installed drainage structures where necessary at a total of Ug shs 933,041,672. The cumulative physical progress was at 99%.
Overall physical performance			**96**	**Very Good Performance**

Source: Tororo UNRA and Author's Compilation

The overall performance of the contracts in the station was very good estimated at 96%. Grading and spot gravelling of the roads was complete. It was observed that one of the roads

 

Nagongera-Meriki-Busiu-Isikoye (35km); L-R: A timber bridge that has outlived its service life; A well graded section of the road

Overall for the UNRA Stations

Issues affecting implementation in UNRA stations

i) Inadequate and ageing equipment associated with frequent breakdowns. Additionally the stations lacked low loaders and as a result equipment such as rollers and graders travel long distances to work which affects their lifespan.

ii) Delays in procurement which affected gravelling and installation of culvert works. The delays in procurement arose from lack of fully constituted contracts committees at the regional level.

iii) Poor planning; and low technical and financial capacity by the contractors, with contractors having more than one contract affected performance of the contracts.

Conclusion

The overall physical performance of the force account component of the National Roads Maintenance Programme at half year for the FY 2017/18 was estimated at 72% which is good. Despite the good performance, there were cases of underperformance registered under both routine manual and mechanized maintenance arising from delays in receipt of funds, procurement delays and lack of equipment.

Recommendations

i) The UNRA should urgently procure equipment for all the stations and also consider low loaders and tipper trucks

ii) The UNRA should expedite the process of constituting the contracts committees at the delegated procurement centres.

iii) The UNRA should ensure that due diligence is carried out to ascertain the capacity of contractors to handle more than one contract.

iv) The UNRA should ensure that contractors avail staff and equipment presented at the time of bidding.

CHAPTER 14: WATER AND ENVIRONMENT

14.1 Introduction

The sector institutional framework consists of Ministry of Water and Environment with Local Governments (Districts and Town Councils), De-concentrated structures including the Water and Sanitation Development Facilities (WSDFs), Technical Support Units (TSUs),Water Management Zones and Water for Production Regions; National Environment Management Authority (NEMA), National Forestry Authority (NFA), National Water and Sewerage Corporation (NWSC) and Uganda National Meteorological Authority (UNMA), Development Partners, Private Sector and the Civil Society Organizations. The Ministry of Water and Environment is a lead institution and is responsible for overall coordination, policy formulation, setting standards, inspection, monitoring, technical back-up and initiating legislation. It also monitors and evaluates sector development programmes to keep track of their performance, efficiency and effectiveness in service delivery. The private sector and Civil Society Organizations (SCO) complements the efforts of the government in the development and mobilization of the resources for service delivery while the donors provide financial and technical assistance.

The mission of the sector is *'To promote and ensure the rational and sustainable utilization, development and effective management of water and environment resources for socio-economic development of the country''*[62]

14.1.1 **Key Sector Priorities**

The sector identified specific priorities to meet the National Development Plan II (NDPII) objectives that constitute the strategic direction in line with the Sustainable Development Goals (SDGs) and the Sector Development Plan (SDP) 2015/16 -2019/20. These are;

i) Increase access to safe water and urban areas from the current 65% to 79% within the radius of 1km from 77% to 100% respectively by ensuring that each village has a safe water source; increasing sanitation and hygiene levels in rural and sewerage in urban areas to 95%; increasing functionality of water supply systems and promote water catchment based integrated water resources management.
ii) To increase provision of water for production facilities, and increasing functionality and utilization of water for production facilities from the current 27.8MCM to 38MCM by 2019/20.
iii) To protect, restore and maintain the integrity of degraded fragile ecosystems by increase of national forest cover from 10% to 15% through massive tree planting of 100,200 million

[62] Ministerial Policy Statement March 2017

trees annually throughout the country and increase national wetland cover from 10.9% to 12%.

iv) To increase automation of climate monitoring network to 40% and increase country resilience to impacts of climate change effects.

Sector Outcomes

i) Increased access to safe water and sanitation facilities for rural, urban and water for production uses for men and women.

ii) Increased availability of good quality and adequate water resources to support social economic transformation for men and women.

iii) Improved Weather, Climate and Climate Change Management, Protection and Restoration of Environment and Natural Resources.

14.1.2 Overall Sector Financial Performance

The sector budget allocation for the FY 2017/18 is Ug shs 683.467 billion (Tax arrears inclusive), of which Ug shs 430.903 (63%) was released. The expenditure by end of December 2017 was 88% excluding LGs. The different Vote budgets, releases and expenditures are reflected in Figure 1. The AIA budget release was 39%, out of which 79% was spent. The sector received all the budget arrears and spent 96% of it.

Table 14.1: Water and Environment budget, release, and expenditure performance by December 2017

Vote	Budget	%Budget	Release	Expenditure	% Release	% Spent
MWE	528.279	77.3	360.089	319.976	68.2	88.9
UNMA	29.555	4.3	8.611	7.128	29.1	82.8
NFA	29.508	4.3	11.244	6.863	38.1	61
NEMA	24.485	3.6	9.62	7.992	39.3	83.1
KCCA	15.55	2.3	7.746	6.138	49.8	79.2
DLG	56.09	8.2	33.593	*	59.9	*
Totals	**683.467**	**100**	**430.903**	*	*	*

*Source: IFMS, MWE and Vote Q2Reports; * No local government figures*

Overall Sector Performance

The performance of the sector was rated fair at 56%. The absorption of funds was good at 88%. A number of the planned outputs were partially achieved. Some projects performed well whereas other performed poorly because of the delayed procurement process initiations, delayed design reviews and inadequate releases from both government and the counterpart funding to meet the contractual obligation or procure new contracts.

Scope

This report highlights financial and physical performance of selected projects in the Water and Environment Sector (WES) by end of December 2017. The projects monitored were selected from Vote 019 - Ministry of Water and Environment, Vote 150 NEMA, Vote 302 UNMA and from Votes 501-850 Local Governments.

The monitoring covered 16 projects implemented by Central Government and 10 Local Governments (Table 14.2). In total 34 districts were covered.

Table 14.2: WES projects monitored for Semi-Annual Performance FY 2016/17

Vote / Vote Function	Project / Output	Location (District)
Vote 019 MWE		
VF 0901: Rural Water Supply and Sanitation	Project 1359: Piped Water in Rural Areas Construction of Rwebisengo Kanara GFS in Ntororko Nyabuhikye-Kikyenkye GFS Construction of Bukedea GFS Project 0163: Support to RWS Shuuku- Matsyoro WSS	 Ntoroko
	Project 1347: Solar Powered Mini-Piped Water Schemes in rural Areas Construction of Nyamiyonga Katojo WSS Construction of mini piped solar water systems in Bukedea, Kibuku, Napak, Jinja and Namtumba	Bukedea, Kibuku, Napak, Jinja and Namtumba
VF 0902: Urban Water Supply and Sanitation	Project 1130: WSDF central Water operators supported in O&M Water supply and sanitation systems constructed Construction of Gombe-Kyabadaza WSS Construction of Kabembe-Kalagi-Nagalama WSS	Mityana
	Project 1188: Protection of Lake Victoria-Kampala Sanitation Program Nakivubo Waste Water Treatment Plant constructed Nakivubo and Kinawataka sewer network constructed Kinawataka Pre-treatment plant constructed.	Kampala
	Project 1075: WSDF East Construction of Buyende WSS Construction of Busede-Bugobya WSS	
VF 0903: Water for	Project 1398: Water for Production Regional Centre West	Ntungamo

Production	Construction of Nyamitanga Mini irrigation schemes Construction of Ruhimbo Mini irrigation scheme Construction of Mabira dam	Isingiro Mbarara
	Project 0169: Water for Production Rwengaju irrigation scheme in Kabarole district constructed Construction of Valley Tanks	Kabarole Katakwi
VF 0904: Water Resources Management	Project 1302: Support for hydro-power development and operations on river Nile Water Allocation Tool Produced Project 1424: Multi-Lateral lakes Edward and Albert integrated fisheries and water resources management (LEAF II) Integrated basin management plan developed	
	Project 1417: Farm Income Enhancement and Forestry Conservation Project Phase II (FIEFOC II) Olweny Irrigation scheme rehabilitated Construction of Mobuku irrigation scheme Construction of Tochi irrigation scheme	Alebtong
Vote 150 NEMA		
	Programme 01: Administration Critical degraded fragile ecosystems restored and protected (L.Kakyera and Kanyabukanja wetlands) Support to NEMA Phase II (Project 1304)	Kiruhura Buhweju
Vote 302 UNMA		
	Project 1371: Uganda National meteorological Authority Metrological structures built Sub Programme 02:Finance and Administration	Pallisa Kyenjojo Jinja Wakiso
Votes: 501-850 Local Governments	Project: 0156: District Rural Water and Sanitation Development Conditional Grant (DWSDCG)	10 districts[63]

Source: Authors' Compilation

14.1.3 Limitations

1) Limited financial information especially AIA releases and expenditures for specific outputs hence performance may have been under or overestimated.

[63] Budaka, Buhweju, Buikwe, Butambala, Buyende, Kole, Lira, Mukono, Rukungiri, Sironko

2) Budgets and releases for some sub-outputs were not easily available. This made it difficult to analyze for each sub-output. Hence the budgets used within the performance tables are for the overall output component.
3) Uncoordinated GoU and donor component plans, releases and expenditures. The donor planned outputs do not match with those under GoU, thus release and expenditure are at the discretion of the project managers.
4) The sector accountability function works independent of the planning function and some expenditures can be made without the knowledge of the project managers.
5) Uncoordinated outputs which do not contribute to the major project objectives. The outputs are lumped together under projects for budgeting purposes which is a reflection of poor planning.

14.2 Ministry of Water and Environment (Vote 019)

Background

The Ministry of Water and Environment is mandated with among others to provide guidance to the local governments, quality assurance, monitoring, regulation and technical assistance. The responsibility for provision of Rural Water Supply and Sanitation Services was decentralized to LGs. However, the implementation of water supply and sanitation services for rural growth centers (with populations between 1,500-5,000 people) is still handled at the central level, as the capacity of the District Local Governments (DLGs) is being built. The Support to Rural Water Supply and Sanitation Program (SRWSSP) carries out the ministry role as far as decentralization is concerned in the provision of water to the rural population in Uganda.

Objectives: To support the local governments, NGOs, humanitarian organizations and CBO's to build capacity for efficient and effective service delivery in the water and sanitation sector.

Financial performance

The vote approved budget for the FY 2017/18 is Ug shs 528.279. By 31st December 2017, Ug shs 360.089 billion (68.2% of the total budget) was released, and Ug shs 319.976 billion (88.9%% of the release spent). Out of total, Ug shs 502.427 billion (development budget), Ug shs 345.036 billion (46.5%) was donor contribution.

14.2.1 Support to RWS (Project 0163)

Background

As per the decentralization programme, Local Governments are responsible for the provision of Rural Water Supply and Sanitation Services. The MWE is mandated with among others to

provide guidance to the local governments, quality assurance, monitoring, regulation and technical assistance.
However, the implementation of water supply services for Rural Growth Centers (with population between 1,500-5,000 people) is still handled at the central level (MWE), as the capacity of the Local Governments (LGs) is being built. The Support to Rural Water Supply and Sanitation Programme (SRWSSP) carries out the ministry role as far as decentralization is concerned, in the provision of water to the rural population in Uganda. The project period is 2nd January 2001 to 30th June 2018.

The project objective is to: Support the local governments, NGOs, humanitarian organizations and CBO's to build capacity for efficient and effective service delivery in the water and sanitation sub-sector.

Performance
The project approved annual budget for the FY 2017/18 is Ug shs 15.70 billion, of which Ug shs 8.23 billion (52.42%) was released and Ug shs 7.14 billion (86.75% of the release) was spent by 31st December 2017.

The physical performance of the project by end of December 2017 was rated fair at 68.98% as indicated in table 14.3.

Table 14.3: Performance of Support to Rural Water Supply

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Back up support for O&M of Rural Water 40 HPMAs retrained and retooled O&M activities of Rural Water Supplies monitored	100	1,317,000	30	1.68	Retraining and retooling of the 40 HPMAs was not achieved due to limited funding. 15 HPMs in the refugee communities in Yumbe district were trained and monitored. Monitoring activities done in Lirima, Bududa and Bukwo GFS.
Administration and management services Supervision of 4 large GFS of Lirima II, Bududa II, Shuuku-Matsyoro and Bukwo II under ADB-	100	910,000	62.5	5.80	Six monthly site meetings held for each GFS of Lirima II, Bududa II, and Bukwo II. Works for Shuuku-Matsyoro had not commenced.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score (%)	Remark
WSSP II supported. Districts supported on web-based planning and reporting. Consultancy services for provision of 3 documentaries on Water and environment activities procured.					Districts were supported in planning and reporting process. The final copy of the documentary was submitted to MWE. Radio and television talk shows held to present ongoing projects, popularize the WASH media awards & Global Hand Washing Day and Sanitation.
Promotion of sanitation and hygiene education Hygiene and sanitation promoted in the 4 GFS's of Lirima II, Bududa II, Shuuku-Matsyoro and Bukwo II under ADB-WSSP II	100	320,000	0	0.00	Baseline surveys were carried out for the benefiting communities in Lirima II, Bukwo II and Bududa II project areas. Works for Shuuku-Matsyoro had not commenced.
Monitoring and capacity building of LGs, NGOs and CBOs Quarterly TSU review meetings conducted District water officer's meeting conducted. Back up support given to the Technical Support Units by the MWE. District Investment Plans produced (DIPs) Technical support given to LGs by the TSUs	100	460,000	65	2.93 .	One TSU review meeting was held. DWO's meeting conducted TSUs supported by the MWE. All districts produced their DIPs TSUs supported LGs in implementation and reporting.
Acquisition of land by government Land purchased for the project construction works	100	200,000	0	0.00	No land was purchased for project works.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Construction of Piped Water Supply Systems (Rural) The construction of the GFS of Lirima II (up to 60%), Bududa II (up to 100%), Bukwo II (up to 80%) and Shuuku-Matsyoro (up to 50%) completed.	100	12,487,000	41.5	58.57	Physical progress for the construction works were as follows: Lirima II (16%), Bududa II (90%), Bukwo II (80%) and Shuuku-Matsyoro (0%).
Total		**15,694,000**		**68.98**	

Source: MWE and field findings



L-R: Water office; Foundation (blinding level) of 119m^3 water tank at Sibanga Sub-county; Ongoing construction of BPT at Butiru Town Council, Manafwa District



L-R: 50m^3 reservoir tank at Nabweya sub-county; 2.5m^3 BPT at Bulukyeke sub-county; Yard tap at Bulukyeke sub-county headquarters in Bududa District

The construction of Lirima II water supply had progressed to 16%. The contract period is 24 months from 22nd May 2017 to 22nd May 2019. The scheme covers the districts of Mbale, Manafwa and Tororo. Five reservoir tanks were planned and works were at foundation level. Construction had begun at one of the sites in Sibanga sub-county. All three water offices planned were roofed and plastered.

Pending works at the office sites included shuttering, finishes, fencing and landscaping. Reinforcement works were on going for the Break Pressure Tank (BPT) at Butiru Town Council in Manafwa District. The laying of transmission and distribution pipework had not commenced. The project planned private connection are 1,700 taps. The contractor was paid the only due certificate 1 and advance worth Ug shs 6,021,883,923.80.

Bududa II water supply was at 90% physical progress. The project period is 12 months from 2nd January 2017 to 2nd January 2018. Out of the 2,000 service connections planned, 900 were done, of which 800 were inherited from Phase 1. All pipe works were laid. The two reservoir tanks of $100m^3$ and $50m^3$ each were completed. Four BPTs each $2.5m^3$ were completed. The 5th BPT was pending land compensation challenges. Testing of the system for functionality had commenced using raw water from the source. The treated water which is from Bududa phase I awaited completion of works at the treatment plant.

Shuuku-Matsyoro was at 0%. Procurement was in advanced stages pending the award of the construction contract.

14.2.2 Solar Powered Mini-Piped Water Schemes in Rural Areas (Project 1347)

Background

It is estimated that over 80% of Uganda's population resides in rural areas (UBOS) where the predominant safe water supply technology is the hand pump borehole. Rural areas are characterized by Rural Growth Centers (RGCS) with populations ranging from 1,500 to 5,000 persons. The hand pump can only extract 700 liters per hour, thereby causing delays, conflicts and time wasting rendering them unreliable for RGCs. Owing to the population increase and large numbers of RGCs in the country, it is recommended that high yielding wells are powered with solar energy to supply multiple stand posts in order to reduce on the challenges associated with hand pumps. Hence the project commenced in July 2015 and the end date is June 2020.

The main objective of the project is to upgrade the service levels of safe water supply in rural communities thereby reducing on risks related to water borne disease and improve livelihood of the rural communities.

Performance

The annual approved budget in FY 2017/18 was Ug shs 21,400,000,000, of which Ug shs 13,324,495,000 (62.26%) was released and Ug shs 13,237,543,647 (99.34% of the release) was spent by 31st December 2017. This was an excellent midyear release and expenditure.

The physical performance of the project was rated fair at 61.3% by the end of December 2017. The performance of the project is reflected in table 14.4.

Table 14.4: Performance of Solar Powered Mini-piped Water Schemes in Rural Areas by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs '000)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Back up support for O&M of Rural Water: O&M strategy for the Rural Water Solar Powered Mini piped Schemes in Rural Areas supported and implemented Consultancy for construction supervision of solar schemes procured	100	600,000	25.00	1.40	The O&M strategic guidelines for the solar powered systems drafted and were under review. No consultant procured yet.
Monitoring and capacity building of LGs, NGOs and CBOs: Supervision and coordination visits to 40 selected sites for construction carried out. Project sites monitored.	100	200,000	43.75	0.82	Inspection visits were made to 30 proposed solar construction sites, and supervision was ongoing on 15 sites under construction. Defects liability monitoring carried out to all the 35 schemes that were completed in previous FYs. Monitoring and supervision done on 184 sites rehabilitated country wide.
Acquisition of Land by Government: Land purchased for construction in project areas	100	100,000	0	0.00	No land purchased yet.
Construction of Piped Water Supply Systems (Rural): 40 mini solar powered schemes constructed across the country Detailed engineering designs for Isingiro piped water supply system	100	15,000,000	37.5	33.33	15 sites handed over to the contractor and civil works had commenced on 5 sites located in Bukedea, Kibuku, Namutumba, Napak and Jinja. Selection of other project sites was ongoing. The feasibility study report for Isingiro WSS submitted to MWE. Physical progress of

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs '000)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
produced The construction of Nyamiyonga-Katojo water supply system in Isingiro commenced (up to 60%)					Nyamiyonga-Katojo was at 30%. The contractor exhibited good working speed and quality of works.
Construction of Point Water Sources: Production wells drilled in selected areas in response to emergencies (35 hand pumped Boreholes, 10 production wells and 5 large diameter wells). 65 chronically broken down Hand Pumps rehabilitated.	100	5,500,000	95.7	25.70	Drilled 29 hand pumps, 50 production wells and 5 large diameter wells in several districts countrywide. 184 chronically broken down boreholes were rehabilitated in areas with limited water sources in the districts of Kiboga (15), Gomba (30), Bushenyi (15), Iganga 17), Pallisa (45), Bukedea (15), Kaberamaido (16), Lira (17) and Amuria (15).
Total	**100**	**21,400,000**		**61.3**	

Source: MWE and field findings

L-R: Water office; Public water borne toilet; Sump and pump house of Nyamiyonga WSS in Rugaga sub-county, Isingiro District

The construction of Nyamiyonga-Katojo in Isingiro District, Rugaga sub-county was at 30% physical progress. The contract period is 24 months from 1st September 2017 to 1st September 2019. The water office was roofed and plastered. The external doors and windows were fixed. The water borne toilet at Rugaga main market was roofed. Internal plastering was ongoing. The water sumps of $15m^3$ and $70m^3$ in Katojo and Nyamiyonga respectively were complete. The main tank of 500m^3 in Kabale village was at foundation level. The chlorine house and store was roofed and plastered. The electro mechanical works were pending. The contractor was only given the advance of Ug shs 4,645,385,603 and pending is payment of a certificate 1 worth Ug shs 2,039,304,349. *However the project is not solar mini powered though it is financed there.*

By end of December 2017, contracts had just been awarded for the construction of 15 solar mini-schemes and the contractor had mobilized to commence civil works in five districts of Bukedea, Kibuku, Namutumba, Napak and Jinja. There was general delay in commencement of works at the sites due to reassessments made to suit the criteria used.

Challenge
Construction of the 11km transmission was affected by the rocky ground and the swamp thus need to procure galvanized iron pipes.

14.2.3 Piped Water in Rural Areas (Project 1359)

Background

This project addresses water supply and sanitation challenges in communities that deserve interventions but are without specific donor support. The project also focus on water supply improvements in water stressed areas of the country, fast tracking implementation of governments manifesto pronouncements and presidential pledges. The project shall develop and promote appropriate technologies for water and sanitation in the rural areas of the country such as the development of solar water supply installations on high yielding deep boreholes to serve bigger populations with the same source, increasing uptake of rainwater harvesting, large gravity flow water supply systems and large scale rural water pumped water supplies. The project period is 1st July 2015 to 30th June 2018.

The project objectives are to:

- Increase access to piped safe water through powered motorization of high yield production wells.
- Contribute to capacity building efforts especially amongst districts and sub-district level staff, administrators, leaders, CBOs and civil society. This will especially be towards improvements in planning/management and technical skills to support sustaining interventions.
- Provide water supply systems that will achieve economy of scale, require least cost energy, and sustainably operated and maintained by the community themselves through the Sub-county.
- Promote better health through improved hygiene, excreta disposal and environmental management practices.
- Reduce the time spent walking long distances in search of safe water supply and improve enrolment in schools as time spent collecting water is substantially reduced.
- Improve the water supply service levels in rural area to enable rural the population in the project areas to increase their economic income through incorporating back yard or mini irrigation system.

- Innovate and promote appropriate technology for water and sanitation in rural areas especially in difficult situations where conventional technologies are not appropriate.
- Promote Rain Water Harvesting in water stressed areas through construction of demonstration system and training of artisans and village groups on the construction and maintenance of the facilities.

Performance

The annual approved budget in FY 2017/18 was Ug shs 48.55 billion, of which Ug shs 23.90 billion (49.22%) was released and Ug shs 11.74 billion (49.12% of the release) was spent by end of December 2017.

The physical performance of the project was rated fair at 59.50% by the end of December 2017. The summarized performance of the project is reflected in Table 14.5.

Table 14.5: Performance of Piped Water in Rural Areas by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Back up support for O&M of Rural Water: Management structures set up for Bukedea, Nyarwodho II, Isingiro Bukanga, Rwebisengo Kanara and Nyabuhikye Kikyenkye piped water systems Support the O&M in the project areas of Bukedea, Nyarwodho II, Rwebisengo Kanara and Nyabuhikye Kikyenkye piped water systems	100	2,370,000	0	0.00	Project management committees were set up for Nyabuhikye-Kikyenkye, Nyarwodho, Rwebisengo-Kanara at sub-county level to oversee construction works. Construction works ongoing. Support to O&M to be done on completion.
Promotion of Sanitation and hygiene education: Carry out sanitation and Hygiene improvement campaigns in project areas of Nyarwodho II, Bukedea, Isingiro Bukanga, Kahama II, Nyabuhikye-Kikyenkye	100	5,217,000	16.67	10.74	Assessment of households for connections carried out in Nyarwodho II project area. This is to ensure households qualify by fulfilling the criteria for sanitation and hygiene for connection. No sanitation and hygiene improvement campaigns done in other project

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
					areas.
Research and development of appropriate water and sanitation technologies: Appropriate Technology Centre supported by: Profile, document and disseminate appropriate WASH approaches and Practices. Outputs of the 4 NGOs documented quarterly. Conduct monitoring visits to the villages where the new technologies are tested.	100	3,545,000	45.83	7.30	Appropriate technologies were promoted: Production of 2,432 sanitary pads using banana stems and waste paper; Bulk production of briquettes using organic waste; Research was done on the use of compost manure produced by tiger worms (vermiculture) to grow tomatoes; and Conducted point of use water treatment technologies in flood prone areas of Butaleja District. NGOs produced monthly and quarterly reports. 3 out of the 4 NGOs promoting rain water harvesting using the revolving fund approach were monitored.
Monitoring and capacity building of LGs, NGOs and CBOs: Institution and backup support and monitoring of water boards of 4 schemes of Nyabuhikye-Kikyenkye, Bukedea, Rwebisengo-Kanara and Nyarwodho II GFSs	100	337,000	0	0.00	The water boards were not yet formed as construction works were ongoing.
Acquisition of Land by Government: Land purchased	100	100,000	0	0.00	No land was purchased but processes were underway to acquire land for Nyabuhikye-Kikyenkye and Rwebisengo-Kanara schemes. For

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
					Rwebisengo-Kanara, the government valuer's compensation report was delayed.
Construction of Piped Water Supply Systems (Rural): The water supply systems of Nyarwodho II constructed to 70%, Bukedea GFS (30%), Orom GFS, Rwebisengo-Kanara GFS (60%), Nyabuhikye-Kikyenkye GFS (30%), Lukaru-Kabasanda GFS Two designs of piped water supply systems completed	100	36,983,974	14.83	41.49	The physical progress of WSS as follows: Nyarwodho II (54%), Bukedea GFS (5%), Rwebisengo-Kanara GFS (5%), and Nyabuhikye-Kikyenkye GFS (25%). Lukaru-Kabasanda GFS redesign for the intake works ongoing so construction had not commenced. Orom GFS (Under design review).
Total		**48,552,974**		**59.50**	

Source: MWE and field findings

L-R: Foundation works for the treatment plant components at Karugutu Town Council; Water office at Kanara Town Council, Ntoroko District

 

L-R: Shuttering for stud columns of the 222m^3 reservoir tank in Nyabuhikye sub-county; Site clearance at the treatment plant in Igorora Town Council, Ibanda District

The construction of Rwebisengo-Kanara GFS in Ntoroko District had just commenced. Physical progress was at 5%. The contract period is 24 months from 22nd August 2017 to 22nd August 2019. The major ongoing works were at the treatment plant. The sedimentation tank, rapid sand filter, and pump house were at foundation level (blinding). Steelworks for the clear water tank was ongoing. The offices, laboratories and staff houses were roofed and plastered. Roofing of the water office in Kanara town council was ongoing. The intake works, transmission and distribution mains had not started because they lacked designs. The contractor was paid Ug shs 1,119,614,219. This includes partial payments for certificate 1 and advance claim.

The Bukedea water supply had no civil works yet. The contract period runs from 15th August 2017 to 13th February 2020. The contractor had just set up an office and was mobilizing materials.

The construction of Nyabuhikye-Kikyenkye GFS in Ibanda District had progressed to 25%. The contract period is 6th July 2017 to 6th October 2018. The reservoir tank of 222m^3 was at foundation level. Site clearance at the treatment works in Igorora Town Council was ongoing. The contractor faced challenges of massive rocks which had not been earlier foreseen. Pipe laying had not commenced, but some of the pipes were on site.

Implementation challenges

1. Some design consultants rely on google maps to develop GFS water intervention designs parallel to the reality on ground. As a result, designs become an impediment to implementation as they do not reflect what is on ground.
2. Lack of complete designs for Rwebisengo-Kanara. The contractor was given designs in bits and some system components still lacked designs.
3. Frequent machine breakdowns and huge rocks which were not anticipated thus the contractor's cost of inputs shot up in Nyabuhikye-Kikyenkye GFS at the reservoir tank.

Recommendation

The MWE should take up their responsibility to review and approve project designs before project startup to avoid delays and project reviews amidst implementation.

14.2.4 Water and Sanitation Development Facility East (Project 1075)

Background

The Water and Sanitation Development Facility East (WSDF-E) project is a standard mechanism for water and sanitation interventions in Small Towns and Rural Growth Centers (RGCs) that promotes equitable provision of piped water and sanitation services in 39 districts in Eastern and North Eastern Uganda. The project is expected to develop infrastructure for safe piped water supply; ensure sustainable and efficient functionality of water sources; and ensure increased latrine coverage. The project commenced on 1st July 2008 and its expected end date is 30th June 2018.

The project objective is to provide safe, adequate, reliable, sustainable and accessible water supply and promotion of improved practices of hygiene and sanitation.

The annual approved budget in FY 2017/18 is Ug shs 16,821,754,000. By end of Q2, Ug shs 10,450,588,440 (62.12%) was released, of which Ug shs 9,454,300,000 (90.47%) was spent. The released funds also included Ug shs 2.4 billion (donor funds) which were carried over from FY 2016/17.

Performance

The physical performance of WSDF-E by end of Q2 was rated fair at 50.40% as implementation of most outputs was just commencing. Two Water Supply and Sanitation (WSS) were completed, 10 were ongoing, while 4 had not commenced. Procurement of consultancy services was ongoing. Table 14.5 shows the summarized performance of the project.

Table 14.5: Performance of Water and Sanitation Development Facility East by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Administration and Management Support: 34 staff remunerated and performance appraised; Office established, running	100	1,416,000	50	7.95	All the 34 staff were remunerated; office was operational; the 2 staff trainings were conducted and one steering committee meeting

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
and coordinated; 2 staff trainings conducted; 2 steering committee meetings held.					held by end of Q2.
Policies, Plans, standards and regulations developed. Cross cutting issues of environmental awareness, gender and HIVAIDS incorporated in all activities related to development of 16 piped water supply systems. Consultancy services on marketing services for WSDF-E.	100	668,000	53.12	3.97	The cross cutting issues were implemented in 9 towns out of the 16 planned. Implementation in 3 towns were planned for Q3 and Q4, whereas development of piped systems have not yet commenced in 4 towns where cross cutting issues shall be promoted. The inception report for consultancy services to develop IEC materials for Busoga region was completed and development of the materials was on-going
Backup support for Operation and Maintenance: Consultancy to carry out consumer Public Relations survey for the water and environment sector in Eastern region Establishment of O&M structures and backup support for piped water supply systems in 16 towns of Ocapa, Bukwo, Nakapiripirit, Buyende, Namwiwa, Kagoma, Kyere, Kapelebyong, Namagera, Bulegeni, Busedde-Bugobya, Iziru, Kasambira, Idudi phase I, Bulopa, Acowa. O&M structures and backup	100	818,000	31.25	4.86	The inception report for consultancy services to develop communication strategy for MWE regional offices was completed and data collection was on-going. O&M structures established and backup support done in 7 towns. Construction was ongoing for Buyende, Namagera, Bulegeni, Busedde-Bugobya, Iziru towns where O&M structures and backup support was planned for Q3 and Q4. Construction had not started in the 4 towns of Idudi, Namwiwa, Bulopa, and Acowa. The O&M structure for Kamuli faecal sludge not yet established as construction was

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
support for Kamuli Faecal Sludge Plan					ongoing at 60% physical progress.
Improved sanitation services and hygiene Hygiene and sanitation practices in 10 towns of Buyende, Namwiwa, Kapelebyong, Namagera, Bulegeni, Iziru, Busedde-Bugobya, Idudi phase I, Bulopa, Acowa improved through sanitation and hygiene trainings. Train 20 masons in towns of Namwiwa, Acowa, Idudi, Bulopa.	100	822,000	30	4.89	The hygiene and sanitation practices improved through continuous trainings in 6 towns where construction was ongoing. The 20 masons in the towns of Namwiwa, Acowa, Idudi, Bulopa were not trained, awaiting the commencement of construction works for the piped water systems in those towns.
Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators Consultancy services to assess impact of water and sanitation services in selected areas in Eastern region Capacity building for Urban Authorities and Private Operators held in 16 piped water systems of Ocapa, Bukwo, Nakapiripirit, Buyende, Namwiwa, Kagoma, Kyere, Kapelebyong, Namagera, Bulegeni, Busedde-Bugobya, Iziru, Kasambira, Idudi phase I, Bulopa, Acowa	100	1,278,000	20	7.60	The contract for consultancy services to assess the impact of water and sanitation services in selected areas in Eastern region was ready for signing. Capacity building was not done as the construction works are ongoing in 12 towns and 4 towns have not commenced. Hence private operators are not yet contracted.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Acquisition of Land by Government: Acquisition of land for construction in the region	100	50,000	50	0.30	Land was acquired for the construction of sludge treatment plant in Namayingo and Namutumba.
Government buildings and administrative infrastructure Construction works and construction supervision of WSDF-E regional office block in Mbale.	100	300,000	100	1.78	The construction of WSDF-E regional office block in Mbale was 100% complete and in use.
Purchase of Motor Vehicles and Other Transport Equipment. Procurement of 01 motor vehicle for monitoring and supervision of water. Supply and sanitation schemes to replace aged ones.	100	430,000	40	1.47	The contract for the procurement of the motor vehicle was ready for signing.
Purchase of office and ICT equipment including software Office and Information Communication Technology (ICT) Equipment, including Software procured for WSDF-E office and 10 towns.	100	280,000	54.54	1.66	At the WSDF-E offices, ICT services were maintained. ICT equipment for use by water supply authorities and private operator in billing of water for four towns of Kapelebyong, Nakapiripirit, Kyere and Ocapa were procured. In the towns of Buyende, Busedde-Bugobya, Iziru, Bulegeni and Namagera procurement of ICT equipment was not done as the water systems were under constructed.
Purchase of specialized machinery and equipment Installation of electromechanical equipment in pumping stations in 13 towns of	100	370,000	7.69	1.56	The electromechanical equipment in pumping station of Kapelebyong was installed. The equipment was not installed in the towns of

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Buyende, Namwiwa, Kapelebyong, Namagera, Bulegeni, Iziru, Idudi, Bulopa, Acowa, Serere, Bubwaya, Bulangira, Nankoma					Buyende, Iziru, Bulegeni, Bubwaya and Namagera which were under construction and in in the towns of Idudi, Namwiwa, Bulopa, Acowa, Bulangira, Nankoma where construction had not commenced.
Purchase of Office and Residential Furniture and Fittings Office furniture for WSDF-E; Office furniture in support to operations and maintenance of water supply systems procured for 9 towns of Buyende, Namwiwa, Kapelebyong, Namagera, Bulegeni, Iziru, Idudi, Bulopa, Acowa	100	400,000	11.11	1.32	Office furniture procured only in the town of Kapelebyong. The water systems in the towns of Buyende, Iziru, Bulegeni, and Namagera were under construction. Construction had not commenced in the towns of Idudi, Namwiwa, Bulopa and Acowa.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Construction of piped water supply systems (Urban) Complete designs of 4 regional systems of Namayingo, Serere, Namutumba- Busembatya-Ivukula, and Soroti-Amuria-Orungo corner. Complete construction works of piped water systems in the towns of Iziru, Buyende, Namwiwa, Kapelebyong, Namagera, Bulegeni, Busedde-Bugobya, Kasambira. Rehabilitation works for Bulangira, Bubwaya, Serere TC production well and Nankoma. Commence construction works in 3 towns of Idudi, Bulopa and Acowa.	100	8,089,754	17	8.79	Procurement was on going for the design of Namayingo, Serere, Namutumba-Busembatya-Ivukula, and Soroti-Amuria-Orungo corner areas. Construction completed in the towns of Kapelebyong and Kasambira. Construction was ongoing in the other towns and physical progress attained as follows: Iziru (92%), Buyende (92%), Namagera (74%), Bulegeni (50%), Busedde-Bugobya (95%). The water system in Namwiwa is under procurement. Rehabilitation of Bubwaya (95%), Serere TC production well was handed over to NWSC, and the systems in the towns of Bulangira and Nankoma are awaiting procurement. The commencement of Idudi and Acowa WSS were awaiting procurement. The procurement of Bulopa WSS was ongoing.
Energy installation for pumped water supply schemes Grid power extensions to production boreholes installed in 13 towns of Iziru, Busedde-Bugobya, Buyende, Namwiwa, Kapelebyong, Namagera, Bulegeni, Idudi, Bulopa, Acowa, Serere, Bubwaya, Bulangira	100	440,000	38.46	2.62	Grid power extensions completed in five towns of Iziru, Busedde-Bugobya, Namagera, Kapelebyong and Bubwaya. The water systems in Buyende and Bulegeni were under construction. Construction had not commenced in the towns of Idudi, Namwiwa, Bulopa, Acowa and Bulangira. The grid power extension in

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
					Serere TC will be done by NWSC.
Construction of sanitation facilities (urban): Construct 25 demonstration toilets in the towns of Namwiwa, Acowa, Bulopa, Idudi, Ochero and Katakwi. Construct 2 sludge treatment plants in the region Complete construction of 6 public toilets in Irundu, Kaliro, Namwiwa, Acowa, Bulopa and Idudi.	100	1,460,000	11	1.63	The contract for the towns of Ochero and Katakwi, for the demonstration toilets was awaiting signing. Construction had not commenced in the towns of Idudi, Namwiwa, Bulopa, Acowa. The sludge treatment plant in Kamuli was at 60% physical progress. The second sludge treatment plant to commence in Q3. The construction of public toilets in Irundu were at (5%) and Kaliro (2%) physical progress. The public toilets in Idudi, Namwiwa, Bulopa, Acowa had not commenced.
Total		**16,821,754**		**50.40**	

Source: WSDF-East and field findings



L-R: Reinforcement for anchor blocks to hold GI pipes across a swampy section; Water office; 144m^3 Reservoir tank in Buyende Town Council, Buyende District

L-R: Iziru Pump station; 109m^3 reservoir tank; Public water kiosk at Buyengo sub-county, Jinja District

The contract for construction of Namwiwa water supply in Kaliro District was awarded but construction works had not started by end of January 2018. Commencement of works was pending the submission of performance security by the contractor.

The physical progress of Buyende water supply in Buyende District was at 90% and most works were complete. The laying of pipe line along a swampy area was ongoing. Both generators installed at the two pump stations were non-functional. Out of the targeted 300 connections and five public stand posts; Where 225 paid and only 20 were connected. The initial contract period was September 2016 to February 2018. This was extended by five months owing to poor response to payment of private connections and delayed importation of steel tanks from Kenya due to elections. No sanitation facility is provided in the contract. It will be managed by the umbrella organization.

The Iziru water supply located in Jinja District physical progress was at 90%. The contract period is from 5th September 2017 to 3rd March 2018. The planned 150 private connections were done. The scheme was not functional because the pump was not installed due to silting of the production well. Works were delayed by land acquisition issues for the pump station and rocky terrain for the construction of the 50m^3 tank. This led to extension of the contract by five months. Delayed payments of the contractors' certificates was noted.

The physical progress of the works in Busede-Bugobya water supply had progressed to 90%. It was noted that Iziru, Busede-Bugobya water supply is a single system serving the respective towns, yet they were planned as two separate systems. Two contracts were awarded to M/s UPDEAL (U) Ltd worth Ug shs 2,783,680,078 for Iziru and Ug shs 2,127,094,213 for Busede-Bugobya. The contract periods are the same running from 5th September 2016 to 3rd March 2018. There is need to scrutise these contracts.

Implementation challenges

1) Delayed completion of works by contractors resulting into extension of contract completion dates (Buyende and Busede-Bugobya). For Iziru and Busede-Bugobya there was a lot of unforeseen underlying rock that slowed pipeline trenching. Buyende was affected by delayed importation of steel tanks from Kenya due to elections.
2) Delayed land acquisition caused by communities retracting their earlier position on availability of land which was offered free of charge for system components. They later

demanded compensation. This slowed works at the pump station and at the 50m^3 reservoir tank in Iziru, and for most of the project components to be constructed in Bulegeni.

3) Poor response by communities to pay for consumer connections for example in Buyende and Namagera which slowed the contractors' work.

Recommendations

1) The WSDF-E and contractors should carry out extensive preliminary surveys on ground formations and apportion appropriate contract period and equipment for the works before contract awards.
2) The WSDF-E should engage beneficiary local governments of water systems early for timely planning, budgeting and acquisition of land for system components. In cases where exorbitant compensation amounts are being demanded, the Government land valuer should be engaged to determine the compensation amounts.
3) The WSDF-E should engage beneficiary communities early to pay for consumer connections.

14.2.5 Water and Sanitation Development Facility Central (Project 1130)

Background

The GoU through the MWE, with support from Development Partners established the Water and Sanitation Development Facility – Central (WSDF-C) as a mechanism for implementation of piped water supply and sanitation infrastructure in small towns and rural growth centers in the central region of Uganda. The WSDF-C is funded under the water and sanitation programme supported by the African Development Bank.

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 Centers (RGCs) through a decentralized and demand driven financing mechanism in the central and mid-western regions of Uganda. The project period is 1st July 2010 to 30th June 2018.

Performance

The annual approved budget in FY 2017/18 was Ug shs 56,268,000,000, of which Ug shs 24,306,317,000 (43%) was released and spent. Part of the expenditures worth Ug shs 14,090,158,948 were funds carried over from the previous FY and arrears of the Water Supply and Sanitation Programme. The donor funds for both Q1 and Q2 were not realized/received which greatly impacted on the progress of the construction works.

The physical performance of WSDF-Central by end of December 2017 was fair at 62.86% despite the limited resources. Most planned outputs were ongoing (Table 14.6).

Table 14.6: Performance of Water and Sanitation Development Facility Central by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget ('000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Administration and Management Support: Pay staff salaries, Office bills and maintenance, Office Coordination and Running; Hold 4 Quarterly meetings; Prepare 4 Quarterly progressive reports; Hold 2 Steering Committee Meetings.	100	2,638,000	50	4.69	Staff salaries, office bills and maintenance paid, office coordinated and running for Q1 and Q2. Held 2 quarterly meetings. Prepared 1 quarterly progressive report.
Policies, Plans, standards and regulations developed: Environmental catchment protection plans, sanitation and hygiene policies, Water supply and sanitation asset management plans/policies developed and disseminated in the 16 implementation towns.	100	480,000	37.5	0.85	Site-specific Environmental and Social Management Plans for 12 towns were developed and implemented.
Backup support for Operation and Maintenance: Water operators and boards in Central region trained in water services management through promotional campaigns for effective O&M and Pre gazette meetings for 10 towns. Defects liability monitoring of water supply systems in 19	100	746,000	0.05	0.01	Training for O&M planned for Q3 as construction works were ongoing. Defects liability monitored in Nyamarunda.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget ('000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
towns					
Improved sanitation services and hygiene Hygiene and sanitation promotion conducted in 16 towns under implementation. Community based (women and youth groups) training on construction and management of appropriate sanitation measures in the 16 towns under implementation.	100	680,000	21.87	0.88	Training of selected women and youth groups in appropriate sanitation technologies conducted in 7 towns of Kabembe, Kalagi, Naggalama, Gombe, Kyabadaza, Namulonge, and Kiwenda.
Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators Stakeholder consultation, planning and review workshops/meetings conducted in 25 implementation Towns. Commissioning and ground breaking for water supply and sanitation systems in 15 towns. Guide community and local authorities on land issues.	100	800,000	40	1.39	Monthly monitoring & supervision meetings held for all 15 towns under implementation. Commissioned Nyamarunda town water supply system. 8 ground breaking ceremonies done.
Acquisition of Land by Government: Acquisition of Land for water supply systems in 5 towns of Kabwoya, Namulonge, Kiwenda, Busiika and Bamunanika.	100	100,000	0	0.00	Land acquisition processes ongoing.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget ('000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
Government buildings and administrative infrastructure Construction of WSDF-C Office Block Phase II	100	400,000	0	0.00	The site was handed over to the contractor. Construction works to commence in Q3.
Purchase of specialized machinery and equipment Submersible pumps, pipes, fittings and water meters procured for water supply systems.	100	400,000	0	0.00	No purchases done.
Construction of piped water supply systems (Urban) Construction of 12 Towns of Kalagi, Kyakatwanga 100%, Bugoigo, Walukuba, Gombe- Kyabadaza 100%, Zigoti-Sekanyonyi 100%, Kabembe-Kalagi-Nagalama 100%, Busaana-Kayunga 90%. Drilling of 25 production boreholes; Detailed design of 4No town water supply systems in Butemba, Nalukonge, Kikandwa and Kasambya Commence construction of water supply systems in 05 Towns of Kabwoya, Namulonge-Kiwenda (100%), Busiika, Bamunanika	100	44,024,000	33.09	44.38	Physical progress as follows: Kalagi (70%), Kyakatwanga-Nyamarwa (70%), Bugoigo (50%), Walukuba (50%), Gombe-Kyabadaza (95%), Zigoti-Sekanyonyi (70%), Kabembe-Kalagi Nagalama (65%), Busaana-Kayunga (20%). 7 production boreholes drilled. Procurement ongoing for detailed design. Towns commenced as follows: Kabwoya (70%), Namulonge (65%), Kiwenda (65%), Busiika (0%), and Bamunanika (0%).
Construction of sanitation facilities	100	6,000,000	22.72	10.66	Design Review

Output	Annual Planned Quantity or Target (%)	Annual Output Budget ('000 Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score	Remark
(urban): Construction of 02 faecal sludge management facilities in Nakasongola and Kiboga Complete construction of 22 Public toilets in Gombe, Kyabadaza, Kabembe, Kalagi, Naggalama, Zigoti, Sekanyonyi, Kagadi, Kyakatwanga, Bugoigo and Walukuba Towns.					completed, tender documents finalized and procurement for contractors initiated for construction of faecal sludge management facilities in 2 town of Kiboga and Nakasongola. Construction is ongoing for 10 public toilets in Gombe, Kyabadaza, Kabembe, Naggalama, Zigoti, Sekanyonyi, Kabwoya, and Kyakatwanga.
Total		**56,268,000**		**62.86**	

Source: WSDF-Central and field findings



L-R: Surface pumps; 100m^3 reservoir tank; Water office block in Gombe Town, Mpigi District



L-R: 80m^3 Sump; Institutional water borne toilet at Busede SS; 150m3 reservoir tank in Kyabadaza Town, Mpigi District

L-R: Steel reinforcements for the reservoir tank studs; Water office; Public toilet at Kikonge trading center all in Zigoti Town, Mityana District

L-R: Water borne public toilet at Sekanyonyi health center IV; Excavations for distribution mains; Steel reinforcement for reservoir tank studs in Sekanyonyi Town, Mityana District

L-R: Water office block in Kabembe Town; Installation of pump in Kikandwa village; Assembling of steel plates for reservoir tank in Nkonge Town, Kyampisi sub-county, Mukono District

The physical progress of Gombe-Kyabadaza water supply in Butambala was 95%. The system is an extension of Buwama piped system. It was substantially complete. Most system components were completed. Out of the 250 connections planned, 226 were done. The contract period was January 2017 to January 2018. The contract sum is Ug shs 13,351,764,302, of which

Ug shs 9,588,343,509 (72% of contract) was paid. The raised certificates totaling Ug shs 1,746,574,216 were not paid.

The physical progress of Zigoti-Sekanyonyi in Mityana District was 70% complete. The contract period is June 2017 to March 2018. The works were behind schedule due to limited cash flow. The planned 400 and 10 PSP connections were not done. The contract sum is Ug shs 9,780,127,877, of which Ug shs 6,077,687,417 (62% of contract) was paid and Ug shs 741,899,132 of the raised certificates was pending.

The physical progress of Kabembe-Kalagi-Nagalama water supply in Mukono was 65%. The contract period runs from 1st March 2017 to 1st March 2018. The contract sum is Ug shs 14,283,089,988 of which Ug shs 8,844,965,596 (62% of contract) was paid. The works were behind schedule. The connections made by January 2017 were 30 out of the 1,200 planned. The office block in Kabembe was complete. Landscaping was ongoing. Assembling of the steel plates for the two steel tanks each of 300m^3 was on going. Three production wells were planned (1-completed, 1- installation of the pump was on going and 1- not started). Works were progressing slowly due to interrupted cash flows as the contractors' certificates had been delayed (Ug shs 1,592,093,807 not paid). There were interference with the laying of pipes by the communities requesting for compensation.

Challenges

1) Untimely release of funds and untimely payments to contractors.
2) Accumulation of taxes (VAT). For example January 2018 VAT and Withholding Tax arrears for WSDF-C totaled to Ug shs 10,710,078,428. These taxes stem from as far back as FY2016/17 and todate no substantial funds have been received from government to clear these taxes.
3) High costs of land compensation for projects. For example in Gombe-Kyabadaza and Kabembe-Kalagi-Naggalama for different sites. The works delayed for about three months until the contractor was allowed to continue with works as negotiations for compensation go on.

Recommendations

1) The MFPED and donor community should improve the timeliness for release of committed funds to the projects.
2) The Ministry of Lands, Housing and Urban Development (MLHUD) should expedite the appropriate land commission enquiry recommendations once given out for land acquisition in development of government projects.

14.2.6: Protection of Lake Victoria-Kampala Sanitation Program (Project 1188)

The Protection of Lake Victoria is part of a broader Kampala Sanitation Program, and it is implemented by NWSC in a phased approach. Phase I entails construction of three decentralized satellite sewage treatment plants with associated sewer networks located as follows:

1) Nakivubo Wetland to serve the central business district of Kampala.
2) Kinawataka Wetland to serve the eastern parts of Kampala particularly Nakawa industrial area, Naguru, Kyambogo and neighboring areas.
3) Lubigi Wetland to serve the north and north western parts of the greater Kampala namely Mulago, Katanga, parts of Makerere and Kawempe, Nansana, Namungona Bwaise among others. The project start date was 31st March, 2010 and the end date was 30th, June 2018.

The project objectives are: 1) To provide improved urban hygiene, sanitation as well as protection of Kampala's natural environment through expansion of sewer network coverage within the metropolitan Kampala; 2) To provide improved management of sludge from onsite sanitation facilities; 3) To provide hygiene education in informal settlements within Kampala.

Performance

The project budget for the FY is Ug shs 30,342,669,181.75, of which Ug shs 32,137,439,216.64 (105.9%) was released and spent by end of December 2017. The over expenditure was due to re-allocation from Code1193 (Kampala Water Lake Victoria Water and Sanitation Project) to decrease on the outstanding contractors' certificates. The contractor for Nakivubo Waste Water Treatment Plant (NWWTP) total invoices were Euros 39,623,311.88 and only Euros 38,797,224.74 (97.91%) were paid. For Kinawataka, Euros. 5,360,710.65, was invoiced and only Euros. 3,600,000 (67.15%) paid. The project has a financial shortfall equivalent to Ug shs 185,696,618,951.25. A supplementary budget was tendered in for parliamentary approval.

The performance of the project was good (74.4%). The works had progressed to different levels indicated in table 14.7. The Nakivubo Waste Water Treatment Plant (NWWTP) construction completion date of 31st August 2017 had elapsed by December 2017. No revisions were made, yet the contractor was still doing works.

Table 14.7: Performance of Protection of Lake Victoria-Kampala Sanitation Program by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Construction of Sanitation Facilities (Urban): Completion (up to 96%) and operationalization of Nakivubo Waste Water Treatment Plant (NWWTP).	100%	30,342,669	78.75%	74.4%	The overall physical progress attained for the NWWTP was 90% by end of December 2017. Civil works for most plant facilities were complete except for the digesters. The electromechanical installations and testing of the plant facilities were ongoing.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Completion (up to 98%) and operationalization of Kinawataka and Nakivubo sewers. (The key planned activities were to compensate Kasokoso Project Affected Persons (PAPs) to secure site for the contractor, and to obtain construction permits from KCCA) Construction of up to 80% Kinawataka pre-treatment plant.					The physical progress of the sewer works were 87% complete. The Kasokoso PAPs were compensated up to 92%. The contractor now had access to site whereas construction permits from KCCA were being secured for different sections. The Kinawataka pre-treatment plant had progressed to 42%. Foundation works (piling) were complete. Civil Works on the aerated grit chamber, pump house, and inlet structure had commenced.
Total		**30,342,669**		**74.4%**	

Source: NWSC and Field findings

L-R: Ongoing electrical installations; Mechanical installations at the NWWTP in Bugolobi. Reinforcement steel works for the grit removal chamber at the Kinawataka pre-treatment plant

The physical progress of Nakivubo WWTP in Bugolobi Kampala was 90%. Most civil works were completed and the system components undergoing testing. The major ongoing works were the electro mechanicals. Pending works were the internal road networks and anaerobic digester. The digester was delayed pending identification of an expert sub-contractor to execute the works. The construction period was from 20th January 2014 to 31st August 2017. It was noted that the construction period had elapsed yet no extension was done. The contractor is operating under the defects liability period.

The physical progress of the Kinawataka pre-treatment plant in Butabika, (Kampala) was 42% complete. The contract was awarded on 23rd December 2016 and ends 22nd April 2018. Most of the works done were completion of the foundations for the following structures intake, screens building, grit removal chambers, and pump house. The retainer wall was completed. Reinforcement works for the super structures was ongoing. The project is slightly behind schedule. This was due to delays in order to allow settlement of the clay soils in the swamp. There were outstanding payments to the contractor due to inadequate funding from GoU.

Implementation Challenges

1) Delays caused by land acquisition and compensation challenges. The sewer networks delayed in some sites e.g. Plot M502-Kyambogo due to land acquisition/high compensation challenges which slowed the rate of construction activities.
2) Accumulation of unpaid contractor and consultants' certificates amounting to Ug shs 64,885,602,199 and Ug shs 1,199,950,174 respectively disrupted cash flow and affected progress of works.
3) Delayed clearance of imported project specific goods by Uganda Revenue Authority (URA) affected timely construction of plant facilities. The URA demands payment of VAT on the goods since the project period is assumed to have expired.

Recommendations

1) The MFPED should increase the budgetary provision of the project.
2) The NWSC should update URA on project progress and timelines in order to avoid taxation of project goods.

14.2.7 Water for Production (Project 0169)

Background

Water for production refers to development of water resources for productive use in agriculture (crop irrigation, livestock and aquaculture), rural industries, wildlife recreation, hydropower generation, transport and commercial uses. Water for Production (WfP) is a key area for the successful implementation of the GoU's Plan for Poverty Eradication under the second priority area of PEAP. The implementation framework is derived from recommendations of the subsector reform studies and WfP sector investment plans (2005-2015). The project is among others contributing to the implementation of the Prosperity for All (*Bonna Baggaggawale*) programme.

The overall objective of the project is to improve the quality of life and livelihoods of the population through provision of water for productive use in irrigation, livestock, domestic, aquaculture and rural industry.

Performance

The annual approved budget in FY 2017/18 is Ug shs 47.83 billion, of which Ug shs 17.17 billion (35.9%) was released and Ug shs 14.47 billion (84.27%) spent by 31st December 2017.

The performance of WfP was poor at 10.4% by end of December. Most outputs were not achieved. The major outputs which are the planned designs and construction of bulk water and surface water reservoirs were in procurement stages (table 14.8).

Table 14.8 Performance of Water for Production (Project 169) by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Supervision and monitoring of WfP activities: Contract staff salaries paid; Advertisement paid; Staff Trained; ICT supplies procured; Consultancy services - short and long-term procured; Vehicles, Machinery and Equipment maintained.	100	1,783,444	0	0	The planned activities were not related to the general output (thus this was poor planning)
Administration and management support General Staff Salaries paid; Allowances paid; Staff trained; Books, Periodicals & Newspapers procured; ICT Supplies procured; Welfare and Entertainment services procured; Fuel, Lubricants and Oils procured; Vehicles maintained	100	746,883	50	1.56	The half year outputs were achieved.
Sustainable Water for Production management systems established Management structures for WfP facilities established; Environment protected through watershed management around selected WfP facilities of Arechet in Napak, Andibo in Nebbi, Ongole in Katakwi, Mabira in Mbarara.	100	1,998,157	0	0.00	Management structures for WfP were not established. A situation analysis to identify farmers' needs and gaps was ongoing. The management structures for environmental protection were not in place.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Acquisition of Land by Government (Land acquired for construction of WfP facilities)	100	200,000	0	0.00	No land purchased as cadastral surveys and evaluation of PAPs were ongoing.
Government buildings and administrative infrastructure (Payment on - residential buildings made)	100	66,000	0	0.00	No payments done due to delayed submission of invoices by service providers.
Purchase of office and ICT equipment, including software ICT machinery and equipment (Purchase of one photocopier)	100	10,000	100	0.02	Machine purchased and was functional.
Purchase of specialized machinery and equipment (2 Construction equipments purchased)	100	4,200,000	50	8.78	An excavator was purchased while other equipment were on transit into the country.
Purchase of Office and Residential Furniture and Fittings: (Furniture and fittings purchased)	100	15,000	0	0.00	Not achieved. Awaiting construction completion of the new MWE office block.
Construction of Bulk Water Supply Schemes Rwengaaju Irrigation scheme in Kabarole district constructed; Feasibility studies for Mega irrigation projects around Mt. Elgon, Mt. Rwenzori, Southwestern highland & Agoro Hills commenced; Design of Bulk Water systems for Sanga-Kikatsi-Kanyaryeru & Kagera Multipurpose system in Isingiro district commenced.	100	25,910,000	0	0.00	The site for construction of Rwengaaju Irrigation Scheme was handed over to the Contractor (M/s Dott Services Ltd). Preliminary works comprising of soil tests, cadastral surveys and evaluation of affected people were ongoing. Contracts awarded for the feasibility studies. Procurement for bulk water design (evaluation of technical bids) ongoing.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Construction of Water Surface Reservoirs Seretyo Irrigation scheme in Kween district and Nakaale dam in Nakapiripirit district designed.	100	12,897,036	0	0.00	Seretyo irrigation scheme under procurement. Contract for design of Nakaale dam yet to be signed.
Total		**47,826,520**		**10.4**	

Source: MWE and field findings

Rwengaaju irrigation scheme is located in Kabarole District. The contract period is 10th January 2017 to 10th January 2018. The civil works by December 2017 was 0%. The contract value is Ug shs 27,301,186,392. Preliminary works comprising of soil tests, cadastral surveys and evaluation of affected people was ongoing.

Challenges

1) Limited financial resources compared to the demand. There is need for more upfront financing for design and documentation of projects, plus meeting the cash flow requirements for execution of the projects.
2) Limited land availability for construction of WfP facilities. In some instances, land owners exaggerate the rates for compensation compared to the government valuer's rates.
3) Policy challenges. Overlapping mandate between two line Ministries (Ministry of Water and Environment, and Ministry of Agriculture, Animal Industries and Fisheries).

Recommendations

1) The MFPED should increase the budget ceiling to the project and avail more resources upfront for design of projects.
2) The Ministry of Lands, Housing and Urban Development should review procedures and methods used in land valuation to cut down on the delays.
3) Cabinet should prioritize passing of the National Irrigation Policy.

14.2.8 Water for Production Regional Centre-West (WfPRC-W)

Background

The Ministry decentralized its service delivery operations at regional level to bring service delivery closer to the communities. The Water for Production Regional Centre West (WfPRC-W) is located in Mbarara District to closely supervise on going donor and GoU funded projects, design new projects in close consultation with beneficiary districts and communities and offer immediate backup technical assistance to districts and beneficiary communities in use of water to enhance production in the lower central and Western Uganda. The key expected outputs are to construct irrigation schemes (acreage of land under irrigation), valley tanks and earth dams (cumulative increment in storage capacity), form/revitalize water user committees or associations on water for production facilities. The project period is 1st July 2016 to 30th June 2021.

The overall development objective is to improve the quality of life of the population through provision of water for productive use in livestock, aquaculture and mitigate effects of climate change through modern irrigation technology.

Performance

The annual approved budget in FY 2017/18 is Ug shs 15,220,000,000, of which Ug shs 6,743,981,600 (44.31%) was released and spent by end of December 2017.

The overall physical performance of the project was fair at 61.2%. Major achievements were exhibited in the construction works (table 14.9). The use of equipment from the ministry for construction of valley tanks and framework contracts for construction of mini irrigation schemes eased works.

Table 14.9: Performance of Water for Production Regional Center-West by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Supervision and monitoring of WfP activities Contract Staff Salaries paid; Allowances paid; Fuel, oil and Lubricants procured; Vehicle maintained	100	270,000	50	1.774	Monitored and supervised the works of Mabira dam in Mbarara District, Mini Irrigation schemes, 4 valley tanks in the districts of Lwengo, Isingiro, Kazo and Kiboga and the 9 valley tanks of the Kisozi Livelihood Improvement Project.

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Administration and management support Salaries, allowances, procurements and utilities paid	100	92,036	50	0.605	Contract staff salaries, wages and allowances procurements and utilities paid.
Sustainable Water for Production management systems established Inter District coordination and engagement meeting fora on Water for Production facilities held; Sustainable management of WfP facilities in Western and Lower Central Regions supported	100	310,000	70	2.037	The inter district coordination meeting fora was held in Mbarara District where 40 districts were represented. The inception report (Guidelines for sustainable management of WfP facilities) was approved for implementation.
Purchase of Office and ICT Equipment, including Software Small office equipment including, 1 colour Printer, 1 scanner, 1 desktop, 3 laptops, and 1 UPS purchased.	100	40,000	40	0.105	Procurement of the provider was ongoing although there were delays due to changes in specifications. The contract awaited signing.
Purchase of Office and Residential Furniture and Fittings Furniture, Air Conditioner, Shelves, Curtains and Internet for the Regional office procured.	100	20,000	100	0.131	Achieved as planned.
Construction of Water Surface Reservoirs Six solar pumped mini irrigation schemes constructed; Mabira dam in Mbarara constructed Four valley tanks in the districts of Lwengo, Isingiro, Kazo and Kiboga	100	14,487,963	30.62	56.523	Physical progress for the mini irrigation schemes: Nyamitanga in Mbarara district 100%, Kyasonko in Lwengo District 97%, Ruhimbo in Isingiro District 96%, Mbulamuti in Mukono District 70%, Nyamihanga in Rukiga District 72% and Mityana District Farmers' Information Center in

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
constructed. Multipurpose storage dams at Kyenshama in Mbarara district, Kyahi and Makokwa in Gomba district designed.					Mityana District 0%. Construction of Mabira dam in Mbarara District (10%) The 4 valley tanks in Lwengo, Isingiro, Kazo and Kiboga had progressed to 30%. The contract for design of multipurpose storage dams was ready for signing.
Total		**15,220,000**		**61.2**	**Fair performance**

Source: WfPRC-West and field findings

L-R: Drip irrigation for grapevine plantation at Nyamitanga – Mbarara district; Sprinkler irrigation, watering cabbages at Ruhimbo and A yard tap used for watering other vegetables and domestic use in Isingiro District

The Nyamitanga mini irrigation scheme in Mbarara District was completed and functional. It’s contract sum is Ug shs155, 343,900 of which Ug shs 144,537,256 was paid (93%). Drip irrigation and yard connections were used for watering fruits and vegetables. The scheme was under the defects liability period. The project was appreciated by the beneficiaries. The Ruhimbo mini irrigation scheme in Isingiro District was at 96% completion. The Ruhimbo contract sum is Ug shs 331,461,469, of which Ug shs 314,841,819 (95%) was paid. Sprinkler irrigation and taps were used for watering vegetable gardens. The targeted area of supply is between 20-50 acreage the consultant was demonstrating at three acres only.

Implementation challenges

1) Low staffing. There were only two substantive staff and volunteers in the department making it difficult to monitor and supervise works.
2) Vandalism was noted by suspected non beneficiaries of the project. They cut the pipes taking water to the gardens.

Recommendation

1) The MFPED should increase the wage bill to allow for recruitment of more project staff.
2) The Ministry of Water and Environment should conduct continuous sensitization of communities on how to pay and thus benefit from the project.

14.2.9 Multi-Lateral Lakes Edward & Albert Integrated Fisheries and Water Resources Management (LEAFII) (Project 1424)

Background

The LEAF II project involves promoting good fish capture and management practice, restoration of the lakes catchments and improvement of water quality on the shared lakes' water resources. The project also involves creating an enabling environment and strengthening the legal, policy, institutional and regulatory framework for sustainable management of natural resources and protection of the environment. The project period is 1st July 2016 to 30th June 2021.

The project objective is to sustainably utilize the fisheries and allied natural resources of Lakes Edward and Albert Basin through harmonized legal framework and policies. The project aims to address major environmental threats to the transboundary Lakes Edward and Albert ecosystems, with a sector goal of poverty reduction and sustainable livelihoods for men and women (in the local fishing communities) and global environmental benefits in sustainable management of the natural resources.

Performance

The annual approved budget in FY 2017/18 is Ug shs 12,200,596,000, of which Ug shs 3,324,932,000 (27%) was released spent by 31st December 2017.

The project physical performance was fair at 66.5% (less money was released but well utilised) as represented in table 14.10 The less release of funds affected achievement of most targets in Q2. Generally the project had not achieved much in regard to its intended objectives. It was still in its initial stages and most of works are under procurement.

Table 14.10: Performance of Multi-Lateral Lakes Edward & Albert Integrated Fisheries and Water Resources Management by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Administration and management support Salaries paid Office Coordination and Running 04 Quarterly meetings held 04 Quarterly progressive reports prepared 02 Steering Committee Meetings held	100	900,316	40	7.38	Staff salaries were not paid due to delay in the recruitment of contract staff for the project. Office coordinated and running. 2 quarterly meetings were held. 2 quarterly reports were produced One steering committee meeting was held.
Uganda's interests in trans boundary water resources secured Institute & operationalize one regional trans boundary Lake Basin management coordination committee; Design a water resources monitoring system; Harmonize trans boundary legislation and regulation Develop a pollution control plan General supplies and works.	100	1,106,740	16	6.64	Consultancy ongoing for the formation of the committee. The water resources monitoring system not designed due to limited funding. A bilateral agreement between Uganda and DRC was developed under the harmonization of fisheries legislation and regulation. Consultancy ongoing to develop the pollution control plan. Procurement for the construction of 5 landing sites and rehabilitation of the feeder roads in advanced stages (Rwenshama in Rukungiri on L. Edward, Mahyoro in Kamwenge on L. George, Kitebere in Kagadi, Mbegu in Hoima and Dei in Nebbi on L. Albert). Commenced the procurement of contractors for the construction of community toilets

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
					Drilling works commenced Generally procurement of works was delayed due to delayed confirmation of land at the districts.
Catchment-based IWRM established Develop Lakes Edward and Albert Integrated Basin Management Plan Conduct 1 Bathymetric survey Develop & implement two Catchment Management Plans.	100	1,598,585	3.33	0.30	The consultant was at advanced stages of developing the plan. The diagnostic analysis, stakeholder consultations, and situational analysis were completed. Procurement of consultant Bathymetric survey ongoing. Commenced the procurement of firms for development of 5 sub-catchment Management Plans for (i) Nyamwamba in Kasese District, (ii) Mitano in Rukungiri/Kanungu/Bushenyi Districts, (iii) Regional catchments of Nkusi, Muzizi and Semliki
Government buildings and administrative infrastructure Surveillance stations (2) constructed A water quality laboratory in albert WMZ in Fort portal constructed Minor renovation of trans boundary office/Uganda-NBI focal office	100	6,972,855	36.67	52.15	Completed land surveys and detailed designs for the surveillance stations. Process delayed due to delayed land acquisition. Completed the procurement of the contractor and had commenced the works. Office renovations completed.
Purchase of specialized machinery and equipment: Acquisition of surveillance station equipment (2 sets); Acquisition of equipment for fisheries research stations (1 set) Acquisition of research	100	1,592,100	0	0.00	Not achieved due to delay in construction works. Facilitated a team from National Fisheries Resources Research Institute (NaFIRRI) to Mwanza, in Tanzania to finalize the detailed designs and cost implication for the procurement of a new fisheries research vessel and its associated

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
vessels (1 vessel) Acquisition of starter kits (50 sets) for livelihood activities.					equipment. The expected expenditure by Uganda is Ug shs 4.5billion. Due to limited funding, the procurement had not commenced. Starter kits not acquired due to limited funding.
Purchase of office and residential furniture and fittings Office fixtures and fittings purchased	100	30,000	0	0.00	Procurement to be undertaken after completion of office block and water quality laboratory.
Total		**12,200,596**		**66.47**	**Fair performance**

Source: MWE and Field findings

Implementation challenges

1) Insecurity in the Rwenzori Region led to delays particularly with activities around river Nyamwamba.
2) Influx of refugees within the project area led to increase in social and economic challenges. The water and sanitation facilities were overstretched such that they may not perform their functions.
3) Delayed staff recruitment inclusive of Project Accountant and other support staff led to slow progress of works.
4) Delayed implementation of some project activities due to late acquisition of land by the districts.
5) Limited counterpart financing for the procurement of a research vessel.
6) Delay in decision making on some project activities on the critical path.
7) Delayed disbursement of funds to the special account thus making direct payments to contractors.

Recommendations

1) The MWE should monitor the security situation and reschedule activities accordingly.
2) The MWE should continue working with the districts on the possibility of availing land for the proposed works.
3) The MFPED should explore the option of allocation of additional counterpart funding to the project to procure a research vessel.

4) The MWE should improve planning for expeditious project progress.
5) The AfDB should expedite disbursement of funds as provided for in the 'Disbursement Handbook'.

14.2.9 Support for Hydro-Power Development and Operations on River Nile (Project 1302)

Background

The use of Lake Victoria as a storage reservoir will provide means to optimize hydropower production at Owen Falls dam, as well as at downstream plants, while conferring benefits to other riparians. This project will develop infrastructure to optimize and allocate water to Uganda's hydropower dam operators on the River Nile and also provide information to guide national negotiations with riparian states on the Nile and Lake Victoria with an adaptive/flexible design of the 'Agreed Curve'. The project period is 1st July 2015 to 30th June 2020.

The project objective is to develop a mechanism and infrastructure to optimize utilization of water resources of Lake Victoria and the Nile system for sustainable hydro power generation.

Performance

The annual approved budget in FY 2017/18 was Ug shs 4.34 billion, of which Ug shs 390,150,000 (8.99%) was released and Ug shs 378,131,730 (96%) spent by 31st December 2017. No donor funds were released by end of half year. The physical performance of the project was rated fair at 51% as seen in table 11.

Table 14.11: Performance of Support for Hydro-Power Development and Operations on River Nile by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Uganda's interests in trans boundary water resources secured Longitudinal and cross-section profiles of the various sections of River Nile produced. Long-Term Water Planning and Water Forecasting Sub-Tools A, B, C and D finalized. Capacity of staff in the development and use of the tools built.	100	1,000,000	42	51	Bathymetry survey (the longitudinal and cross section profiles of River Nile at various sections were completed and produced). Tool A was completed. Staff capacity not built due to limited financing and finalization of Tools B, C and D.
Total		**1,000,000**		**51**	

Source: MWE Q2 Report and IFMS

The performance of the project was not good because it had only developed bathymetry survey and basic Tool A of the A, B, C and D for the Water Allocation tool development. The project is lagging partly because of poor financing.

Challenge

Delayed progress of works especially with regard to capacity building due to lack of funds to pay pending consultants certificates.

14.2.10 Farm Income Enhancement and Forestry Conservation (FIEFOC) Project (1417) -Phase (II)

Background

The FIEFOC – 2 Project seeks to consolidate and expand achievements of the first phase and to address gaps through the development of irrigation schemes. The government had commissioned feasibility studies for detailed designs of 11 irrigation schemes located in the North, South and Eastern regions of Uganda. This formed a basis for prioritization and selection of proposed sites.

The main objective is to improve household income, food security and climate resilience through sustainable natural resources management and agricultural enterprises development.

Performance

The annual approved budget for FY 2017/18 is Ug shs 83.5 billion, of which Ug shs 62.6 billion (74.97%) was released and Ug shs 61.8 billion (97.51%) spent by 31st December, 2017.

The project performance was rated good at 70.71%. The project had started construction works for the irrigation schemes of Tochi, Ngenge, Doho II and Mobuku II. Wadelai had not commenced. Other outputs especially capacity building were lagging due to lengthy procurement processes (Table 14.12).

Table 14.12: Performance of FIEFOC Project Phase (II) by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Promotion of Knowledge of Environment and Natural Resources Consultations to prepare Catchment Management Plans (CMP) for selected irrigation schemes undertaken Support to expand community radios coverage Project inception awareness meetings with district and local government authorities	100	705,980	33.33	0.80	Catchment familiarization and awareness campaigns were conducted in 39 districts. Expansion of community radio coverage not achieved. Conducted project awareness meetings with DLGs in the 39 districts of project implementation area.
Restoration of degraded and Protection of ecosystems Sedimentation, siltation and erosion control structures established in the irrigation schemes Rehabilitation of degraded buffer zones for rivers, lakes, streams Conservation farming and Agro Forestry practices implemented in the catchment areas Preparation of local strategies for reducing the sediment load of river runoff Community watershed management implemented	100	2,528,055	0	0.00	Outputs not achieved, planned to be implemented in Q3 and Q4.
Policy, Planning, Legal and institutional Framework Organize Project Steering Committee meetings & field trips. Conduct Project coordination meetings Participatory planning, budgeting and preparation of work plans for the components with DLGs especially the women Forestry resource inventory	100	1,835,920	17.78	2.21	One project steering committee meeting was conducted with Kween District and Ngenge sub-county technical and political leaders and the beneficiary community and farmer's representatives. One project coordination meeting was undertaken. Reviewed and consolidated FY2017/18 district work

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
carried out in the catchment areas Development of local forest management plans based on community priorities especially women Establish community forest committees					plans and budgets. Forest Resources Assessment outside protected areas to establish 10 sets of private natural forests, community forests in selected hot spots in the catchment areas of the five schemes done. Negotiation meeting was held with the firm selected to prepare Catchment Management Plans (CMPs) for the five schemes community forest committees to be established as project progresses.
Coordination, Monitoring, Inspection, Mobilization and supervision Routine monitoring and supervision of project activities undertaken Donor supervision missions conducted	100	1,646,084	50	1.98	Monitoring and supervision done. One donor supervision mission undertaken.
Capacity building and Technical back-stopping GIS Specialist to support the Integrated natural resources component procured. Farmers trained in skills development in climate smart farming in irrigated areas Market study on priority commodity value chains conducted Youth agribusiness development pilot Established Undertake gender mainstreaming training for project beneficiaries	100	15,175,551	0	0.00	Procurement ongoing for the GIS specialist. Procurement of consultant for climate smart farming on going. Procurement of consultants for commodity value chains ongoing. Procurement of consultant for agribusiness needs assessment ongoing. Procurement of consultant for gender mainstreaming ongoing. Farmer groups yet to be

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Identification and selection of farmer groups to partner with the project; Training of farmer groups in post-harvest handling & management technologies Training of farmers in food processing technologies and phytosanitary measures Farmers trained on agronomy, soil and land improvement practices Conduct skill development in climate smart farming in irrigated areas Farmers experience exchange program carried out Conduct a needs assessment survey for all the proposed training Implementation support for sustainable farmer based institutional management of Olweny irrigation scheme provided Training and skill development in forest planning and management Provision of training in conservation farming Provision of training and skills development in agro forestry technologies					identified

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Administration and Management Support Rental of value addition and demonstration centers for Apiculture and Fisheries Maintenance of office Vehicles Maintain Office equipment Office stationery procured Office supplies and sundries procured National project coordination staff maintained	100	2,872,534	41.6	3.45	Value addition and demonstration center not rented awaiting the recruitment of Anchor Institution for the ENABLE Youth Pilot Project. Vehicles and office equipment were maintained; office supplies procured; project coordination staff salaries paid.
Government Buildings and Administrative infrastructure 100% of civil works for Olweny Irrigation Scheme constructed and certificates paid Construction works of five irrigation schemes of Wadelai, Tochi, Ngenge, MubukuII and Doho II to 40% Construction works for the access roads to the five (5) Irrigation schemes completed Back up support to the remedial works irrigation schemes previously constructed in FIEFOC Phase I (Agoro and Doho I) provided Supervision of irrigation scheme construction and road works	100	51,608,515	55.8	62.02	Rehabilitation of Olweny Irrigation Scheme progressed to 89% by December 2017 Tochi works (1%), Mubuku -II (3.63%), Doho-II (1.85%) and Ngenge (9.23%). Construction of access roads was in final stages at three (3) sites of the selected irrigation schemes of Ngenge (Kween), Tochi (Oyam) and Mubuku-2 (Kasese). Prepared cost estimates for repairing the defects assessed on Agoro Irrigation Scheme (Lamwo District) and Doho I irrigation scheme (Butaleja istrict) Supervision of construction works of Tochi and Mubuku II, Doho II & Ngenge irrigation schemes ongoing.
Purchase of office and ICT equipment including software Office and ICT equipment	100	125,670	100	0.15	Accomplished in Q1.

Output	Annual Planned Quantity or Target	Annual Output Budget (000 Ug shs)	Cum. Achieve d Quantity	Weighted Physical performance Score	Remark
furniture and fittings procured					
Purchase of specialized machinery and equipment Specialized machinery and equipment such as fish drying kits, bee hives, extraction equipment, honey testing kits procured	100	3,432,968	0	0.00	Not achieved awaiting anchor Institution for the ENABLE Youth Pilot Project.
Acquisition of Other Capital Assets: Tree seedlings for planting in catchment areas of Wadelai, Tochi II, Ngenge, Mubuku II and Doho II irrigation schemes procured Communities supported in tree planting Assorted seeds for tree seed orchards delivered to selected districts in the catchment areas	100	3,275,915	40	0.10	A total of 1,644,596 seedlings were procured and distributed to farmers in the catchment areas. Offered support to communities in tree planting in the catchment areas. Operators procured to supply assorted seeds and seedlings.
Total		**83,207,192**		**70.71**	**Good performance**

Source: Field findings

L-R: Site clearance at Tochi Irrigation Scheme in Oyam District; Construction of canals and internal access roads at Olweny Irrigation Scheme in Alebtong District

Tochi Irrigation Scheme in Oyam District was at 1% physical progress. The works commenced on 2nd October 2017 with an end date of 1st October 2019. The contract sum is Ug shs 28,283,880,419. Advance payment amounting to Ug shs 5,656,776,084 was paid to the contractor. Certificate 1 worth Ug shs 376,886,760 was raised and by December 2017 had not been paid. The contractor had completed mobilisation and construction of access roads to the ball pits and quarry areas. The site experienced flooding in Nov-Dec 2017 which affected works progress. Ongoing works included site clearance, sourcing for materials (aggregates, steel, cement etc.), and identification of PAPs for compensation.

Olweny Irrigation Scheme was at 89% physical progress. The contract sum was revised from Ug shs 42,719,333,360 (VAT exclusive) to Ug shs 47,625,111,386, out of which Ug shs 42,235,125,111(87%) was paid to the contractor. The water provided is mainly for animals (Nine troughs will be provided) and crop irrigation. Four boreholes will be drilled for domestic use too. The major ongoing works were the construction of internal road networks and the canals.

Key Issues in Implementation

1) At Tochi, the works included construction of scheme buildings that were to cover an area of about 5.1 hectares. The area was still occupied by the locals. Hence the scheme building construction had not started awaiting compensations thus causing delays.
2) Lengthy procurement processes affected the implementation of project outputs especially where consultancy services had to be procured to accomplish activities. Every procurement process had to be approved by the donors.
3) Vandalism and theft of materials was reported in Tochi and Olweny irrigation schemes.

Recommendations

1) The MWE should expedite identification of PAPs so that compensation is done to give way for construction of scheme buildings.
2) The MWE should initiate the procurement processes early enough to avoid project delays.

14.3 Votes 501-680 Sector Grants to Local Governments

The District Local Governments (DLGs) receive four District Conditional Grants namely; (i) District Water Development Grant for rural water facilities (DWSDCG), (ii) District Sanitation and Hygiene Grant for district sanitation (DSHG) (iv) Urban Water Supply O& M Conditional Grant to support system expansions, improve on sustainability and (iv) Environment and Natural Resources Conditional Grant provided for Wetlands Management in LGs.

14.3.1 District Water and Sanitation Development Conditional Grant (DWSDCG)

Background

The DWSDCG is disbursed to DLGs to implement hardware and software activities/outputs including: boreholes, springs, piped systems, rainwater harvesting tanks and sanitation facilities. The DLGs are expected to plan and budget for the outputs based on sector grant guidelines where their budget was divided into recurrent (wage and non-wage) and development budget.

Under the Recurrent budget district plan to carry out software activities, while under development budget hardware activities are planned. The vote semi-annual performance was based on 10 district of Budaka, Buhweju, Buikwe, Butambala, Buyende, Kole, Lira, Mukono, Rukungiri, and Sironko.

The Local Government development budget (water) for the FY 2017/18 is Ug shs 56.09, and Ug shs 33.593 was released by December 2017 which is a 59.9% release. The recurrent budget expenditure was 89% and development expenditure 42%.

Performance

The performance of the DWSDCG was rated poor at 47% as most planned outputs were not achieved by 31st December 2017. Though this time round, the LGs started procurements early enough where 40% of the districts had ongoing construction works by January 2018. Case in point were the districts of Budaka, Buyende, Buhweju and Rukungiri. The rest (60%) had finished procurement, awarded works and handed over sites to contractors to start construction. Table 14.13 summarizes the grant performance.

Table 14.13: Performance the District Water and Sanitation Development Conditional Grant by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Weighted Score (%)	Remark
Recurrent Non-Wage: Software Activities carried out (Stakeholder coordination, Office equipment, General Office Operations, Monitoring and Supervision, O&M of water facilities	1.00	346,697,212	60.70	4.60	The districts planned fewer software activities saying the recurrent budget was not enough. Districts which did not complete works mainly had internal transfer weaknesses.
Development: Sanitation, hardware, Water Supply Facilities (HW), Rehabilitation of Water Facilities, WQ surveillance, Salaries and Wages)	1.00	4,230,852,249	46.70	43.16	Six out of 10 districts visited had started construction works while the rest finished awarding contracts.
Total		**4,577,549,461**		**47.8**	**Poor performance**

Source: Field finding and district Q2 reports and MWE

L-R: New borehole in Namukalo village, Tademeri sub-county (Budaka District); New Spring in Nyakakiri village, Rwengwe sub-county and contracted water borne toilet at the district headquarters (Rukungiri District)

L-R: New borehole at Bulungana village, Kagulu sub-county in Buyende District; School toilet, a spring in Kibunda Cell, Buyanja sub-county, Rukungiri District

The 10 districts sampled had mainly finished software activities although it was noted that internal processing of funds was a problem which delayed implementation. The effected districts included Buyende and Mukono. The Integrated Financial Management System was problematic in some cases highlighting limited network connections.

Water quality testing was planned and done by 90% of the districts. The tests done are used to describe the microbiological quality and key physiochemical parameters of drinking water that determine its fitness for use. They majorly used testing kits. However, some districts used the advantage of NGOs and NWSC with better services. High levels of water contamination were realized in Kole where 18 out of 38 sources tested had e-coli levels greater than one. The water quality testing showed 0 E.coli levels in Buhweju District. It was realized that tests were done during the dry season. The district was advised to do the same tests in the rainy season for comparison purposes. Other districts had no major water quality challenges.

The districts of Butambala, Mukono and Lira did not plan for the public latrines, the major reason being limited land for construction. Those that planned construction, the costs ranged between Ug shs 16m to Ug shs 35m for a two stance or six stances. These were either water borne or dry toilets. As the sector advances from point water sources to piped system, two districts (Lira and Sironko) planned for designs while other four districts (Rukungiri, Buikwe, Mukono and Buhweju) planned constructions. The piped system works are in a phased manner due to limited budgets of the district grants.

There is a wide disparity in safe water coverage for different districts for example Butambala safe water coverage is 39% and Rukungiri at 88%. This again is much lower than the rural sector figure of 68% (Sector Performance Report 2017).

Key implementation challenges

1) Conflicts over land in source locations (both water and sanitation) especially in the rural growth centers.
2) Poor quality materials especially the GI pipes and in some cases the stainless steel on the market which corrode in a short time. This increases the level of non-functionality of sources.
3) Low turn up of communities during mobilization stages which is reflected in failure to raise community contribution, operation and maintenance of water sources thus reduced functionality of water sources.
4) Insufficient means of transport in some districts. Some districts especially new ones lack transport means while others operate old vehicles with high operational costs.
5) Insufficient funds for non-wage where some outputs are forfeited most especially software activities.
6) Understaffing in the districts with districts like Kole with one substantive staff member (DWO) acting as District Engineer too while others are seconded staff.
7) Delay in processing of operational funds by the DLGs which slowed out implementation especially in Mukono and Sironko.
8) The failure of the IFMS which delayed implementation of activities.
9) Negative attitude of communities that were not interested in improving on the sanitation in their households.
10) Lack of reliable means of transport which affected the effect monitoring and supervision of works.

Recommendations

1) The MWE should take on the quality of materials with Uganda National Bureau of Standards and standardize/accredit the manufactures/suppliers of material in particular the GI pipes and stainless steel on the market.
2) Joint and continuous mobilization and sensitization by politicians and technical staff of communities to participate in the operation and maintenance of water and sanitation facilities.
3) The MWE should allocate sanitation grant to the new districts in the FY 2016/17 to carry out the sanitation activities.
4) The MWE/MFPED should follow the allocation formula in regard to the recurrent and development budget to see the impact on implementation.
5) The sector should encourage the district water office to take advantage of the regional laboratories and do water quality surveillance to reduce of costs and be able to pick many

samples which increases on the quality of water supplied.

6) The MWE should fast track the case by case procurement of vehicles for the DLGs with special consideration to districts with no vehicles at all.

14.4 National Environment Management Authority (Vote 150)

Background

The National Environment and Management (NEMA) advises Government and spearheads the development of environmental policies, laws, regulations, standards and guidelines; and guides Government on sound environmental management in Uganda. NEMA's activities are focused on providing support to Government's main goal of ensuring sustainable development through the National Development Plan (NDP); in accordance with the policy framework of the Government of Uganda and the Millennium Development Goals (MDGs).

NEMA's development objective is to create, establish and maintain an efficient mechanism for sustainable environment and natural resources management at the national, district and community levels.

The approved budget of NEMA in FY 2017/18 is Ug shs 24.485 billion, including Appropriation in Aid (AIA) of Ug shs 11.391 billion. The total receipts by 31st December 2017 were Ug shs 9.620 billion (39.2%), of which Ug shs 7.992 billion (83%) was spent.

14.4.1 Programme 01 - Administration

The objectives of the programme are to: Enhance environmental compliance and enforcement; Integrate Environment and Natural Resources (ENR) into national and local government plans and policies; Enhance access to environmental information; Enhance the institutional capacity of NEMA and its partners; Strengthen national, regional and international partnerships and network.

Performance

The approved budget of programme 01 (Administration) in FY 2017/18 was Ug shs 17,299,271,000, of which Ug shs 7,374,859,000 (42.63%) was released and spent by end of December 2017.

The physical performance of programme 01 by end of December 2017 was good (80%). A number of planned targets were achieved as detailed in table 14.14.

Table 14.14: Performance of Programme 01 (Administration) by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Integration of ENR Management at National and Local Government levels Capacity for climate change responses developed, Environmental sustainability integrated in the policies plans, program's and budgets of Ministries Departments and Agencies (MDAs), Local Governments (LGs), private sector and Civil Society Organizations (CSOs) National Commitments to the Convention on Biological Diversity and targets implemented Sustainable consumption and production (SCP) promoted. Environmental Information and Economic Value for ENR goods and services established	2 trainings; 3 sectors and 60 District Local Governments (DLGs); 3 targets; 12 Municipalities, 5 MDAs, 2 industries and 1 urban authority supported; 2 studies planned.	598,000	34.75	3.46	1 training conducted, and 2nd training planned for Q4; 5 sectors and 45 DLGs supported; Planned for Q3; 12 municipalities supported under Clean Development Mechanism (CDM); 3 studies ongoing. The studies are: Grasses and indicators of disturbance for a sand mined wetland; Restoration of a sand mined wetland; and Modeling landslide magnitude on the Elgon.
Environmental compliance and enforcement of the law, regulations and standards Effective enforcement and compliance with the policy, legal and regulations on	40 cases supported; 120 sanctions accomplished; 50 inspectors gazetted 6 DLGs	2,953,000	54.23	17.07	22 litigation activities; 91 sanctions from Environmental Police Force to the public, 40 trained police officers. 5 districts of Dokolo, Otuke, Mbale, Oyam and Buhweju were supported

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
environment. Emerging policies, laws, standards integrated as appropriate All required documents reviewed and feedback given to the clients timely and in customer responsive manner Environmental integrity and sustainability enhanced for Oil & Gas, Green & Brown environment and E-waste Effective working partnerships established with regulated community Science-based environmental information system established and operationalized Critical degraded fragile ecosystems restored and protected Capacities for environmental compliance monitoring and enforcement enhanced	supported; 5 laws, policies and standards developed/reviewed 2500 Environmental Impact Assessments (EIA) reviewed and approved 1,400 environmental inspections and audits carried 10 multi-sectoral monitoring of Hydro Power Plants and Oil and gas, 1 high level monitoring and inspection 6 Geographical Information System products produced 5 critical degraded fragile ecosystems supported 20 personnel trained, 2 sub counties supported				with legal compliance support through monitoring the bye laws developed. 5 legal frameworks for environmental management developed/reviewed. 488 EIAs reviewed and approved. 300 inspections and 1,502 audits undertaken. 6 high level monitoring and inspections done. High level inspections were undertaken by Ministers, Top Management and MDAs with focus on the critical oil roads, oil and gas activities, Karuma and Isimba Hydro Electric Power projects, restoration activities (Limoto and Rwizi areas), and refugee settlements in West Nile region. 15 GIS maps generated. Mapping was done for Mpologoma Wetland system, Manafwa catchment, Namatala catchment, Rongoro hills, Lukonge hills, Wanale in Mbale District, Bukusu hills, Wekereha hills in Manafwa District

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
					20 wetland sites protected with support from EPF, 2 threatened species protected. The wetlands include: Bobi, Lubigi, Okadot, Kitinda, Bunga, Kanyabukanja, Kanyaburamano, Mafuga, Kigo, Bukowa, Banyara, Enua and Onywama swamp. Rivers: Tochi, Mayanja and Ishasha. 2 threaten species: Afzelia Africana and the shea butter tree. 40 EPF trained. The training targeted the gazetted inspectors of NEMA, EPF team and the legal department.
Access to environmental information/education and public participation increased Environmental literacy enhanced Visibility and image of the Authority greatly enhanced State of Environment Reports timely produced and Disseminated Effective public participation in environment and natural resource management Public access to environmental quality information enhanced	26 information centers supported and one annual report 8 newsletters, publications produced 1 National State of Environment Report 10 trainings 4 public awareness programmes held	1,532,000	34.23	8.86	24 districts information centers supported and one annual report produced 2 newsletters and 7,650 educational materials produced. The IEC materials provided information on wetland protection and conservation of biodiversity. 1 report produced. The final draft report was completed and was under internal review by NEMA and technical editors. 1 training of teachers in Education for Sustainable Development integration

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
					into school programmes 1 monitoring and mentoring of schools School Environment Education Programme implementation in progress. Only one training conducted due to limited funding 2 public awareness programme undertaken.
The institutional capacity of NEMA and its partners enhanced Support the Monitoring and evaluation function and systems. Enhanced team work. Support procurement function Support to the audit function. Utilities paid Services and maintenance Support to NEMA Regional Offices Provisions of the public Finance Management Act 2015 effectively implemented	8 Monitoring and evaluation activities carried out and reports produced. 2 team building activities carried out 1 procurement plan FY2017/18 and Internal audit activities carried out and 4 statutory audit reports produced All utilities paid All services and maintenance provided 3 regional offices established and 1 office supported 4 quarterly work plans, 1 annual budget	11,217,967	50	44.85	4 performance monitoring and evaluation missions undertaken across the country. 42 monitoring reports produced. 2 quarterly statutory reports produced and submitted to MFPED and Office of the Prime Minister (OPM). 1 team building workshop held for LGs and MDAs on the implementation of the Presidential Directives on ENR (45 LG officials and 15 MDA representatives 1 procurement plan FY 2017/18 completed Statutory and routine (system and process) internal audit carried out and quarterly reports produced and submitted to the Office of the Internal Auditor General (IAG)/MFPED. Utilities paid for services and maintenance provided.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
	made.				Support to NEMA regional offices not achieved (under procurement). 2 quarterly work plans completed, 1 Annual work plan FY 2018/19 finalized.
National, regional and international partnerships and networking strengthened Broad based multi-stakeholder partnerships with CSOs and the private sector Increased domestication of the Multilateral Environmental Agreements (MEAs) project synergies and linkages enhanced National commitment to the Regional, sub-regional and UN Development Agenda enhanced	2 key stakeholders networking forums and partnership created 18 meetings attended 2 action plans integrated and one MEA annual report produced 5 meetings/ for a held	998,304	66.50	5.77	The forums planned for Q3 15 meetings attended 7 international meetings attended and other regional meetings
Total		**17,299,271**		**80**	**Good performance**

Source: NEMA and field findings

NEMA in coordination with Buhweju District carried out interventions to stop the degradation of Kanyabukanja wetland. There was massive encroachment on the wetland by individuals cultivating and rearing animals. As a result, the wetland vegetation was destroyed and the banks dried up hence reducing on its size.

Interventions such as sensitisation of degraders to vacate the wetland, hiring of guards and building of masonry check dams to block rapid water flow in order to allow flooding of the dried up areas was done, so that the wetland vegetation would regenerate. Some community members complied and left the wetland while others resisted. Where compliance was observed, regeneration was seen to have started. One particular degrader sued the Buhweju District

Environment Officer and the case is in a court. Vandalism of the check dams was observed. There were no guards present by January 2018.

In collaboration with Kiruhura District, NEMA supported the restoration of Lake Kakyera shores. Tree seedlings (griveria species) were supplied to farmers who were cultivating along the lake shores. The trees were planted along the buffer zone approximately 150m from the lake shore. Only vegetables will be grown in this area. It was envisaged that as the trees grow, the farmers would automatically relocate.



L-R: Cattle grazing in a degraded section of the wetland; A masonry check dam; A regenerating section of the Kanyabukanja wetland in Buhweju District


L-R: A degraded section of Lake Kakyera sores; One of the griveria tree species planted along the shores

14.4.2 Support to NEMA Phase II (Project 1304)

The major objective of the project is to create a fully established, equipped and strong institutional set up for the effective management of the environmental impacts of oil and gas development and chemicals.

The approved budget of the project in FY 2017/18 is Ug shs 1,047,852,994, of which Ug shs 429,750,000 (41.01%) was released and Ug shs 314,235,587 (73.12%) spent by end of Q2.

Performance

The performance of the project was poor at 44.86%. The project performance is summarized in Table 14.15.

Table 14.15: Performance of Support to NEMA Phase II by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Environmental compliance and enforcement of the law, regulations and standards Critical degraded fragile ecosystems restored and protected (two wetlands of Limoto and Kanyabukanja Katara recovered) Threatened species protected and conserved outside protected areas E-waste collection operations supported	100	475,000	15	44.86	NEMA in collaboration with LGs spearheaded the restoration of wetlands. Protection of threatened species planned for Q3. An E-Waste committee was established with secretariat at NEMA. A draft strategic work plan was developed.
Purchase of office and ICT equipment including software Retool NEMA's ICT infrastructure, including software to enhance IT services within NEMA	100	270,000	0		Planned for Q3.
Purchase of specialized machinery and equipment (Equipping, tooling and retooling NEMA offices)	100	272,853	0		Planned for Q3.
Purchase of office and residential furniture and fittings Furniture procured	100	30,000	0		Planned for Q3.
Total		**1,047,853**		**44.86**	**Poor performance**

Source: NEMA and field findings

Under Environmental compliance and enforcement, NEMA halted 10 companies involved in sand mining in Lwera, Mpigi and Kalungu districts due to non-compliance to the EIA approval and permit conditions issues. Corrective action was done by four companies (Katonga Investments, Capital Estates, Parkson Hong Kong and Seroma Limited) out of the 19 companies. They are the only ones legally operating. NEMA stopped issuance of sand mining permits until the development of the sand mining guidelines are completed. (Draft sand mining guidelines were developed)

Challenges in NEMA

1. Limited human resource officers at NEMA and at the LGs to adequately cope with the increasing environmental issues, projects and related activities.
2. Limited funds and equipment at NEMA and the LGs hinder adequate implementation of planned activities.
3. Inadequate waste management infrastructure and practices. Many waste generating facilities especially tanneries, distilleries and diary processing plants lack waste water treatment plants and do not maintain record of waste water quality.
4. The enforcement officers lack relevant gadgets such as cameras and tape measures which are important in gathering evidence most especially in encroached areas.
5. Environmental degradation by some investors and politicians who think they are above the law. They are dumping and raising structures in wetlands, sand mining in Lwera, Mpigi and Kalungu where companies were not compliant to EIA conditions.
6. Lack of institutional coordination among MDAs which results in conflicting roles during implementation. They end up blaming each other and leave the environment to suffer.
7. Continuous encroachment on wetlands by private developers, settlers and in some cases people holding tittles in wetlands.
8. The general public is indifferent towards management of the environment, thinking it is only the role of government. People throw rubbish and emptying toilets during rainy periods into water drainage channels.

Recommendations

1) The MFPED should fast-track wage bill allocation to the NEMA and LGs to support recruitment of necessary personnel in the approved structures.
2) The MFPED and MWE should review funds allocation to implement Environmental and Natural Resources (ENRs) activities by providing conditional grants for the ENRs to supplement the Wetlands grant which is inadequate. In districts visited the ENR budget ranges between Ug shs 800,000 to Ug shs 3million. Additionally the EIA money should be granted to LGs for environmental management as recommended parliament.

3) The NEMA and MWE should liaise closely to ensure all polluters are issued with waste discharge permits and they should abide by the conditions of the permits. Cases of non-compliance should be arrested and prosecuted in courts of law.

4) NEMA and LGs should plan and procure the relevant gadgets.

5) The NEMA should increase environmental inspection, audit measures and apply naming and shaming of impunity investors and expose them penalties.

6) The NEMA should spearhead it's coordination role to ensure there is no development at the expense of environment by involving the relevant stakeholders in the whole process to avoid conflicts.

7) The NEMA should fast-track cancellation of titles in wetlands and follow up on the presidential directive of "No encroachment on wetlands and those already there leave by June 2017"

8) The NEMA should be vigilant to produce and disseminate environmental information in a wide spectrum using multimedia existence to sensitize and advocate for environmental protection.

14.5 Uganda National Meteorological Authority (Vote 302)

Background

The meteorological sub sector has faced significant neglecting the years of civil strife in Uganda leading to vandalism and breakdown of most of the equipment. The efforts in the 1990s and to-date have yielded positive results including the recent reforms transforming the Meteorology Department into Uganda National Meteorological Authority (UNMA). Uganda requires advanced technologies on monitoring weather and climate and in processing data, production of various products and display to much with current trends and development needs. This calls for heavy investment on robust modern equipment and systems to march with the challenges of climate change. The current weather monitoring network by UMA is obsolete and needs to be overhauled and automated in line with National Development Plan (NDP2) and Vision 2040.

The strategic objectives of UNMA are: (i) To improve the quantity and quality of meteorological services to customers; (ii) To build a skilled and motivated workforce through good human resource management practices; (iii) To promote greater awareness of the benefits of using meteorological services, information and products; (iv) To improve the accuracy and reliability of forecasts and advisory services to customers; (v) To achieve a sustained increase in revenue generation.

The approved budget of UNMA in FY 2017/18 is Ug shs 29.555 billion of which Ug shs 8.61 billion (29.14%) was released, and Ug shs 7.128 billion (82.78%) spent by 31st December 2017.

14.5.1 Sub Programme 02: Finance and Administration

The approved budget of Finance and Administration in FY 2017/18 is Ug shs 10,159,501,149, of which Ug shs 4,145,161,523 (40.8%) was released and Ug shs 3,596,797,324 (86.77%) spent. The performance of sub-programme 02 was rated fair at 66% as reflected in table 14.16.

Table 14.16: Performance of Uganda National Meteorological Authority Project by 31st December, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Administration and management support UNMA visibility improved; Awareness on weather issues raised; Audit reports prepared; Land ownership formalized in Kabale, Mubende. Masindi, Kyenjojo, Soroti and Sembabule; UNMA regulations developed	100	10,159,501	26.93	66	UNMA visibility improvement activities to be implemented during the commemoration of the World Meteorology Day. A two day media training was conducted for central region to create awareness on weather issues. Quarterly audit reports prepared and submitted. Formalization of land carried out for Soroti (surveying of land was ongoing), Masindi (deed plan for UNMA developed and land title processing ongoing), Sembabule (land title was being processed), Mbarara (land title being processed with deed plans ready) and Gulu (land title processing was ongoing with a communication from Uganda Land Commission to Ministry of Lands received). UNMA regulations developed and submitted to solicitor general awaiting further submission to the Minister of Water and Environment for signature.
Total		**10,159,501**		**66**	

Source: UNMA Q2 Report and Field findings

14.5.2 Uganda National Meteorological Authority (UNMA) - Project 1371

The meteorological sub-sector has faced significant neglect in the years of civil strife in Uganda leading to massive vandalism and breakdown of most equipment. The efforts in the 1090s and to date have yielded positive results including the recent transformation of the meteorology Department into an Authority. For the authority to perform effectively at the required standards (ISO 9001 2015) the challenges of lack of equipment need to be addressed, staff trained on use of meteorological information for maximum benefit.

Performance

The project annual budget is Ug shs 17,037,000,000, of which Ug shs 2,854,738,000 (17%) was released and spent by 31st December 2017. The performance of the project was poor at 26%. The project performance is reflected in table 14.17.

Table 14.17: Performance of Uganda National Meteorological Authority Project by 31st December, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Weather and climate services Aviation sector supported; Global Meteorological data exchange and Public Weather Services enhanced; 3 seasonal climate outlook issued; Network station functionality improved countrywide.	100	2,535,014	43.2	17	The aviation issued with flight folders Meteorological data exchanged on the Global Telecommunication System. Daily weather forecasts and advisories issued to the general public. Two seasonal forecasts issued. The functionality of network stations' was improved countrywide.
Administration and management support Research on future climate trends conducted; UNMA staff capacity; Resources mobilization and management enhanced.	100	1,336,634	33.33	9	No research on future climate trends was conducted due to insufficient funds received. UNMA staff capacity was built. Resource mobilization and management was enhanced.
Government building and administrative infrastructure Land for Mbarara, Masindi,	100	254,392			Funds were not released for this output.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Kibanda Nyusi and Gulu stations fenced off and 5 zonal meteorological centers and UNMA stall in Jinja refurbished					
Purchase of Motor Vehicles and Other Transport Equipment. 2 Station wagons/pickups, a service vehicle for the radar and 5motor cycles procured	100	700,000	0	0	No vehicles and motorcycles procured in the FY due to limited funding. Final payments were made for the vehicles delivered in FY 2016/17.
Purchase of Office and ICT Equipment, including Software. 2 scanners, 1 binding machine, 2 photocopiers, and engraving machine, 1 digital camera, 10 printers and 32 computers procured.	100	288,500			Funds were not released for this output.
Purchase of Specialized Machinery & Equipment Weather radar; Satellite Aviation data Distribution Information System (SADIS) equipment; Automatic Weather Station accessories and 100 rain gauges and other manual weather instruments procured	100	10,301,000	0	0	No specialized machinery and equipment procured. Procurement of manual weather instruments like thermometers initiated. Procurement of the second radar (For FY 2017/18) initiated. Partial payment was made as advance payment for the first radar whose procurement was finalized in FY 2016/17
Purchase of office and residential furniture and fittings Assorted office furniture and fittings procured and distributed to staff including out stations	100	161,460			Funds were not released for this output
Total		**17,037,000**		**26**	**Poor performance**

Source: UNMA and Field findings

By end of December 2017, UNMA as a vote had received only 29.14% of its total budget. Most of the funds received were used to clear the radar bill whose procurement was initiated in FY 2016/17. Some outputs in FY 2017/18 did not receive any releases thus could not be implemented.

Key Challenges in UNMA

1) Seasonal weather forecasts are issued four times a year in the months of March, June, September and October. However, due to the effects of climate change, seasons have shifted and some regions receive rains earlier than is expected. This means that the routine forecasts are issued late for the benefit of the famers.
2) Weakness in dissemination of updates for weather forecasts. Only people with registered emails with the authority get this information. This leaves out a great proportion of people that would benefit from this information.
3) Limited national understanding and appreciation of meteorological science and its benefits. This limits attraction of funding and use of information.
4) Limited and dilapidated infrastructure of some weather monitoring stations which were installed during the 70's and need overhaul. This renders some weather information not to be recorded thus limiting the accuracy of the weather forecasts.
5) Tools and equipment for operation are not enough (one radar , limited computers , printers); internet connections limited for data sharing; No calibration laboratory to set instruments accuracy especially thermometers, pressure readings. These have to be sent to Nairobi or Uganda National Bureau of Standards whose capacity too is limited; No automated relaying system for communication to the pilots.
6) There is limited data quality and quantity collected in Uganda compared to other parts of the world. The weather stations coverage is a key ingredient for qualitative data yet these are scanty. There are only 12 synoptic stations which are supposed to work 24 hours and only Entebbe does this. Due to understaffing weather information is only recorded for 12 hours a day. The few and demotivated staff without enough equipment work for longer hours and in some cases information gaps are realized with smart phone delays or manual errors.

Recommendations

1) The UNMA should devise a mechanism of issuing early regional forecasts for the benefit of different regions which experience different weather patterns for planning purposes.
2) The UNMA should improve the means of weather forecast information dissemination to the public. The Authority should fast-track acquisition of license code to use mobile phones and take advantage of the multimedia network to further disseminate information.
3) The UNMA should create more awareness to the public, legislators and planners on issues of meteorological science.

4) The UNMA should improve routine maintenance and procure modern equipment improve on quantity and quality of data for data capturing, processing, storage and communication.
5) The UNMA should provide mobile calibration for stations outside Kampala. Agromet and Hydromet stations need to be established to supplement the synoptic stations for improved quality of data.
6) The UNMA should plan to procure more Automatic Message System in other stations like Soroti which links observatories by checking errors, system operations and directs messages to other networks where it is supposed to go.

Part 4: CONCLUSIONS

Chapter 15: CONCLUSIONS

Financial Performance

The overall GoU approved budget allocated to MDA&LGs for FY 2017/18 is Ug shs 12.544 trillion, of which the ten priority sectors, LGs and KCCA constitute 70% (Ug shs 8.854 trillion). The release for the ten sectors including KCCA and LGs transfers as at 31st December, 2017 was 53% (Ug shs 4.733 trillion) of the approved budget, which was good performance.

The expenditures (absorption) were 90% (Ug shs 2.879 trillion) for the central government votes, while KCCA achieved 88% (Ug shs 83.29 bn) and the LGs about 75% (Ug shs 1.062 trillion).

The approved budgets for 80% of the ten sectors and LGs were revised as at 31st December, 2017. The highest revision of Ug shs 125 bn was under the Energy Sector (MEMD) in respect of thermal generation and hydro power costs, as well as Isimba HPP. This was followed by Health Sector-Ug shs 41 bn towards-Vote: 116 NMS for medical supplies and reproductive health supplies to HCIIs, HCIIs and HC IVs.

Quarter 1 funds released to DLGs took 32 days from the time of announcement of the release by the PS/ST prior to warranting, however this slightly improved in Q2 to 22 days. The DLGs took on average 5 working to access funds after warranting, which is good performance.

Service delivery in the LGs was constrained by delayed access to funds on account of delays in warranting funds by respective DLGs, and network failures that affected the operation of the IFMS and the PBS.

Physical Performance

Agriculture

The overall sector performance during FY 2017/18 was fair at 62.07% similar to what was achieved at half year of FY 2016/17 (62.36%). This performance was much lower and not matching the very good release (48.9%) and good expenditure (86%) performance at half year. Good performance was attributable to increased budget allocations and supplimentaries; complimentary resources and services provided by the private sector players; availability of donor financing, and timely procurements.

There was general sluggishness in project implementation across the sector due to late disbursements from MAAIF and agencies to the districts, and from the District Collection Accounts to implementing departments and agencies; lack of detailed work plans to aid quick decision making by the Accounting Officers; poor readiness of projects; inadequate staffing; late submission of accountabilities by funds recipients, and general non-compliance with the PFM regulations. It was common to find MAAIF projects that were implementing work plans of FY 2016/17 in FY 2017/18. This made it difficult to link current disbursements to the activities that were under implementation.

Among the good performers in budget execution were MAAIF projects - NUFLIP (98.41%) and the Uganda Multi-Sectoral Food Safety and Nutrition Project (91.21%), the CDO (95.20%), PMG (82.30%), and NAADS/OWC (87.45%). The poor performers were MAAIF projects - Meat Export Support Services (11.62%), Regional Pastoral Livelihood Improvement Project (14.43%) and Support to Sustainable Fisheries Development Project (32.32%). Reallocations from activity budgets to salary arrears was a major constraining factor in the latter project.

The overall sector challenges were delayed disbursement of funds, slow implementation of MAAIF projects whereby work plans and activities of FY 2016/17 were differed being implemented in FY 2017/18, high levels of wastage and mortality of plant seedlings delivered to farmers especially under the NAADS/OWC programme, and non-compliance with the PFM Act by accounting officers and staff.

Education

The total budget for the Education and Sports Sector is Ug shs 2,551.005 bn, of which Ug shs 2,001.426 bn is recurrent and Ug shs 549.579 bn development. The release stood at 45% (Ug shs 1,093.235) and absorption at 93.8%. Overall, the recurrent budget performed better than the development budget both in release and expenditure.

The sector performance was fair at 58.6%. The best performing votes in terms of delivery of planned outputs were; National Curriculum Development Centre (94.2%) and Kyambogo University (82.9%). Good performance was noted for Makerere University Business School (73.9%). Fair performance was noted for Gulu University (62.15%), Transfers to Local Governments (60%), Ministry of Education and Sports (57.65%), Mbarara University (56%), Muni University (54.2%) and Kabale University (50.9%).

Poor performance was recorded for Soroti University (47.9%), Makerere University (47.2%), Lira University (47.5%) and Busitema University (24.6%). Good performance was associated with timely release and disbursement of funds to spending entities, while poor performance was attributed to delays in procurement and low releases of funds by spending entities particularly for the development projects.

With the fair performance at half year, the Education and Sports Sector is unlikely to achieve its annual planned targets if releases especially to development projects are not improved, and guidelines to implementing institutions issued in time. The implementing votes should expedite completion of the procurement processes.

Energy

The overall sector performance was fair at 61.9% of the semi-annual target. There was a slight decline in the performance of the sector from the score of 67.7% at the end of FY 2016/17. The good performing projects were; Kawanda-Masaka Transmission Project, Hoima-Nkenda

Transmission Project, Isimba HPP and Karuma HPP. Projects that performed fairly included Mineral Wealth and Mining Infrastructure Development, Strengthening the Production Phases of Oil and Gas, and Rural Electrification Project.

Projects that continued to perform poorly included; Nyagak III HPP, NELSAP, Tororo-Lira/Mbarara-Nkenda Transmission Project. Although Karuma Interconnection Project was still poor. it showed great improvement and if funds for RAP are provided, then considerable progress will be registered at the end of FY2017/18.

The key constraints in the achievement of sector outcomes were; delayed acquisition of Right of Way (RoW) for the power transmission projects, and low GoU releases, inadequate funds for compensation on projects and the low electricity connection rates in rural areas.

Health

The sector achieved 56% of its semi-annual targets. Efforts in addressing the preventive and curative aspects of heath care through infrastructure development, procurement and distribution of medical supplies, provision of reproductive, adolescent and child Health services among others were undertaken. However, the sector lagged behind in achievement of set targets under various projects and programs FY 2017/18.

Planned works for some programmes and projects under the MoH, RRHs and LGs had just commenced, while others were under procurement. Procurement management is still poor as majority (90%) of entities had not commenced implementation. This has a negative effect on timely achievement of set targets and outcomes for FY 2017/18.

The sector still suffers challenges related to; drug stock outs, lack or limited equipment, staff, and ambulances plus a poor referral system. This has continued to constrain timeliness, quality and efficiency in service provision. The increased population growth evidenced by high deliveries at various health facilities continue to put pressure on the already limited resources. This affects achievement of health outcomes indicated by patient-doctor ratio, percentage of health facilities reporting stock outs, ratio of health facility to population, mortality numbers among others.

Information and Communications Technology

The overall sector physical performance was rated as fair (52%). This was partly due to poor planning, and lengthy procurement processes on one hand and the requirement for a “No objection” at each and every stage of execution of the World Bank funded Regional Communication Infrastructure Programme (RCIP).

Good progress was observed on the key sector indicators of tele-density, increased access and usage of broadband internet bandwidth, increased internet users, increased telephone subscribers and reduction in prices of internet data which is expected to further reduce in 2018. Important to note however, the impressive progress is not necessarily a result of interventions made by the sector during the review period, rather external factors largely from the private sector players. Construction of the ICT Innovations Hub had taken off though behind schedule.

A committee to appraise applicants for the innovations fund was set up and two organisations awarded grants.

Industrialization

The sub-sector registered fair physical performance (53%) by half year. In most cases, entities whose financial performance was fairly good registered better performance compared to those with poor releases. For example, the United States African Development Fund (USADF) project registered good performance with 87% of the targets for the first half of the year achieved. The Presidential Initiative on Banana Industrial Development at 94% was back on course with; *Tooke* floor production trial runs, market surveys and certification of the products ongoing. Civil works on the guest houses, external works, quality assurance laboratories and installation of equipment was on target. The Rural Industrial Development Project (RIDP) registered 71% of the half year targets. Most of the beneficiary cooperatives/groups had received the value addition equipment and were already in use. However, cases of poor quality equipment were observed at some of the beneficiary organisations. A number of investors allocated land in industrial parks were slowly settling in especially in the Kampala based parks. The long awaited Mbale Industrial Park was handed over to private investors for development, whilst existence of some unpaid squatters.

The projects that did not meet at least 50% of the half year targets included: Value Addition to Tea Project (4%), Construction of Quality Laboratories at Uganda National Bureau of Standards (5%), Development of Industrial Parks (16%), Soroti Fruit Factory (27%), Glass Sheet Manufacturing (29%) and Kiira Motors Corporation (44%).

The sub-sector performance was affected by poor procurement planning, administrative reviews, inadequate releases, inadequate capitalisation of UDC and UDB, lack of substantive boards (governance gap), limited uptake of industrial research to commercialisation stage, lack of business plans and governance structures for some agencies (PIBID, KMC) and diversion of funds to other competing needs.

Notwithstanding the funding to the energy and road sectors that directly compliment the industrialisation sub-sector, the current level of funding and releases to latter shall not translate into the requisite job creation and shared prosperity spelt out in the theme of the FY 2017/18 budget.

Microfinance

Overall Microfinance Support Centre (MSC) achieved 75% performance which was good; 80% of planned outputs were fully achieved, 15% partially achieved, and 5% not achieved.

The MSC disbursed Ug shs 40.309 bn to clients which was 70% of the planned target. Percentage growth in portfolio outstanding was 40% (to Ug shs 91.5 bn) from Ug shs 65bn at end of FY 2016/17. The MSC achieved a repayment rate of 75% which was an improvement from 53% at the end of FY 2016/17. The MSC was able to mobilize resources and disburse credit funds from reflows and Islamic financing. It gave loans at favorable interest rates between ranges of 9%, 13%, 17% and 11% for agricultural, commercial, environmental to different clients. These were below commercial bank rates that are above 20%. The overall Portfolio at Risk (PAR) was 7% against a target of 15% pointing to an efficient recovery of loaned funds. The Islamic finance loan led to an increase in the overall portfolio outstanding which was good.

Although there was growth in the number of districts with SACCOs, capacity building support from PROFIRA and MSC remained low. The duration of accessing loans from MSC was averagely three months against a target of one month which was poor.

Public Sector Management

The sector physical performance was poor at 47%. The release was good at 47.7% of the annual budget and resource absorption also good at 86.4%.

Fair performance was observed under the Community Agricultural Infrastructure Improvement Programme (CAIIP III) where 2,547.5km of community access roads were rehabilitated; 77 Agro-Processing Facilities constructed with machinery installed, and 60 of these functional in North, West and Eastern Uganda. The Dry Lands Integrated Development Project where construction of 2 OPDs, 1 Maternity and 1 General ward, 2 four-unit staff houses, and 2 community access roads were completed; with 20 ongoing other civil works in the Karamoja region.

The Project for Restoration of Livelihoods in the Northern Region conducted trainings and provided agricultural extension services to farmer groups in Acholi region. Under the Urban Markets and Marketing Development of the Agricultural Project, additional external works and a canopy over roof parking in Busega Market had commenced; and Nyendo Market in Masaka District was completed and operational.

For Public Service Commission, the E-Recruitment System was established; 23 members of District Service Commissions were inducted in seven districts; 31 selection tests were administered to 4,265 applicants; and 38 out of 44 appeals received were handled and decisions communicated.

Poor performance was registered under Office of the Prime Minister (OPM) for Post War Recovery and Presidential Pledges Project (46.1%); Support to Luwero-Rwenzori Development Program (42%); Karamoja Integrated Development Programme (23%); Humanitarian Assistance Project (30.5%); Support to Bunyoro Development Project (19.5%); and Support to Ministry of Local Government (MoLG) at 43.6%.

Poor performance was also registered for both recurrent and development programmes in the Ministry of Public Service (29.7%); Local Government Management Service Delivery (LGMSD) Project under Kampala City Capital Authority (27.6%); Local Government Finance Commission (37%); Ministry of East African Community Affairs (29%); and National Planning Authority (31.8%).

Sector performance was hampered by; lack of sector strategic plans resulting in poor planning and prioritization, constant wage and gratuity shortfalls in LGs, lack of qualified staff in strategic positions in LGs, non-compliance to MoUs between projects and the districts, duplication of planned outputs resulting in unnecessary high expenditures; lack of administrative and financial autonomy of the Civil Service College, and delayed procurements.

Roads

The total budget for the Works and Transport Sector in FY 2017/18 excluding arrears is Ug shs 4,534.51 billion. The overall roads sub-sector financial performance was good as the budget release and absorption by December 31st, 2017 was 36.81% and 87.02% respectively. The three votes monitored (Vote 013-MoWT, vote 116-UNRA and Vote 118-URF) had a combined release of Ug shs 1,656.35 billion of which Ug shs 1,441.33 was expended. The budget release and absorption of the three votes (MoWT, UNRA, URF) by the end of December 2017 was 49.88%, 31.52% and 68.32%; and 97.3%, 81.9%, and 99.3% respectively.

The overall physical performance of the roads sub-sector was fair at an estimated 57%. The performance of Vote 013-MoWT was poor at 41%; while that of Vote 116-UNRA and Vote 118-URF were fair at 69% and 63% respectively.

The poor performance of the roads sub-sector component in the MoWT at an estimated 41.3% was mainly attributed to: implementing of activities that spilled over from the previous FY and were not budgeted for in the current FY; and the continued receipt of less funds than budgeted for at the implementing force account units despite a good release for the projects.

The fair performance of the National Roads Construction and Rehabilitation program implemented by UNRA under Vote 116 at 69% was attributed to: change in designs especially for rehabilitation projects which led to substantial change in scope of works; slow pace of land acquisition for the RoW; poor mobilization by contractors and release of donor funds due to the long procurement process that always requires a no objection at each stage of procurement from the external partners.

The fair performance of 63% of Vote 118 – URF was a result of the performance of the DUCAR Maintenance programme and the National Roads Maintenance programme which were 54% and 72% respectively. All the LGs and UNRA stations did not achieve their half year targets. The low performance of the DUCAR programme was majorly caused by shortage in financial resources as only about 84.2% of the expected funding was released for the implementation of the planned activities; and lack of complete unit of road maintenance equipment. However, the new Japanese construction units from GoU through MoWT were being received at the districts and this was going to solve the issues arising from lack of equipment at the DLGs. The challenge is still outstanding for municipalities which were not considered.

The failure to achieve targets in the National Roads Maintenance programme was attributed to non-implementation of routine manual maintenance activities for most of the stations in the first quarter; and delays in procurement which affected the activities of gravelling and installation of culverts under routine mechanised maintenance. For most of the entities, procurement delayed due to lack of fully constituted contracts committees at the UNRA regional level.

Overall the key sector challenges were: lack of complete sets of road maintenance equipment for force account activities; poor mobilization of contractors; slow pace of land acquisition of

RoW for UNRA projects; and delays in procurement of road contracts and construction materials.

Water and Environment

The overall half year performance of the Water and Environment Sector was fair at 56%. Good performers included Protection of Lake Victoria-Kampala Sanitation Program (Phase I), Support to Rural Water Supply for Water Supply, and the Water and Sanitation Development Facility Central (WSDF-C).

Protection of Lake Victoria-Kampala Sanitation Program (Phase I) had excellent work at 90% completion despite inadequate funding. Bududa Phase II, Iziru, Busedde-Bugobya piped systems were at 90% completion; Gombe-Kyabadaza was constructed to 95%, and were undergoing test running. Some DLGs had repaired boreholes, and constructed springs, case in point were Budaka and Buhweju respectively. The DLGs which had completed procurement and awarded works were 60%, while 40% had begun construction works.

Less work was achieved in Nyabuhikye-Kikyenkye GFS (25%), Rwebisengo Kanara GFS (5%), Bukedea Gravity Flow Scheme (5%), under Piped Water in Rural Areas. The Rwebisengo-Kanara contractor was using incomplete designs while Buyende and Iziru works delayed resulting in extension of contract completion dates. Most of the Water for Production planned projects, especially big reservoirs like Seretyo Irrigation Scheme were under procurement, while the contract for design of Nakaale dam was yet to be signed. Rwengaju Irrigation System was at 0%.

The National Environment Management Authority's performance appeared good but enforcement of adherence to environmental laws and regulation is an evident challenge. The Uganda National Meteorological Authority received 29% of the budget, thus could not achieve most of the planned outputs. The major achievement was completing payment of the radar procured in FY 2016/17.

The sector priorities put into consideration NDPII targets, however, their achievement may depend upon solutions to some of the sector challenges. These include funding gaps in the sector to meet objectives and targets, non-prioritization of the environment and wetlands sub-sectors, unavailability of land for project implementation, low staffing especially at the LGs, environmental degradation and faulting Section 22 of PFMA 2015.

Chapter 16: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on physical and financial performance of selected government programmes during the semi annual monitoring for FY2017/18.

Financial Management

i. The MFPED should mobilize more resources to fund the budget, this could include taxing money transfers, and online forex traders, as well continued curbing of the informal sector for tax purposes.
ii. The MFPED should strengthen the scrutiny of sector budget submissions (BFPs and estimates) for any lapses in the estimates to ensure inclusion of all possible areas of expenditure for the subsequent year.
iii. The MFPED and MoLG should support the LGs to establish reliable internet connections to enhance the full use of the IFMS, TSA, PBS as well as new PFM reforms so as to improve timely implementation of government programmes.

Agriculture

i. The MFPED should enhance supervision of budget execution at MAAIF, agencies and LGs to curb re-allocations and salary arrears and hasten funds disbursement; and institute sanctions for non-compliance.

ii. The MFPED/Project Analysis and Public Investment Management Department (PAP) should support the MAAIF to improve readiness of development project concepts and implementing departments before implementation commences.

iii. The MAAIF and agencies should implement strategic investments in irrigation at NARO and promote uptake of simple irrigation technologies at farm level.

iv. The MAAIF should equip the extension workers under the single spine extension system.

Education

i. The MFPED should release funds to projects as appropriated by Parliament to ensure effective implementation.
ii. The MoES should develop a comprehensive budget for all un-funded priorities under primary and secondary education to include all outstanding arrears, costs of court litigation, emergencies, requirements to complete the incomplete structures under APL I and other projects.

iii. The MFPED should make adequate provisions for recruitment of staff in public Universities.

Energy

i. The MFPED should release adequate funds for critical sector activities such as RAP in order to hasten completion of works especially for the transmission projects.

ii. The sector agencies (MEMD, UETCL, UEGCL, REA) should build capacity in the execution of infrastructure projects, especially in areas of procurement and contract management.

iii. The REA should develop more innovative ways of improving the rate of connections in the country. New efforts should be put in place to get more of the population in rural areas connected to the grid.

Health

i. MoH and sector votes should improve planning processes. Procurement should be initiated in a timely manner.

ii. The MFPED should not approve projects without clear plans covering multiyear financial requirements to avoid depreciation of facilities and loss of government resources.

iii. The Accounting Officers of votes under the health sector should fast-track achievement of set targets by end of FY 2017/18. Entities that fail to undertake timely procurements and implementation of planned targets should be penalised.

iv. The health sector entities should increase efforts in prevention of communicable and non-communicable diseases. This will help in reduction of the medicines and supplies budget.

v. The MoH should prioritise procurement of key medical equipment for health facilities at all levels.

vi. The HSC and MoH should institute strict timelines for recruitment of health workers and Accounting Officers who flout the timelines should be apprehended.

Information and Communications Technology

i. The NITA-U and MFPED should prioritise counterpart funding of the RCIP Uganda project to avoid delays in project execution.
ii. The Ministry of Public Service, MoICT&NG and NITA-U should review the staff ceiling for NITA-U and MoICT to increase implementation efficiency.
iii. The MoICT&NG and NITA-U should develop a change management strategy to ensure that duplication of effort is minimised on procurement and use of ICT installations.
iv. The NITA-U should regularly engage with the World Bank to ensure that "no objections" are secured in time. The World Bank should be implored to have a country based Task Team Leader (TTL) to speed up the process.
v. The MoICT&NG should urgently finalise the criteria for selecting innovators.

Industrialization

i. The Government of Uganda through the MFPED should prioritise substantial funding to the sub-sector and capitalisation of Uganda Development Corporation (UDC) and Uganda Development Bank to spur industrialisation.
ii. The UDC should endeavour to constitute technically sound pre–shipment inspection teams to ensure that suppliers meet all the technical requirements before delivery to avoid time overruns associated with rejection of delivered equipment.
iii. The responsible sector ministries should appoint substantive members of governing boards in time to avoid lapses in decision making as the case is with PIBID and Kiira Motors Corporation. The approval of the business plan for commercialisation of *Tooke* products should be prioritised.

Microfinance

- The Uganda Microfinance Regulatory Authority (UMRA) should expedite the development of regulations for SACCOs and MicroFinance Institutions (MFIs), this should be in consultation with key stakeholders in the sector as well as the SACCOs.

- The PROFIRA should partner with MSC to effectively build capacity of SACCO members in managing loan funds, ensuring timely repayments and also recommend SACCOs trained to MSC.

- The SACCOs should mobilize savings and improve their loan applications to enable access to credit from the MSC.

- The MSc should sensitize stakeholders including political leaders to appropriately communicate the objectives of credit funds and importance of loan repayments.
- On financial inclusion:
  - The UMRA should guide the formation of SACCOs to have a common cause and focus for example on agricultural addition, funding farmers' activities through irrigation, buying improved inputs and securing food storage facilities.
  - The MFPED Financial Services Department should train SACCOs on credit and default management.
  - Agencies like UMRA and PROFIRA should guide and support groups and SACCOs to do value addition to their products to earn more.
  - The government through the Ministry of Trade, Industry and Cooperatives should consider reviving cooperatives rallied around common goals to enhance focus and easier access to credit.

Public Sector Management

i. The NPA should fast-track formulation and implementation of strategic plans among MDAs and LGs in line with the NDP II and Vision 2040. This will guide in the planning and budgeting functions through improved application of PBB.
ii. The MFPED should release funds in line with the strategic plans. This avoids duplications and wastage of public funds.
iii. The MFPED and MoPS should analyse recruitment plans submitted from MDAs and LGs and use these as a basis of release funds to avoid wage shortfalls.
iv. The MoPS through the Department of Management Services should review the structures of LGs to address lack of positions of Principal level, yet this is part of the job specifications in adverts.
v. The OPM should enforce operational guidelines and sign MoU with DLGs for smooth operation of all programmes/projects to realize the intended objectives.
vi. The MoPS and the Civil Service College through the Department of Capacity Building and Planning should carry out a strategic comprehensive training needs assessments in MDAs & LGs, and develop strategic training plans to avoid uncoordinated trainings and high unspent balances in the public sector.

Roads

i. The MoWT should commit and release substantial funds to the implementing force account units for both the Rehabilitation of District Roads and Urban Roads Resealing Projects in order to effectively achieve the planned outputs.

ii. The Solicitor General, MoWT and UNRA should provide a clause in the works contracts which penalises contractors that do not meet their equipment and personnel mobilisation levels as provided for. This should be tagged on the advance payment. In addition, the UNRA should step-up monitoring of the contractors' equipment mobilization and the extent to which the equipment on site meets the project requirements.

iii. The GoU/UNRA should mobilize sufficient funds for full compensation of the PAPs and construction contracts should only be signed after the land acquisition process is finalized.

iv. The UNRA should allocate enough time and resources to the project design phase before tendering of projects. This should also take into consideration the review of designs for rehabilitation projects which had not been implemented within two years.

v. The UNRA should urgently procure full equipment units for all the stations (grader, vibratory roller, water bowser, wheel loader, excavator and tipper trucks).

vi. The UNRA should expedite the process of constituting contracts committees at the delegated procurement centres.

vii. The UNRA should ensure that contractors avail staff and equipment presented at the time of bidding.

viii. The GoU should procure excavators and supervision vehicles for LGs.

ix. The URF and MoWT should fast-track the dissemination and implementation of the reviewed remuneration to road gangs, which will ease the attracting of casual labourers in LGs.

Water and Environment

i. The government through MFPED should prioritize and increase sector funding in order to achieve the priorities/ NDPII targets.
ii. The Ministry of Lands, Housing and Urban Development should expeditiously review the land acquisition policy for development of government projects in line with the ongoing land commission recommendations.
iii. The NEMA should enforce environmental laws and seek political support to protect the fragile ecosystems.
iv. Accounting officers should adhere to Section 22 of PFMA 2015 and seek authorized virement from MFPED.
v. The MWE should fast-track the process of seeking permission from MFPED to procure vehicles for LGs in a phased approach.

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