PERFORMANCE OF EXTERNALLY FUNDED PROJECTS

REPORT

September 2024

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Table of Contents

ACRONYMS AND ABBREVIATIONS

AC	Actual Cost
ACALISE	African Centre for Agro-ecology and Livelihood Systems
ACCEs	Area based Commodity Cooperative Enterprises
ACDP	Agriculture Cluster Development Project
ACE II	Eastern and Southern Africa Higher Education Centers of Excellence
ADB	African Development Bank
ADF	African Development Fund
ADRC	Aquaculture Research Development Centre
AF	Additional Financing
AF	Adaptation Fund
AFD	Agence Française de Development
AfDB	African Development Bank
AGYW	Adolescent Girls and Young Women
AI	Artificial Insemination
AMIS	Assessment Management Information System
ANC	Antenatal Care
ART	Ant retroviral Therapy
ASAP	Adaptation for Smallholder Agriculture Programme
ATAAS	Agricultural Technology and Agribusiness Advisory Services
AVCP	Agriculture Value Chain Project
AWS	Automatic Weather Stations
BADEA	Arab Bank for Economic Development in Africa
BDR	Delivery of Births and Deaths registration
BMAU	Budget Monitoring and Accountability Unit
BOP	Best of the PearlArabica
BoQs	Bills of Quantities
BoU	Bank of Uganda
BRMS	Basic Requirements and Minimum Standards

BTVET	Business, Vocational Education and Training
BVI	Botswana Vaccine Institute
CABI	Centre for Agriculture and Bioscience International
CAO	Chief Administrative Officer
CAP	College of American Pathologists
CARs	Community Access Roads
CBNRM	Community-Based Natural Resource Management
CCTV	Closed Circuit Television
CDAP	Community Development Action Plan
CDC	Centre for Disease Control
CDOs	Community Development Officers
CEDP	Competitiveness and Enterprise Development Project
CEMRS	Comprehensive Electronic Medical Records System
CEO	Chief Executive Officer
CERC	Contingency Emergency Response Component
CFM	Community Forest Management
CFR	Central Forest Reserve
CFRs	Central Forest Reserves
CGV	Chief Government Valuer
CMP	Catchment Management Plan
CMPs	Contract Management Plan
COCODEV	Coffee and Cocoa Value Chain Development Project
COD	Commercial Operation Date
COVAB	College of Veterinary Medicine, Animal Resources and Biosecurity
COVID-19	Corona Virus Disease 2019
CPHL	Central Public Health Lab
CPI	Cost Performance Index
CTF CRG	Clean Technology Fund Contingent Recovery Grant
CV	Cost Variance
DAMCDC	Disease and Animal Movement Control District Committee

DARC	Debt and Revenue Cooperation
DCDO	District Community Development Officer
DCZ	Disease Control Zone (s)
DDA	Diary Development Authority
DDEG	Discretionary Development Equalization Grants
DED	Detailed Engineering Designs
DHT	District Health Teams
DINU	Development Initiative for Northern Uganda
DIT	Directorate of Industrial Training
DLG	District Local Government
DLIs	Disbursement Linked Indicators
DLP	Defects Liability Period
DN	Nominal Diameter
DP	Development Partner
DSPE	Dam Safety Panel of Experts
DSPE	Dam Safety Panel of Experts
DVO	District Veterinary Officer
E. Coli	Escherichia Coli
EA	Executing Agency
EAC	Estimated Cost at Completion
EDC	Electronic Data Capture
EDF	European Development Fund
EDIC	Engineering Development and Innovation Centre
EGP	Electronic Government Procurement
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EMNC	Essential Maternal and New-born Care
EmONC	Emergency Obstetric and New- Born Care
EMS	Emergency Medical Services
ENRP	Enhancing National Food Security through Increased Rice Production

EOI	Expression of Interest
EoT	Extension of Time
EPC	Engineering Procurement and Construction
EPI	Expanded Programme for Immunization
ERA	Electricity Regulatory Authority
ERB	Engineers Registration Board
ERT	Energy for Rural Transformation
ESIA	Environmental, Social and Impact Assessment
ESMAP-MDTF	Energy Sector Management Assistance Program Multi-Donor Trust Fund
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EU-ITF	European Union Africa Infrastructure Trust Fund
Euro	European Union Currency
EUROs	€
EV	Earned Value
EVM	Earned Value Management
EVMG	Electronic Voucher Management Agency
EXIM	Export-Import Bank
FAO	Food and Agriculture Organization
FAT	Factory Acceptance Test
FBMOs	Farmer-Based Management Organizations
FC	Financial Cooperation
FCU	Focal Coordination Unit
FEWS	Flood Early Warning systems
FFS	Farmer Field School
FIDIC	Fédération Internationale des Ingénieurs-Conseils
FIEFOC-2	Farm Income Enhancement and Forestry Conservation Programme –Project Phase II
FMD	Foot and Mouth Disease
FOs	Farmer Organizations

FTT	Field Technical Team
FY	Financial Year
GAVI	Global Alliance for Vaccine Initiative
GBV	Gender Based Violence
GCF	Green Climate Fund
GEF	Global Environmental Fund
GEMP	Good Emergency Management Practice
GEMS	Geo Enabling Initiative for Monitoring Systems
GERP	Grid Extension and Reinforcement Project
GESI	Gender Equality and Social Inclusion
GFF	Global Financing Facility
GFS	Gravity Flow Scheme
GIS	Geographical Information System
GKMA	Greater Kampala Metropolitan Area
GKMA-UDP	Greater Kampala Metropolitan Area Urban Development Program
GoU	Government of Uganda
GPS	Global Positioning System
GRCs	Grievance Redress Committees
Ha	Hectare
HC	Health Centre
HDPE	High Density Polyethylene
HH	Household
HIV	Human Immuno-deficiency Virus
HIV/AIDS	Human Immune Deficiency/Acquired Immune Deficiency Syndrome
HMIS	Health Management Information System
HPP	Hydro Power Project
HPV	Human Papillomavirus
HRH	Human Resources for Health
HSC	Health Service Commission
HTI	Health Training Institutions

HTLS	High Temperature Low Sag
HV	High Voltage
IAs	Implementing Agencies
ICRP	Irrigation for Climate Resilience Project
ICT	Information and Communications Technology
ICU	Intensive Care Unit
IDA	International Development Association
IDSR	Integrated Disease Surveillance and Response
IEC&M	Information, Education, Communication and Marketing
IESC	Independent Environmental and Social Consultant
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IFPA-CD	Investing in Forests and Protected Areas for Climate Smart Development
IFRs	Interim Financial Reports
IGFTRP	Intergovernmental Fiscal Transfer Reform Program
IGG	Inspector General of Government
INRM	Integrated Natural Resources Management
INVITE	Investment for Industrial Transformation and Employment
IPC	Interim Payment Certificate
IPO	Implementing Partner Organization
IsDB	Islamic Development Bank
ISO	Irrigation System Operator
IT	Information Technology
IUIU	Islamic University in Uganda
IWMDP	Integrated Water Management Development Project
IWUA	Irrigation Water Users Association
IWUCs	Irrigation Water User Committee
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
KCCA	Kampala Capital City Authority

KCCP	Knowledge Co-Creation Program
KEVEVAPI	Kenya Veterinary Vaccine Production Institute
KfW	Kreditanstalt für Wiederaufbau
KIBP	Kampala Industrial and Business Park
KIIDP	Kampala Institutional and Infrastructure Development Project
KKTM	Kampala Katosi Treatment Main
KM	Kilometers
kV	kilo Volts
KW-LVWATSAN	Kampala Water Lake Victoria Water and Sanitation Project
LaVMIS	Land Valuation Management Information System
LDF	Livestock Development Forum
LDNL	Lagan Dott Namanve Limited
LEGs	Local Economic Growth Support
LGA	Legislative Gaps Analysis
LGs	Local Governments
LITS	Livestock Identification and Traceability System
LLGs	Lower Local Governments
LLIN	Long-Lasting Insecticide Treated Nets
LoA	Letter of Agreement
LSBS	Local Seed Business
LSBs	Local Seed Production
Ltd	Limited
LV	Low Voltage
LVWATSAN	Kampala Water-Lake Victoria Water and Sanitation
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
Mak	Makerere University
MAPRONANO	Materials Product Development and Nanotechnology
MaRCCI	Makerere University Regional Center for Crop Improvement

MBW	Mutenga Batumbya and Wardrop Consulting Limited
MCC	Milk Collection Centers
MDAs	Ministries, Departments and Agencies
MDTF	Multi-Donor Trust Fund
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MFS	Musomesa Field School
MGLSD	Ministry of Gender Labour and Social Development
MHH	Menstrual Health and Hygiene
MIS	Management Information System
MLHUD	Ministry of Lands, Housing and Urban Development
MOBIP	Support to Developing a Market –Oriented and Environmentally Sustainable BeefMeat Industry
MoDVA	Ministry of Defence and Veteran Affairs
MoES	Mistry of Education and Sports
MoH	Ministry of Health
MoICT&NG	Ministry of Information and Communication Technology and National Guidance
MoJ&CA	Ministry of Justice and Constitutional Affairs
MoKCC&MA	Ministry of Kampala Capital City and Metropolitan Affairs
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoS	Ministry of Security
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memoranda of Understanding
MOUs	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MPA	Millennium Promise Alliance
MR-1	Measles Rubera
MRC	Medical Research Council
MSC	Micro-Finance Support Centre

MSCL	Microfinance Support Centre Limited
MSMEs	Medium, Small and Micro Enterprises
MSTI	Ministry of Science, Technology, and Innovation
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MTR	Midterm Review
MTWA	Ministry of Tourism Wildlife and Antiquities
MUK	Makerere University of Kampala
MUST	Mbarara University of Science and Technology
MV	Medium Voltage
MW	Mega Watts
MWE	Ministry of Water and Environment
MZOs	Ministry Zonal Offices
NACME	National Advisory Committee on Medical Equipment
NACRRI	National Crops Resources Research Institute
NADDEC	National Animal Disease Diagnostics and Epidemiology
NAGRC&DB	National Animal Genetic Research Centre and Data Bank
NARO	National Agricultural Research Organization
NCCN	National Comprehensive Cancer Network
NCDs	Non- Communicable Diseases
NDF	Nordic Development Fund
NDP	National Development Plan
NDP-3	Third National Development Plan
NDPIII	The Third National Development Plan
NEC	National Enterprise Corporation
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NFASS	National Food and Agricultural Statistics System
NICU	Neonatal Intensive Care Unit

NIN	National Identification Numbers
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority – Uganda
NLIC	National Land Information Centre
NLIS	National Land Information System
NMS	National Medical Stores
NMT	Non-Motorised Transport
NOPP	National Oil Palm Project
NOSP	National Oil Seed
NP	National Parks
NPA	National Planning Authority
NPCU	National Project Coordination Unit
NPSC	National Project Steering Committee
NRW	Non-Revenue Water
NSCS	National Seed Certification Services
NSTEIC	National Science, Technology, Engineering, and Innovation Centre
NSTEI-SEP	National Science, Technology and Engineering Skills Enhancement Project
NTAC	National Technical Advisory Committee
NTLD	National Tuberculosis, Leprosy, and Lung Disease Program
NTRL	National TB and Reference Laboratory
NWSC	National Water and Sewerage Corporation
O&M	Operations and Maintenance
ODeL	Open Distance and e-Learning
OE	Owner's Engineer
OFID	Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development
OHTL	Over-Head Transmission Line
OMAL	Owan Mwan Aquaculture Limited
OPBL	Oil Palm Buvuma Limited
OPD	Out-Patients Department

OPEC	Organization of Petroleum Producing and Exporting Countries
OPM	Office of the Prime Minister
OSH	Occupational Safety and Health
OVC	Orphans and Vulnerable Children
PAD	Project Appraisal Document
PAPs	Project Affected Persons
PASET	Partnership for Skills in Applied Sciences, Engineering and Technology
PBS	Programme Budgeting System
PC&MU	Project Coordination and Management Unit
PCU	Project Coordination Unit
PDCs	Parish Development Committees
PDHs	Physically Displaced Households
PDO	Project Development Objective
PDWs	People with Disabilities
PEFF	Pandemic Emergency Financing Facility
PESCA	Promoting Environmentally Sustainable Commercial Aquaculture
PFIs	Participating Financial Institutions
PHARMBIO TRAC	Pharm-Biotechnology and Traditional Medicine Centre
PHC	Primary Health Care
PHH	Post-Harvest Handling
PIAP	Programme Implementation Action Plan
PICT	Project Implementation and Coordination Team
PIM	Project Implementation Manual
PIP	Public Investment Plan
PIP	Project Implementation Plan
PISD	Project on Irrigation scheme Development in Central and Eastern Uganda
PIU	Project Implementation Unit
PMT	Project Management Team
PMU	Project Management Unit

POC	Proof of concept
POM	Program Operations Manual
POs	Producer Organizations
PPA	Programme Planning Approach
PPDA	Public Procurement and Disposal of Assets Authority
PPE	Personal Protective Equipment
PPM	Pooled Procurement Mechanism
PRC	People's Republic of China
PRELNOR	Project for the Restoration of Livelihoods in the Northern Region
PrEP	Pre-Exposure Prophylaxis
PRESIDE	Presidential Initiative on Epidemics
PRiDe	Promotion of Rice Development Project
PS	Pumping Station
PSFU	Private Sector Foundation Uganda
PSP	Private Service Providers
PSP	Public Stand Post
PST	Project Support Team
PV	Planned Value
PWD	Person with Disability
QR	Quick Response
R&D	Research and Development
RAP	Resettlement Action Plan
RBB	Regional Blood Banks
RBF	Results Based Financing
REOI	Request for Expression of Interest
REP	Rural Electrification Programme
RFP	Request for Proposals
RGCs	Rural Growth Centers
RHAs	Refugee Hosting Areas
RHC	Refugee Host Community

RHC/D	Refugee and Host Communities/Districts
RHD	Refuge Hosting Districts
RMNCAH	Reproductive Maternal Newborn Child and Adolescent health
RoW	Right of Way
RPOs	Rural Producer Organisations
RRH	Regional Referral Hospitals
RTRR	Reporting, Tracking Referral and Response
RUDSEC	Rural Development and Food Security in Northern Uganda
RWHT	Rainwater Harvesting Tank
S/C	Sub County
SACCOs	Savings and Credit Cooperative Organizations
SAO	Senior Agricultural Officer
SAR	Saudi Riyals
SC	Subcounty
SCB	Standard Chartered Bank
SCDS	Social and Community Development Specialists
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SFD	Saudi Fund for Development
SG	Solicitor General
SIDA	Swedish International Development Cooperation Agency
SIS	Social Inclusion Specialist
SLAAC	Systematic Land Adjudication and Certification
SME	Small and Medium Enterprise
SMS	Short Messaging Services
SNE	Special Needs Education
SOPs	Standing Operational Procedures
SPDA	Special Program for Development of Africa
SPI	Schedule Performance Index
SPP	Source Protection Plan

SRH	Sexual Reproductive Health
SRHR	Sexual and Reproductive Health and Rights
SSC	South-South Cooperation
SSCP	South-South Triangular Cooperation
SSP	Source Protection Plan
STEM	Science, Technology, Engineering, Mathematics
STI	Science Technology and Innovation
STIs	Sexually Transmitted Infections/Diseases
STWSSP	Strategic Towns Water Supply and Sanitation Project
SV	Schedule Variance
SWC	Southwestern Cluster
SWTP	Solid Waste Treatment Plant
T/C	Town Council
TA	Technical assistance
TB	Tuberculosis
TC	Trading Centre
TCP	Technical Cooperation Project
TG	Transitional Grant.
TI	Technical Institute
TIBIC	Technology Innovation and Business Incubation Centre
TIMS	Information Management System
ToR	Terms of Reference
TSC	Technical Services Company
TTI	Transfusion Transmissible Infections
TX	Transformer
UBoS	Uganda Bureau of Statistics
UBTEB	Uganda Business and Technical Examinations Board
UBTS	Uganda Blood Transfusing Services
UCAA	Uganda Civil Aviation Authority
UCDA	Uganda CoffeeDevelopment Authority

UCF	Uganda Coffee Federation (UCF)
UCF	Uganda Consolidated Fund
UCI	Uganda Cancer institute
UCREPP	Uganda COVID-19 Response and Emergency Preparedness Project
UCSATP	Uganda Climate Smart Agricultural Transformation Project
UDAP	Uganda Digital Acceleration Project
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Ugandan Shillings
UGGDS	Uganda Green GrowthDevelopment Strategy
UGIFT	Uganda Intergovernmental Fiscal Transfers
UgIFT	Uganda Intergovernmental Fiscal Transfers Program
UgNLIS	Uganda National Land Information System
Ug shs	Uganda shillings
UHI	Uganda Heart Institute
UHTTI	Uganda Hotel Tourism and Training Institute
UIA	Uganda Investment Authority
UK	United Kingdom
UKEF	United Kingdom Export Finance
UNCST	Uganda National Council for Science and Technology
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization.
UNFPA	United Nations Population Fund
UNHRO	Uganda National Health Research Organization
UNICEF	United Nations Children's Fund
UNITE	Uganda National Institute of Teacher Education
UNMA	Uganda National Meteorological Authority
UNMEB	Uganda Nurses and Midwives Examinations Board
UNRA	Uganda National Roads Authority

UNRDS	Uganda National Rice Development Strategy
UPDF	Uganda People's Defense Forces
UPE	Universal Primary Education
UPIK	Uganda Petroleum Institute Kigumba
UPOLET	Universal Post-O Level Education and Training
UPPC	Uganda Printing and Publishing Corporation
UPVC	Unplasticized Polyvinyl Chloride
URA	Uganda Revenue Authority
URC	Uganda Railway Authority
UREAP	Uganda Rural Electrification Access Project
URMCHIP	Uganda Reproductive Maternal and Child Health
URSB	Uganda Registration Service Bureau
US	University Secretary
US$	United States Dollars
USE	Universal Secondary Education
USEEP	Uganda Secondary Education Expansion Project
USMID	Uganda Support to Municipal Infrastructure Development
USSIA	Uganda Small Scale Industries Association
UTF	Uniteral Trust Fund
UTGA	Uganda Timber Grower's Association
UVRI	Uganda Virus Research Institute
UWA	Uganda Wildlife Authority
UWEC	Uganda Wildlife Education Centre
UWRTI	Uganda Wildlife Research and Training Institute
VCTL	Value Chain Team Leader
VE	Vocational Education
VET	Vocational Education and Training
VfM	Value for Money
VHF	Very High Frequency
VHHs	Vulnerable Households

VHTs	Village Health Teams
VICs	Visitor Information Centers
VIP	Ventilated Improved Pit
VODP	Vegetable Oil Development Project
VPDs	Vaccine Preventable Diseases
VSLA	Village Saving and Loan Associations
WASH	Water Sanitation and Hygiene
WATSAN	Water and Sanitation
WB	World Bank
WEIS	Water and Environment Information System
WESLD	Water and Environment Sector Liaison Department
WFP	World Food Programme
WHO	World Health Organization
WHR	Window for Host Communities and Refugees
WMZs	Water Management Zones
WRs	Wildlife Reserves
WSDF II	Water and Sanitation Development Facility North Phase II
WSS	Water Supply System
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant
ZARDIs	Zonal Agricultural Research and Development Institutes

GLOSSARY OF KEY TERMS

Term	Definition
Planned Value (PV)	Amount of work that should be completed at a certain point in time (PV=Percentage of work planned * Budget).
Earned Value (EV)	Amount of work that has really been completed at a certain point in time regardless of the cost incurred (EV= Percentage of work completed * Budget).
Actual Cost (AC)	Money spent to complete work (Expenditure) at a certain point in time.
Schedule Variance (SV)	An indicator of whether a project schedule is ahead, behind or on schedule to provide a progress update at a certain point in time (SV=EV-PV). An SV equal to 0, means the project is on schedule; whereas, a positive SV, means the project is ahead of schedule; and a negative SV, means the project is behind schedule.
Cost Variance (CV)	A Process of evaluating the project financial performance. Cost variance compares the budget that was set before the project started and what has been spent (CV=EV-AC). A positive CV indicates that the project has spent less money than the value of work done whereas a negative CV indicates that the project has spent more money than the value of work done (**Cost overrun**).
Schedule Performance Index (SPI)	A measure of the conformance of actual progress (**Earned Value**) to the planned progress (SPI=EV/PV). An SPI equal to 1, means the project is on schedule; whereas, an SPI of greater than 1, means the project is ahead of schedule; and an SPI of less than 1, means the project is behind schedule.
Cost Performance Index (CPI)	A measure for calculating the cost efficiency and financial effectiveness of a project (CPI=EV/AC). A CPI ratio with a figure higher than 1, indicates that the project is operating under the budget; whereas a CPI ratio less than 1, indicates that the project is operating over the budget; and a CPI ratio equal to 1, indicates that the project is operating on budget.
Estimate Cost at Completion (EAC)	An estimate of the remaining costs for a more dynamic picture of the project budget (EAC=Total Budget/CPI). Then compare the estimate at completion (EAC) to the total budget at completion. If the figure is above the total budget, then the project managers should plan to scale down on activities for the outstanding work and if EAC is below the total budget, then project managers should go ahead and complete outstanding works.

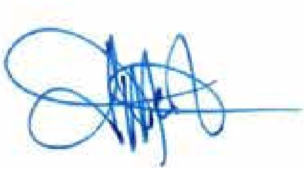
To-complete Performance Index (TCPI)	Measures the cost performance that is required to be achieved with the remaining resources in order to meet a specified management goal: (In other words, it's a ratio of the cost to finish outstanding work to the remaining budget) TCPI=(Budget-EV)/(EAC-AC). A TCPI equal to 1, means that the remaining resources can complete outstanding work, where as a TCPI greater than 1, means that the remaining resources can complete outstanding work and even have excess funds and a TCPI less than 1, means that the remaining resources cannot complete outstanding work.

Foreword

Over the years the Ministry of Finance, Planning and Economic Development has mobilised resources for projects both domestically and externally to fund social and economic infrastructure. However, there is a problem of poor implementation of the projects. The main concern is around the non -disbursing donor financed projects. The commitment fees are paid upfront yet borrowed funds remained undisbursed for years. To that effect, the Ministry of Finance, in collaboration with the Prime Minister's Delivery Unit, will be producing semi-annual assessment reports on externally funded projects.

This report, the first in the series, gives a comprehensive description of progress for eighty-two projects, since their inception. Using the Earned Value Management approach, the annual project performance trajectory is assessed and key risks identified. The report has established the binding constraints, in the frameworks and processes for planning, allocation, and implementation of public investment projects that result in poor utilization of project funds.

The constraints are not insurmountable, Accounting Officers will henceforth, be personally liable for cost of delays in project implementation. I urge all stakeholders, particularly Accounting Officers, to critically review this report with the view to eliminate delays in project implementation. As we commence the journey towards a tenfold growth of our economy, performance of projects in various votes will be a performance measure for renewal of contracts for Accounting Officers.



Ramathan Ggoobi

Permanent Secretary/ Secretary to the Treasury

CHAPTER 1: INTRODUCTION

Over the years the Ministry of Finance, Planning and Economic Development (MFPED) has mobilised resources for projects both domestically and externally to fund social and economic infrastructure. However, there is a problem of poor implementation of the projects. The binding constraints are the shortcomings in the frameworks and processes for planning, allocation, and implementation of public investment projects that result in poor utilization of project funds. The main concern is around the non -disbursement of external financing to projects. The commitment fees are paid upfront yet funds remain idle on accounts and are undisbursed for years.

To that effect, Cabinet (in 2023) requested for semi-annual performance reports, and externally funded projects were prioritised. The assessment has been conducted by the Budget Monitoring and Accountability Unit (BMAU), with support from the Directorate of Debt and Cash Policy, Department of Project Analysis and Project Investment Management (PAP) all from MFPED; and the Delivery Unit under the Office of the Prime Minister.

The main reason for the assessment was two-fold:

- To assess the performance of externally financed projects and inform Cabinet
- To recommend to Cabinet the most suitable course of action for managing the projects, based on the evidence.

This is the first monitoring report, on the performance of externally funded projects.

1.1 Methodology

Scope

The report is based on 82[1] projects that were monitored, from 13 Programmes (Table 1.1.1).

Table 1.1.1: Projects assessed by Programme

Programme	Number of projects
Agro-Industrialisation	15
Human Capital Development (HCD)	19
Integrated Transport and Infrastructure Services (ITIS)	22
Private Sector Development	2
Digital Transformation	1
Innovation, Technology Development and Transfer	1
Manufacturing	1
Natural Resources, Environment, Climate change, Land and Water Management (NRECCLWM)	4
Sustainable Energy Development (SED)	10

[1] The initial number of externally funded projects listed in the Public Investment Programme (PIP) was 106. However, of these 20 were excluded for various reasons noted in Annex:1. In addition, 3 projects were subsumed into UgiFT.while one had been duplicated in two different programmes.

Programme	Number of projects
Mineral Development	1
Regional Balanced Development	3
Sustainable Urbanization	2
Cross cutting – UGIFT	1
Total	**82**

Source Authors compilation from Public Investment Plan (PIP) 2023.

Approach and Methods

Both qualitative and quantitative methods were used in the monitoring exercise. The physical performance of planned outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure and/or planned targets.

Data Collection

Both primary and secondary data was collected from the sources and by the means that are indicated below:

i) Literature review: The project documents reviewed, included Project Appraisal Documents, Project Agreements/contracts, Project Implementation plans, Projects Operations Manual, Progress reports, Project Evaluation reports and Aide Memories among others.
ii) Review and analysis of data from the Integrated Financial Management System (IFMS), Programme Based System (PBS), the Aid Management Platform (AMP). institutional websites, and quarterly performance reports.
iii) Consultations and key informant interviews with project managers and activity implementers.
iv) Field visits to various project sites for primary data collection, observation and photography.
v) Call-backs in some cases were made to triangulate information.

Data Analysis

The analysis entailed comparisons of planned inputs, and outputs with actual achievements.

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 project performance. This was derived from the approved[2] budget of each output divided by the total budget of all outputs of a particular project.

The overall project performance is an average of individual output performances assessed. The performance of the project was rated on the basis of the criterion in Table 1.1.2.

[2] Approved at project inception

Table 1.1.2: Assessment guide to measure performance of projects

Score	Comment	Traffic Light
70%-100%	Good (Achieved at least 70% of outputs)	
50%- 69%	Fair (Achieved at least 50% of outputs)	
49% and below	Poor (Achieved below 50% of outputs)	

Source: Author's Compilation

This was blended with the Earned[3] Value Management (EVM) analysis that illustrated the degree of risk in implementation among the projects. This entailed analysing project information right from inception. The EVM tool was used to determine the variances in schedule and cost of project implementation. In addition, the tool was used to establish the cost efficiency and financial effectiveness of the projects. In cases of cost overruns and slow implementation, schedule and cost performance indices were used to forecast additional funds and time required to complete the planned project outputs.

1.2 Study Limitations

1 The inadequate time for the assessment limited an in depth analysis of projects using the EVM Tool. This required detailed expenditure data by output for every project since inception. For longstanding projects this was a constraint, especially where either staff had moved on or institutions had poor record keeping practices.
2 Lack of performance outputs and targets for some projects especially the grants, made the assessment problematic.
3 Inconsistencies in the loan financial figures between the implementing agencies and the MFPED. This was worsened by the fact that some loans are disbursed in more than one currency and reconciling these to one base currency gave varying figures.
4 Limited knowledge of Earned Value Management concepts among some project implementors affected the pace and quality of information shared.
5 Lack of key project documents such as work breakdown structures, schedule, cost, scope, and risk management plans. This was mainly because these key documents are not a development committee requirement before the projects enter the Public Implementation Plan.

1.3 Structure of the report

The report has three chapters. These are the introduction, the overview of aggregate project performance, and the individual project performance by programme.

[3] The metrices used are explained in the Glossary of terms.

CHAPTER 2: OVERALL PERFORMANCE

This chapter gives the overall financial and physical performance of the 82 projects by programme.

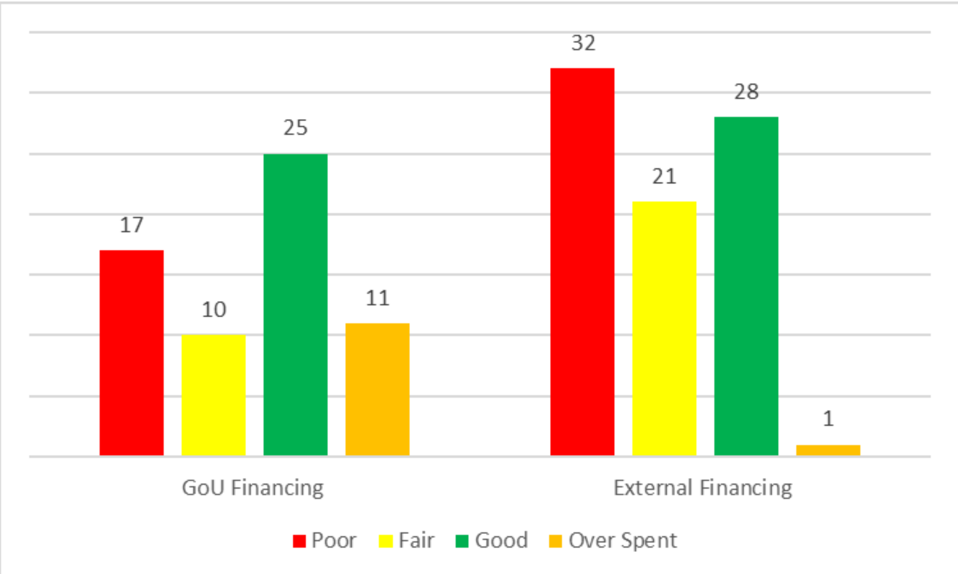
2.1 Financial performance

Most projects (32/39%) were performing poorly under external funding compared to GoU counterpart funding (17/26%). Over expenditure on the other hand were more pronounced under GoU funding (11/17%) compared to external funding (1/1.2%) which was indicative of weak controls, and budget indiscipline for the GoU counterpart funding. There were also cases of external funders withholding their disbursements that prompted GoU step in to ensure continued projects implementation (Figure 2.2.1)

There was only one project where an over expenditure was noted for external funding. The project under the Integrated Transport and Infrastructure services programme was the Upgrading of Rukungiri - Kihihi - Ishasha/Kanungu Road (78.5km) (Project 1311) funded by the African Development Fund (85.11%) and GoU (14.8%). Additional funds were provided to ensure completion of the project.

Under government co-funding[4], projects performed well in spite of the belief that counterpart funding is problematic. Most projects (23/38%) that receive counterpart funding had good performance (Figure 2.1.2). Of these 11 projects over spent, compared to the planned counterpart funding.

Figure 2.2.1: Comparative analysis of expenditure by source (No)

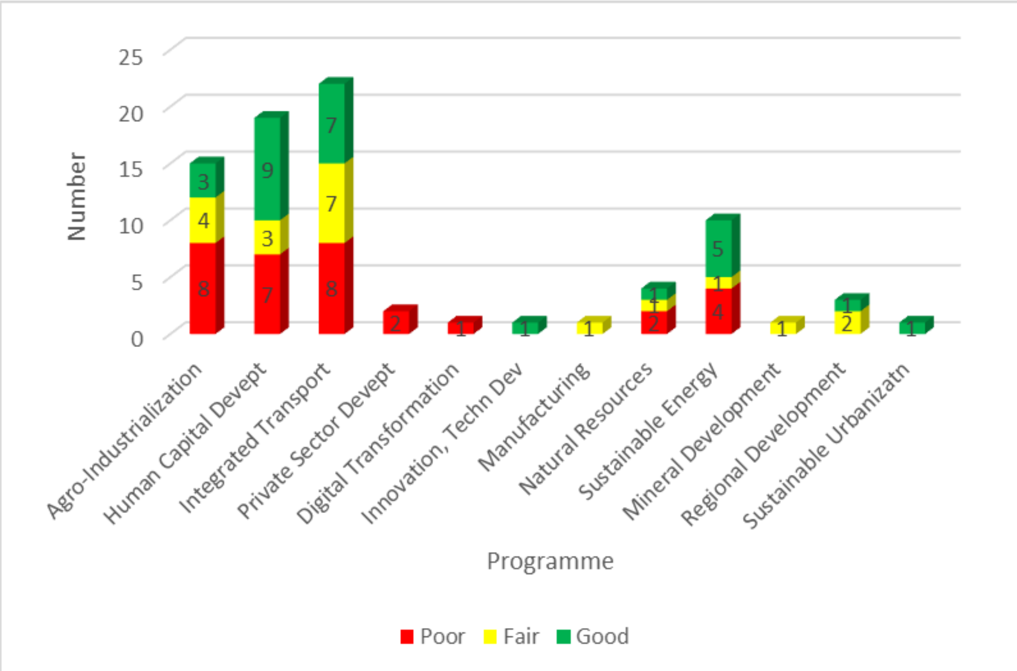


Source: Authors compilation from IFMS, AMP and Project implementers

[4] Excluding projects with 100% external funding

Inter programme comparisons under external financing revealed that the largest number of poorly performing projects were under the Agro-Industrialization and Integrated Transport and Infrastructure Services. This was followed by Human Capital Development Programmes. In the latter, the problem was noted mostly in the Education sub-programme. On the other hand, the Human Capital Development Programme had the highest number (9) of projects with good performance, especially under the Health sub-programme (Figure 2.2.2).

Figure 2.2.2: External funding expenditure performance for all projects (Nos) by programme

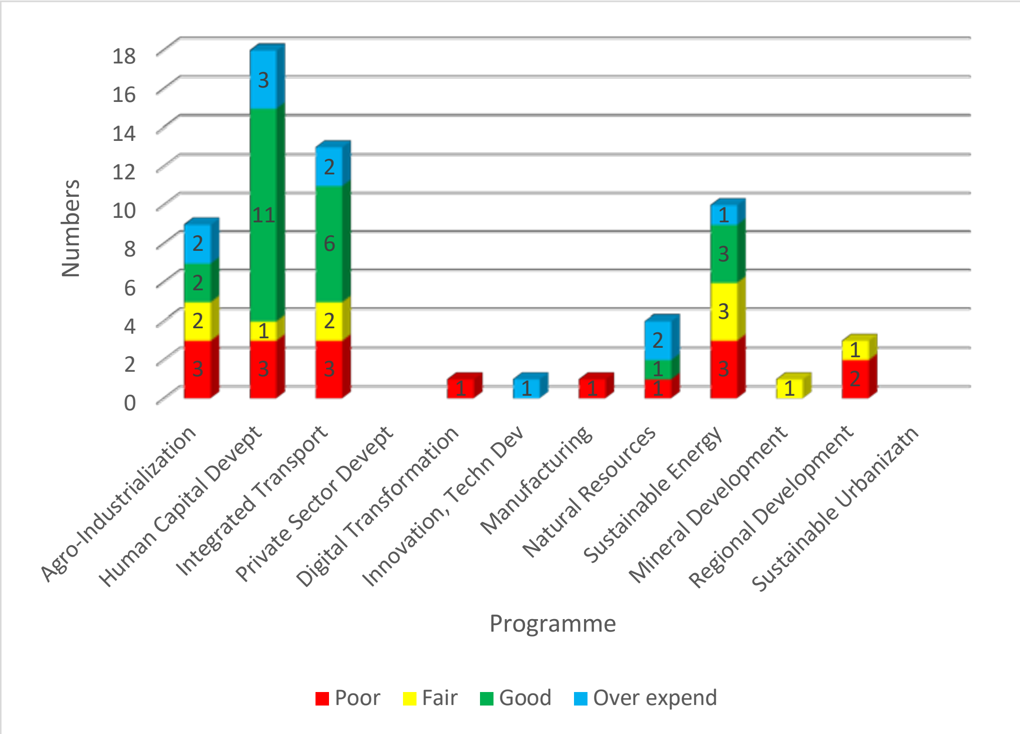


Source: Authors compilation from IFMS, AMP and Project implementers

Inter programme comparisons under GoU financing revealed that the largest number of projects that had cost overruns were in the Human Capital Development Programme, especially under the Water and Sanitation sub-programme. These were followed by the programmes of Agro-Industrialization, Integrated Transport and Infrastructure Services, as well as Natural Resources, Environment, Climate change, Land and Water Management. (Figure 2.2.3)

The highest rates of over expenditure were under the Agro-Industrialization programme, where on average spending arose to more than 950%. This was followed by the Natural Resources, Environment, Climate change, Land and Water Management programme where the average over expenditure was more than 140% (Table 2.1.1).

Figure 2.2.3.: Government expenditure performance for all projects (Nos) by programme



Source: Authors compilation from IFMS, and Project implementers

Table 2.1.1: Rate of over -expenditure of counterpart funding for projects (average %) by programme

Programme	Average over expenditure rate (%)
Agro-Industrialization	959.2
Human Capital Development	68.9
Integrated Transport and Infrastructure Services	45.5
Innovation and technology developemnt	90
Natural Resources	143.8
Sustainable Energy Development	80

Source: Authors compilation from IFMS and project implementers

There were four projects that had significant over expenditures of counterpart funding.

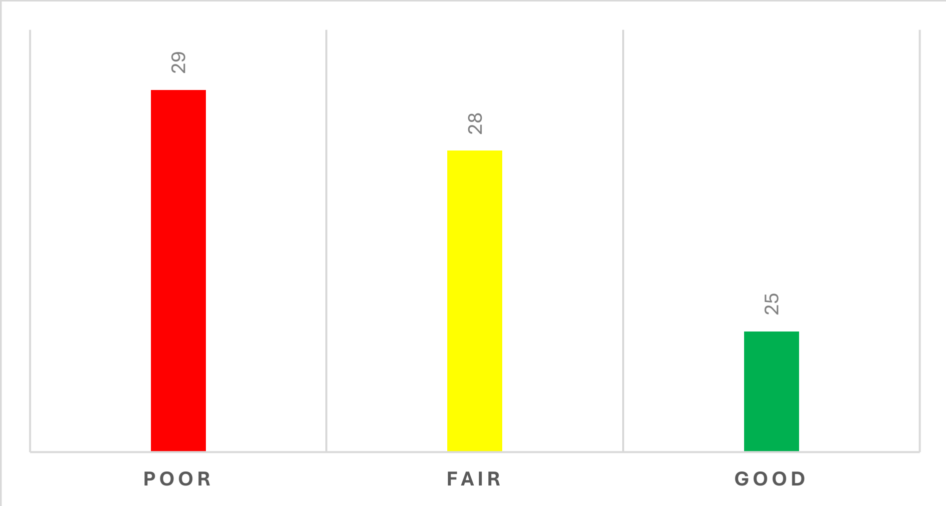
1. Promoting Environmentally Sustainable Commercial Aquaculture with 1,788% overxpenditure at 53% physical progress.
2. Vocational Education II with 167% over expenditure at 52% physical achievement.
3. Irrigation for Climate Resilience Project with 130% over expenditure at 20% physical achievemen.t
4. Support to Rural Water Supply and Sanitation Project with 128% over expenditure, but done only 17% of outputs.

The main reasons for the over expenditures, were the delayed implementation of the projects; and weak control on budgetary allocations for counterpartfunding.

2.2 Physical Performance

Most of the projects recorded either poor (35%) or fair (34%) physical performance (Figure 2.2.4).

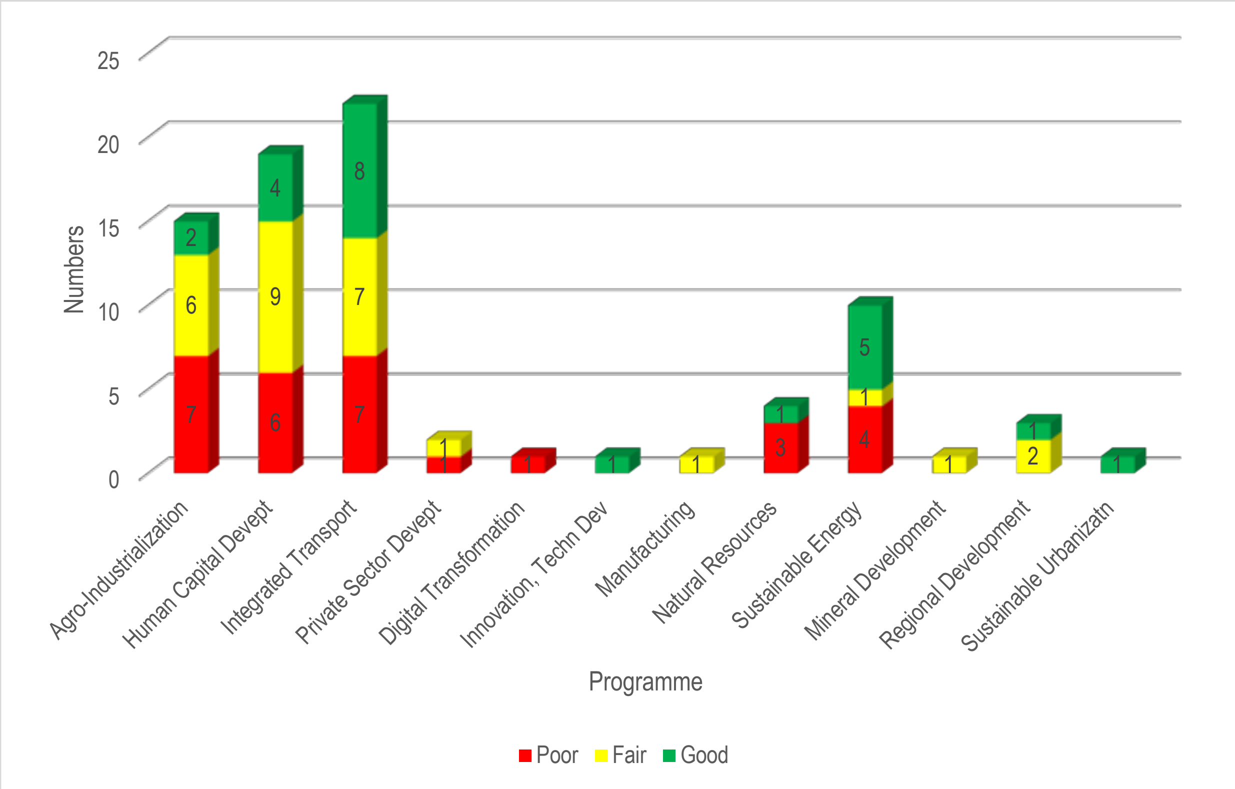
Figure 2.2.4: Overall physical performance of externally funded projects (No)



Source: ***Authors compilation from Field findings***

These performance trends were most prominent under the Agro-Industrialization, the Human Capital Development, and Integrated Transport and Infrastructure Services Programmes respectively. Under the Human Capital Development programme, poor physical performance was noted mostly under the health sub-programme. The highest number of projects (8) with good performance were in the Integrated Transport and Infrastructure Services Programme followed by that of Sustainable Energy Development (5), as shown in Figure 2.2.5.

Figure 2.2.5: Physical performance for all projects (Nos) by programme



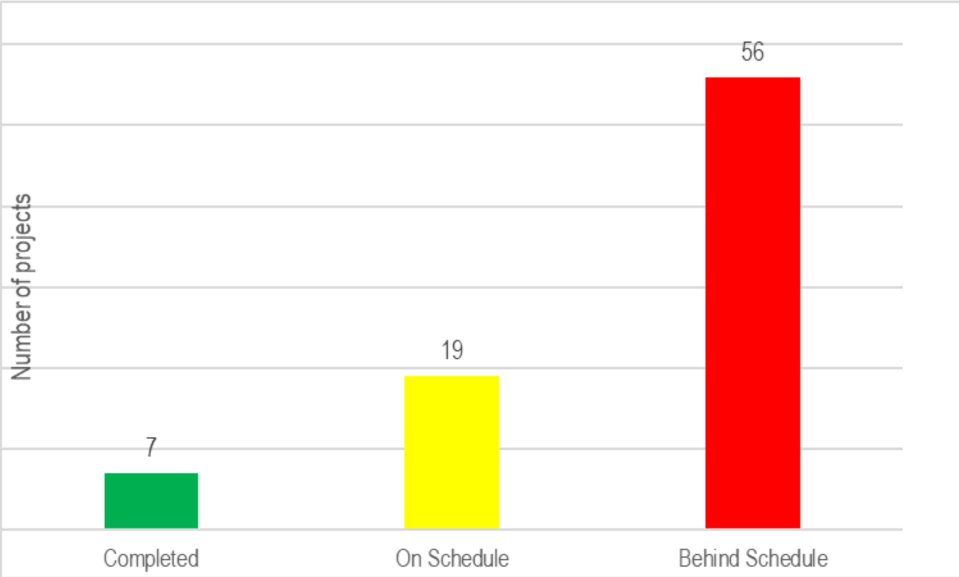
Source: Authors compilation from Field findings

A total of seven projects were completed, although most had delayed.

1. Agriculture Cluster Development Project (ACDP)- that started in 2013.
2. Eastern and Southern Africa Higher Education Centers of Excellency project II-with a commencement date of 2017.
3. Uganda Reproductive Maternal and Child Health Services Improvement (URMCHIP)- that started in 2017.
4. Karuma Hydro power project- with a start date of 2011.
5. Kampala- Entebbe Transmission line- that started in 2020.
6. Uganda Rural Electrification Access Project (UREAP)- aith a stsrt date of 2018.
7. Programme for Restoration of Livelihoods in Northern Region (PRELNOR)- that commenced in 2021.

Timely delivery of project outputs is critical. Most projects (56/68%) were behind schedule (Figure 2.2.6).

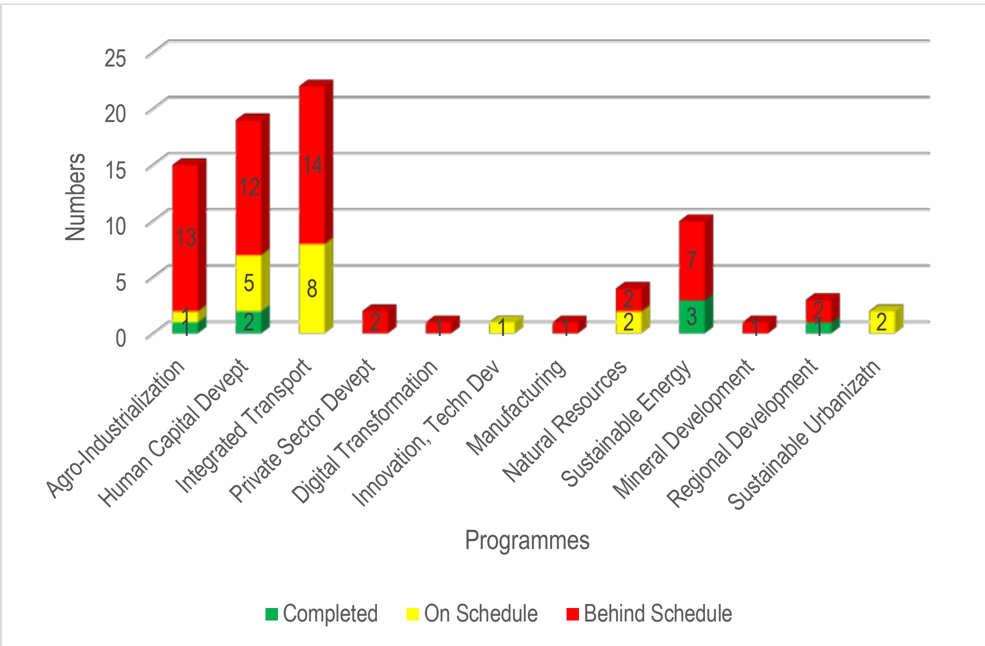
Figure 2.2.6: Timeliness for all projects (Nos)



Source: Authors compilation from Field findings

Inter programme comparative analysis revealed that this problem was most rampant in the Integrated Transport and Infrastructure Services, Agro-Industrialization, and the Human Capital Development Programmes respectively.

Figure 2.2.7: Timeliness for all projects (Nos) by programme



Source: Authors compilation from Field findings

2.3 Implementation challenges

A number challenges that constrained project implementation were noted.

1. Poor planning has caused delays, because unready projects are initiated. Most infrastructure projects have no right way at the time of commencement. This is worsened by the poor prioritization and sequencing of budgets for project affected persons. Inadequate allocations are made simultaneously, to many projects causing unnecessary delays across the board.
2. Limited technical capacity of project design teams that leads to various reviews in scope of work. The poorly negotiated project agreements compound the problem. Furthermore, the capacity of contractors procured is at times either limited or overstretched when many contracts are given to a few firms.
3. Poor project management with unclear deliverables and inadequate tools. The lack of results-based management practices limits effective implementation of projects.
4. Limited stakeholder consultation and communication limits local buy in and support, which slows down the pace of implementation.

2.4 Lessons Learnt

A number of lessons were drawn from the projects that were substantially completed.

1. Efficient and comprehensive budgeting for projects (BOQs) is a function of very good project designs and feasibility studies. It fosters timely implementation of projects.
2. The financial capacity of contractors is critical in timely delivery of projects. Identification of contractors with capacity combined with the presence of competent supervising consultants supports delivery of quality outputs.
3. Extensive stakeholder engagement among all stakeholders promotes the success of the project. For example, local government officials' knowledge of the planned type and quality of equipment limits the delivery of substandard items by suppliers.
4. Adaptive Management promotes effective project implementation: The ability to adapt project plans based on feedback and changing circumstances is critical. Flexibility and adaptability within acceptable margins, allows the project to address unforeseen challenges and take advantage of emerging opportunities.
5. Voluntary provision of the right of way has the potential to significantly scale down the costs for land compensation, and upscale project investments through re-investment of savings- in major components.

2.5 Conclusion

Most externally funded projects were behind schedule with at most fair achievement of outputs. The funding from the development partners was not forth coming as planned but counterpart funding had significant cost overruns. This means that the citizens will have to wait for much longer, and at a higher cost, to enjoy the benefits of these investments. To that effect, it is important to reassess these investments to ascertain whether it is worthwhile to pursue these ventures to the end.

There were some projects that were substantially completed but had outstanding land compensations to be made. If prioritized, these projects would be completed in the near future and exited from the Public Investment Plan (PIP). In the same breath, the projects with fair performance could be fast tracked.

Generally, it was noted that most implementation challenges were a result of poor planning at the design stages. Efforts to guard against these pitfalls have to be enforced for future projects.

2.6 Recommendations

These were clustered under implementation, and design stage.

2.6.1mplementation stage of ongoing projects

1. Substantially completed projects with outstanding land compensation should be prioritized for counterpart funding. These include:
   - Kampala-Entebbe Transmission expansion Project (1259)
   - Gulu-Agago Transmission Project (1391)
   - Bridging the Demand Supply Gap through the Accelerated Rural Electrification Programme (AREP -1517)
   - Agricultural Value Chain Development Project (1444)
   - Kapchorwa-Saum Road Project (1040)
   - Upgrading Rukungiri-Kihihi-Ishasha/Kanungu Road Project (1311)

2. Projects that are performing fairly well, but are behind schedule and/or have significant cost overruns should be renegotiated for rescoping the deliverables. The following should be prioritized:
   - South Western Cluster Project (1531)
   - Irrigation for Climate Resilience Project -(1661)
   - Water and Sanitation Development Facility North Project (1534)
   - The Project on Irrigation Scheme Development in Central and Eastern Uganda (1323)
   - Rice Development Project Phase II (1709)
   - North Eastern Road-Corridor Asset Management Project (1313)
   - Coffee –Cocoa Development Project
   - Uganda Intergovernmental Fiscal Transfers Program (Ugift)

3. Projects that are reaching/reached their end dates and do not deserve extension should be closed and exited from the PIP. These include:
   - Promoting Environmentally Sustainable Commercial Aquaculture Project (1494)
   - Agriculture Cluster Development Project (1263)
   - Enhancing National Food Security through Increased Rice Production in Eastern Uganda (1316)
   - Developing a Market-Oriented & Environmentally Sustainable Beef Meat Industry Project (1493)
   - Tirinyi-Pallisa-Kumi/Kamonkoli Road Project (1281)

- The Second Kampala Institutional and Infrastructure Development Project (KIIDP 2) (1295)

4. Poorly performing projects that have significant delays should be terminated. These include:
   - Uganda Secondary Education Expansion Project (USEEP; Project-1665). This well intentioned projectcan be saved iff the World Bank is engaged to allow restructuring of the project to fit in the remaining time (Fast track procurements, confirm the number of schools to be constructed, and the relevant[5] MDAs conclude the designs for the various sites.)
   - Vocation Education and Training (VET II) running under the OFID funded Vocational Education (1432).
5. Provision of counterpart funding beyond the initial planned levels, should be approved by the Development Committee, after justification. On the other hand, the Budget Analysts should critically review applications for counterpart funds from MDAs.
6. MFPED should officially close all grant funded projects where the funder has withdrawn or stopped disbursements. The residual work can be integrated in the routine budget of the relevant Ministry, Department and Agency (MDA).

2.6.2 Design stage for future projects

A number of improvements should be made at this stage, to foster effective project implementation.

1. Strengthen and enforce the Public Investment Management processes i.e. proper feasibility studies, cost-benefit analysis, target setting and indicators. The deliverables and related costs should be annualized in the Project Implementation plans to facilitate use of the Earned Value Management (EVM) tool for assessment.
2. Projects should be thoroughly prepared and competent staff recruited prior to actual commencement.
3. MFPED should strengthen negotiation capacity for loans and grants so that they include implementable prior conditions and realistic budgets for both donor and Government counterpart funding.
4. MFPED should develop a Public Investment Management System (PIMS) and manuals for preparation and scrutiny of grant funded projects, ensuring that they have a theory of change and meaningful outputs and targets.
5. Grant funded projects (especially of strategic interventions) should be fully implemented by the responsible ministry/agency to ensure adequacy in reporting, accountability and sustainability.

[5] Ministry of Education and Sports, Ministry of Lands, Ministry of Water and Environmnent, and Ministry of Works and Transport and other agencies that form part of the design review team

CHAPTER 3: DETAILED PROJECT PERFORMANCE[6]

3.1 Agro-Industrialization

3.1.1 Agriculture Cluster Development Project (1263)

Introduction

The Agriculture Cluster Development Project (ACDP) is a Government of Uganda (GoU) project implemented by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), with a total cost of US$248 million comprised of the International Development Association (IDA) loan US$ 150 million and US$98 million from beneficiary households and farmer organizations. In addition, the GoU approved Ug shs 8.515 billion or US$ 3.406 million as counterpart funding.

The project development objective is to raise on-farm productivity, production and marketable volumes of selected agricultural commodities namely maize, rice, beans, cassava and coffee in 12 geographic clusters on 42 districts. The project profile is presented in Table 3.1.1.

Table 3.1.1: Basic data for the Agriculture Cluster Development Project

Project Components	1) Support for Intensification of On Farm Production; 2) Value Addition and Market Access; 3) Policy, Regulatory and Institutional Support 4) Coordination, Management and ICT Platform.
Approval date by World Bank:	09 April, 2015[7]
Start date	23 January, 2017
Original end date	31st March 2022
Revised end date	30th April 2024
Project restructuring	Restructured three times November 2016, May 2018 and the mid-term 2020 to realign the budget with emerging sector priorities.

Source: World Bank Project Appraisal Document 2017; MAAIF project data 2017 to 2024

The key outputs and targets were:

a) E-voucher management system developed and operationalised
b) 450,000 households provided with inputs under the e-Voucher system
c) 30,000 farmer groups mobilized and trained
d) Farm Access Roads and choke points rehabilitated in the 57 districts
e) Matching grants provided to 300 farmer groups to set up with storage and value addition facilities
f) 50 irrigation systems installed for coffee smallholder farmers (number of beneficiaries)
g) Seven solar powered irrigation systems installed at the Zonal Agricultural Research Development Institutes (ZARDIs).

[6] Four projects were subsumed and presented under UGiFT Programme under the Human Capital Development section of this report reducing the number of projects with detailed performance presentation to seventy-eight.

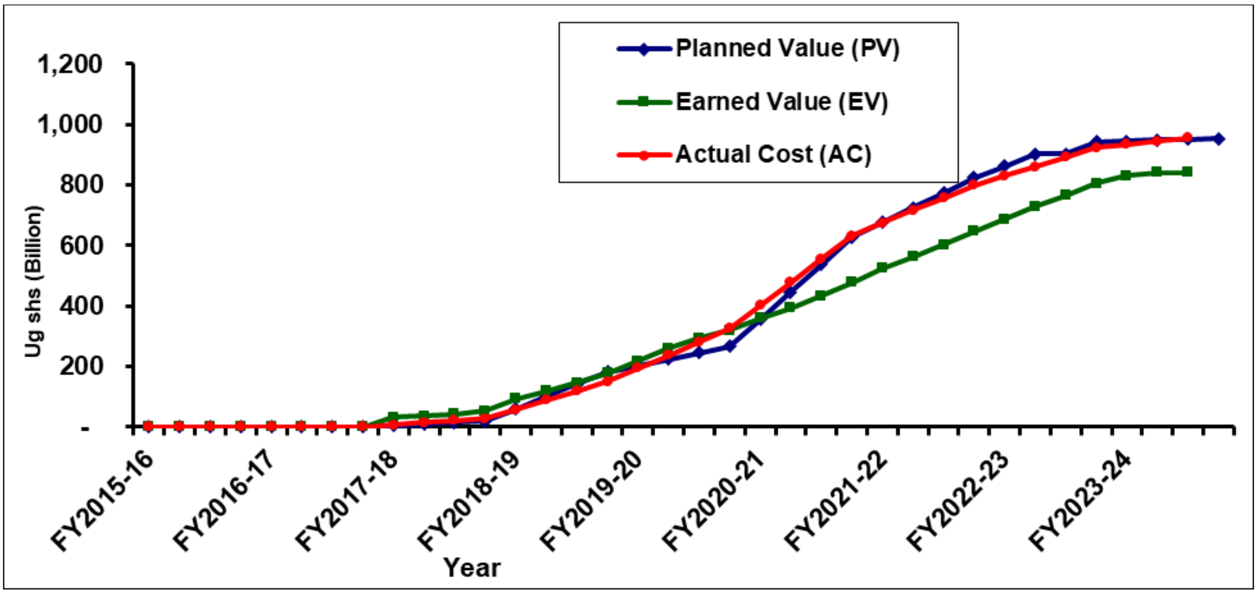
[7] Spending of counterpart funding started before project effectiveness to set up the project implementation unit and spill off activities from an earlier project ATAAS

h) National Seed Laboratory rehabilitated
i) Laws, regulations, guidelines and procedures for crop inspection, production, handling and management developed or strengthened
j) National Agricultural Statistics System strengthened

Financial Performance

By 30th April 2024, US$ 147.595 million (99%) was cumulatively disbursed and spent out of the approved US$ 150 million loan which was a very good release performance. The project absorbed Ug shs 6.798 billion (80%) as counterpart funding, out of the approved Ug shs 8.515 billion. The value of the achieved outputs was below the actual cost and the project was behind schedule[8] (Figure 3.1.1).

Figure 3.1.1: Performance of the Agriculture Cluster Development Project by 30th April 2024



***Source: Author analysis based on MAAIF project data 2015- 2024; ACDP PAD 2015*.**

Physical performance

The physical performance of the project was very good (91%) as most planned outputs were achieved (Table 3.1.2). However, the project was behind schedule in implementing a major activity of the rehabilitation of community access roads and road chokes which was at 78% completion against a time progress of 100%.

[8] Schedule Performance Index (SPI) = 0.89

Table 3.1.2: Cumulative physical performance of Agriculture Cluster Development Project 30th April 2024

Output	Target	Actual	Variance/remark
E-voucher management system developed and operationalised	1 System operational	90%	The system had functionality issues due to low capacity of the service providers; some farmers did not redeem their inputs even if they had paid their contributions. They got refunds in March 2024
Farming households provided with inputs under the e-Voucher system (number)	450,000	411,872 (91.5%)	The inputs (seeds, planting materials and fertilizers) received by farmers were of good quality and enhanced production and productivity at the farm level. The tarpaulins led to improved post-harvest handling especially of maize and coffee
Farmer groups mobilized and trained (number)	30,000	28,357 (94.5%)	21,053 demonstration gardens of various improved technologies were established at sub-county and farmer group levels for practical farmer learning.
Farm Access Roads and choke points rehabilitated (% works)	100%	78%	Phase 1, works were complete in 6 districts except in one (Ntungamo) where progress was at 93%. Phase 2, works were completed in 5 of 21 districts (71%), while Phase 3 overall physical progress was at 85%, with works in 17 of the 29 districts completed. A total of 1,118.6km were completed
Matching grant beneficiary farmer groups supported with storage and value addition facilities	300	358 (100%)	358 Farmer Organizations (FOs) were awarded matching grants worth Ug shs 110.5 bn of which farmer contribution was Ug shs 36.1 bn. Of the 358 funded grantees, 67 established only stores, 291 invested in both storage facilities and value addition equipment. Of the 358 funded storage facilities, 340 organisations completed construction creating total storage capacity of 82,514 MT. About 20% were not functional due to lack of power connections among other constraints.
Irrigation systems installed for coffee smallholder farmers (number of beneficiaries)	50	46 (92%)	The systems were of good quality and functional
Solar powered irrigation systems installed at the Zonal Agricultural Research Development Institutes (ZARDIs).	7	7 (100%)	The systems had just been installed. They were of good quality.
National Seed Laboratory rehabilitated (% works)	100%	75%	The facility was operational
Laws, regulations, guidelines and procedures for crop inspection, production, handling and management developed or strengthened (number)	4	4 (100%)	The project supported the upgrading of three laws (Plant Protection and Health Act 2015, Seeds and Plants Act 2006, Plant Variety Protection Act 2014) and policy. Guidelines and procedures for certification of vegetative planting materials were developed
National Agricultural Statistics System strengthened (number of systems)	1	1 (90%)	The capture of agricultural statistics was strengthened at MAAIF.
Average physical performance		**91%**	

Source: Field findings; Aide Memoires for 2018 - 2024; MAAIF Progress Report 2023-2024;

Despite the good performance, some activities were behind schedule due to the following constraints:

(i) Delayed setup of the Project Coordination Unit and recruitment of key staff

(ii) Persistent delays in contract evaluation and execution that affected timely implementation of signed contracts to inform disbursement.

(iii) Slow and incomplete migration of the project to the Integrated Financial Management System (IFMS) in the initial years. The uploading of the project budget was halted in FY 2018/19 due to inadequate codes in the Chart of Accounts. This led to a time loss of one year in the transfer of funds to districts and service providers.

(iv) Inability of some farmers to timely co-fund for the matching grants and inputs.

(v) Poor functionality of e-voucher system in some periods

Functionality and quality: The inputs; agro-processing and storage facilities; and capacity building were delivered to farmers in the beneficiary districts. The inputs, especially the fertilizers and tarpaulins were of good quality although inadequate. The inputs enhanced increased production and productivity at the farm level which was fulfillment of the project objective. The established agro-processing and storage facilities were of good quality and the majority (80%) were operational. Some farmer groups, such as in Bunyangabu district advanced to producing ground coffee for the local and international markets.

L-R: External view of storage facility that was constructed for Kyegegwa District Producing and Marketing Cooperative and internal view of the storage facility with bags of maize that were bulked by members for sale, Kibuye parish Kyegegwa district

L-R: Coffee being dried that resulted from adopting the irrigation system at Mr. Harry Musoke's farm in Kabale village; and ground and packaged coffee produced by Kabonero Mountainous Cooperative using equipment received from ACDP, in Nyamba village, Bunyagabu district

About 20% of the monitored agro-processing facilities were not functional due to lack of three phase power connections, missing parts from the supplier and inadequate raw materials; Farmers faced challenges in fully operationalizing and maintaining the agro-processing facilities. Many failed to raise operational funds to buy fuels and procure sufficient produce to run the machines.

For example, in Kibaale district, only one out of the four agro-processing facilities that were established in 2021 was in operation by 12th April 2024. The four non-operational facilities lacked power connections. Mugarara Coffee Growers Association had recently acquired a generator but was challenged by lack of operational funds to bulk coffee for processing.

In Kassanda district, only one out of the five established agro-processing facilities was functional. The structures were completed and machinery delivered and tested in three facilities but they were not functional due to lack of industrial power line. The fourth facility belonging to Bukuya United Cooperative Society Limited in Bukuya parish Nkonkonjeru village was incomplete and there was a case of misappropriation of Ug shs 45.115 million by the leaders of the Cooperative that was withdrawn without the approval of the Chief Administrative Officer (CAO). The Cooperative had debts with the bank that was threatening to take over the property for sale. The matching grant was given to the farmers by MAAIF, without proof of co-funding which was a requirement under the ministry rules.

Five percent (5%) of the monitored road chokes were either incomplete or of poor quality. For example, in Kibaale district, construction of two road chokes - Karuteete-Rubona-Kyakazihire (11.3 km) and Rwanaliba-Kituntu (11.4km) was abandoned by the contractors before completion for more than year, due to three key reasons: a) cash flows due to non-payment of completed certificates by MAAIF b) Inadequate budget allocated to road choke construction in hilly areas which required more materials than was approved in bid documents c) Escalating prices of raw materials

L-R: Agro-processing facility in Kassanda Town Council that was completed and installed one year ago and not operational; and Value addition machinery that was delivered to Kakumiro Development Association in Kakumiro district that was not operational due to lack of power and adequate volumes of produce to process

Increased coffee production and sustainable farming using fertilisers and good agronomic practices adopted from ACDP at Ms. Bizimungu farm in Bagezza subcounty Mubende district

However, the cooperatives had low capacity to sustain the agro-processing facilities due to a number of factors: a) lack of business plans to operate profitably and manage the costs of operation b) Machines were considered too large/heavy duty and not within the means of farmers to maintain and buy expensive spare parts c) Limited or no training of the operators from the cooperatives. Some of the operators that were trained left the cooperatives hence causing sustainability issues d) inaccessibility to power.

Sustainability: There was evidence of sustainability in use of improved inputs by farmers as there was increased adoption and use of hybrid seed, fertilizers, irrigation systems and tarpaulins for drying produce, beyond the project end date. Farmers continued to expand their gardens and coffee plantations using own resources to purchase hybrid seed and extending the irrigation systems.

ACDP supported Karuteete-Rubona-Kyakazihire road choke in Kibaale district was in poor condition as rehabilitation was partially done and abandoned by contractors

The project development objective to enhance production, productivity and marketable volumes was achieved. Two of the five commodities (beans, cassava, coffee, maize, and rice) have surpassed target yields by 48 percent (rice) and 91 percent (coffee). While the target was not achieved in maize, it registered the highest increase in yield after rice. The percentage production of target commodities in project area increased by between 51 percent (beans) and 149 percent (cassava) against targets of 50% across all commodities. The percentage increase in marketed commodities surpassed the 300 percent mark for all five commodities against targets of 50 percent across all commodities. Participation in e-Voucher was associated with a significant increase in yields: coffee by 226.8 kg per hectare; maize by 417.9 kgs per hectare; and rice by 495.2 kgs per hectare compared to non-e-Voucher beneficiaries[9].

Implementation constraint

(i) Inability of farmers to fully co-finance the establishment and connection to power of agro-processing and value addition facilities

Conclusion

The physical performance of the ACDP was very good as most planned outputs were delivered. However, there was inefficiency in the delivery of these outputs both in time and cost as the project was implemented over a nine year instead of six years[10]. The project was closed in April 2024 but had uncompleted activities especially the community access roads and road chokes. An additional Ug shs 131.582 billion[11] would be required to complete the remaining works and ensure that all the agro-processing facilities are functional. The incomplete road chokes and some of the completed ones had not been handed over to the district local governments to ensure maintenance.

Lessons:

This was one of the best implemented projects in the agricultural industrialization programme, despite the fact that completion delayed by over two years. The following lessons emerge:

i) In the establishment of agricultural infrastructure and equipment that require electricity, the MAAIF should engage the Ministry of Energy and Mineral Development at the project design stage to integrate this aspect.
ii) Co-financing from the project beneficiaries in agricultural investments increases ownership, adoption and sustainability of the interventions compared to projects were inputs are given freely as handouts.
iii) The Ministry of Works and Transport (MoWT) should be represented on all road works under the Agro-industralisation Programme.

Recommendations

(i) The MFPED should officially close and exit the ACDP out of the Public Investment Plan (PIP)

[9] World Bank Aide Memoire January 2024
[10] SPI = 0.89 and CPI = 0.88.
[11] To Complete Performance Index (TCPI) = 0.44

(ii) The MAAIF should prioritize and reallocate funding to complete pending works for the road chokes

(iii) The MAAIF should engage the Ministry of Energy and Mineral Development to connect all the agro-processing facilities without electricity

(iv) The DLGs should budget for maintenance of all ACDP community access roads and road chokes.

3.1.2 Agriculture Value Chain Development Programme (1444)

Introduction

The Government of Uganda (GoU) acquired a loan from the African Development Bank (AfDB) to finance a five-year Agriculture Value Chain Development Programme (AVCP-1444). The project cost is UA 64.41 million. The project development objective is to improve household incomes, food security, and climate resilience through commercial agriculture practices, sustainable natural resources management and agricultural enterprise development. The key deliverables include: establishment of irrigation, animal disease control and trade facilitation infrastructure; provision of business development services and research and development along the maize, rice and dairy/beef value chains. The project profile is provided in Table 3.1.3.

Table 3.1.3: Basic data for the Agriculture Value Chain Development Programme

Goal	To contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialization of agriculture.
Coverage	40 districts[12]
Value chains	Rice, maize, and dairy/beef
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries
Total project cost	UA64,410,000 of which UA 57,000,000 is a loan from the African Development Fund (ADF) and UA 7.4 million is the GoU counterpart funding
Project Financier/Donor	African Development Bank
Date loan declared effective	7th December 2018
Initial closure date	30th June 2023
Drawing limit date	29th June 2025
Current closure date	31st December 2025

Source: MFPED Budget documents 2021-2024; Project Appraisal Document

[12] Kyegegwa, Kamwenge, Masindi, Kiryandongo, Kasese, Buhweju, Mitooma, Nakaseke, Mukono, Luwero, Mityana, Kiboga, Buikwe, Wakiso, Buyende, Mayuge, Gulu, Oyam, Amolatar, Pader, Iganga, Kamuli, Mbale, Jinja, Kapchorwa; Rice: Sironko-Acomai irrigation scheme, and the districts of Bulambuli, Bukedea, Kamuli, Gulu, Oyam, Amolatar and Pader. Nebbi, Oyam, Kween, Butaleja, Kasese, and Kitgum Districts Mbarara.

Financial Performance

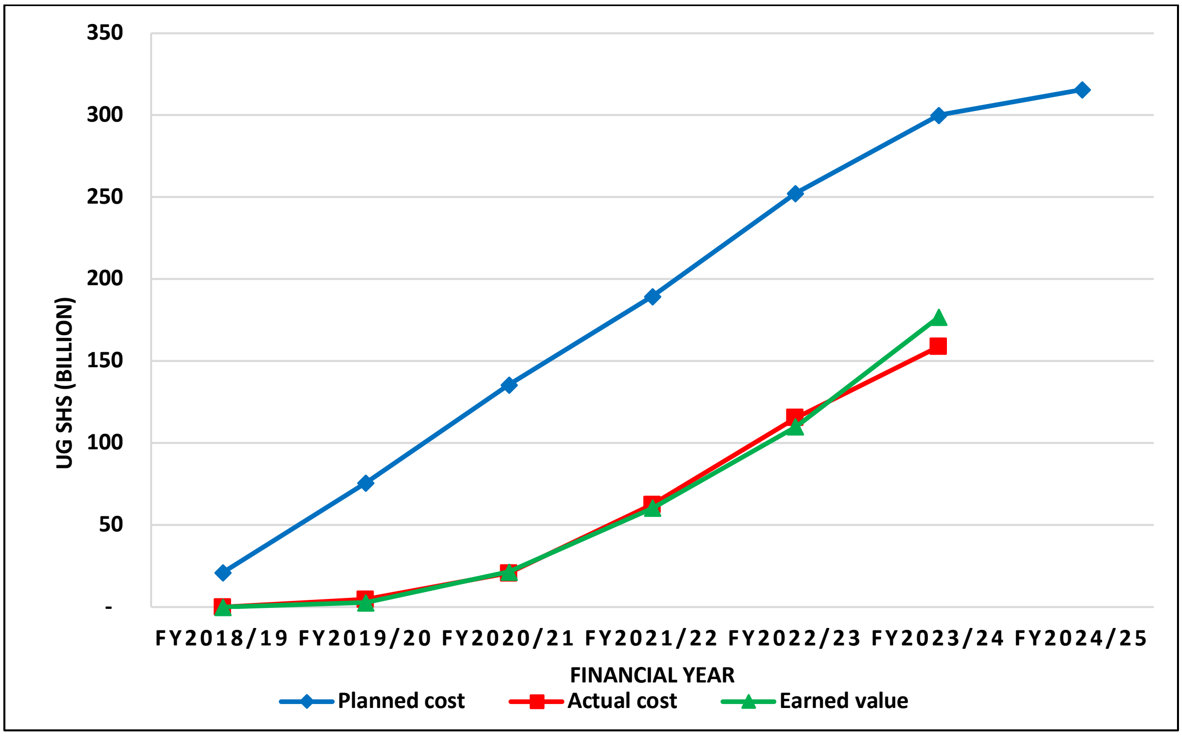
By 30th April 2024, UA 28,491,416.68 (49.98%) of the loan amount had been disbursed whereas Ug shs 20.783 bn (57.3% of the counterpart funding) was released to the project. The loan disbursement rate was low compared to the duration of 14 months remaining to the drawing limit date of 30th June 2025. The project expenditure inclusive of loan and GoU financing as at 31st March was Ug shs 158.892 billion (95.93% of the release).

The project recorded efficiency in spending and the value of the achieved outputs (Ug shs 176.909bn) above the expenditure (Ug shs 158.892bn) as shown in Figure 3.1.2. However, there were certificates for infrastructure development activities yet to be paid. It was observed that the project was behind schedule in absorption of the funds[13].

Physical Performance

The project physical performance was fair at 59% against a time progress of 80%. The project was behind schedule by 29 months. The project experienced time overruns with the first disbursement operationalized a year after due to delays in fulfilling the loan conditions and setting up the Project Coordination Unit that amounted to 14 months' time loss. The conditions precedent to use of the first disbursement included land for project infrastructure to be free of encumbrances and having a consultant for the development of the Acomai irrigation scheme designs. The detailed physical performance of the project is provided in Table 3.1.4.

Figure 3.1.2: Performance of the Agriculture Value Chain Development Programme as at 31st March 2024



Source: Author analysis based on MFPED and MAAIF data 2018/19 to FY 2024/25

[13] CV=18,016,734,475 SV= -123,069,070,546.72 CPI= 1.11

Table 3.1.4: Physical performance of the Agriculture Value Chain Development Programme as at 31st March 2024

Component	Target	Achieved	Remark
Component 1: Production and productivity enhancement			
Maize value chain development (Increase yield from 1.5 to 3.0MT/Ha)	1053MT of open pollinated varieties of maize seed: 1.8MT of breeder seed produced	223 Kg of maize nucleus seed; 2,617MT of breeder maize seed and 48.10MT of foundation maize seed were produced. Two maize hybrid varieties (NARO-Maize-63-VitA and NARO-Maize-64-StR) were released in July 2023.	Good performance
Rice value chain development (Increase rice yield from 2 to 4.0MT/Ha.)	60MT and 1.2MT of rice foundation and breeder seed respectively produced.	34.74MT of rice foundation seed; 1.6MT of nucleus rice seed and 3.0MT of breeder seed. One rice hybrid variety was released July 2023. Training of farmers was done in Olwenyi, Torchi, Bukedea and Amolatar. The project procured and installed a Seed Storage equipment for Rice seed conservation to increase seed life (longevity) at NARO-NaCRRI, Namulonge.	Good performance however attainment of subcomponent output targets was affected by the delayed release of funds in the FY2022/23.
Dairy and beef (Increase dairy yield from 3 -6 litres a day; and beef yield from 300-600kgs at 2-3 years)	25 dairy bulls; 5018 doses of hormones; 864 embryos; 5000 doses of sexed hormones; 6 nitrogen tanks and one 4wd pickup vehicle procured. 6000 cows inseminated; and 190 AI technicians trained and equipped. National semen laboratory renovated and equipped.	A total 22 exotic bulls were procured for semen collection to support the national breeding program were procured; 4,689 doses of sexed semen doses were procured; six bulk storage liquid nitrogen tanks of 600litre capacity were procured and deployed; 172 AI technicians were trained and 60 were equipped. Renovation and construction of the national semen laboratory was at 50% physical progress whereas equipping of the laboratory was at bid advertisement stage.	Good performance was observed at output level however data on outcome performance was not available.
Animal disease control	Two animal disease control centres constructed and equipped. Assorted animal disease prevention and control equipment procured. Animal disease surveillance enhanced.	Construction of Got Apwoy disease control centre was completed in FY2022/23 awaiting to be equipped. Technical designs for Kiruhura disease control centre were completed and procurement for civil works contract was at bid evaluation. 29 freezers of 3 cubic meter capacity, 500 icebox sets, 4,000 tsetse fly traps, 130 pairs of protective wear,	The Got Apwoy disease control centre was not functional and the quality of civil works was not satisfactory. The project made a saving and intends to construct additional four disease control

Component	Target	Achieved	Remark
		9820L of Deltamethrin 1% pour-on and 220 L of Deltamethrin 20% insecticide and assorted field disease surveillance equipment to support the national animal disease diagnostic and surveillance system were procured.	centres in Busunju, Nakaseke, Rubona and Soroti. Technical designs were completed.
Component 2: Infrastructure Development			
Water for production infrastructure	Acomai irrigation scheme constructed (1480ha irrigable area), six livestock watering points, 25 sanitation facilities, bridge, 2 drying yards, 62 kms of road network and scheme facilities (warehouse, guesthouse, office and cafeteria). Six mini-irrigation schemes constructed. Watershed management activities implemented.	Construction of Acomai Irrigation scheme by Dott Services ltd and Coil ltd JV was ongoing and overall physical progress was at 70.3%; and time progress of 87.9%. 631 out 684 project affected persons had been compensated. Three mini irrigation schemes were constructed at NACCRI (02) and Namalere (01) . The construction of the mini-irrigation schemes at Ikulwe (Mayuge district) and Kamenyamigo (Lwengo district) was at 50 and 65% physical progress respectively. Implementation of watershed activities had not happened.	Good performance, though the construction of Acomai irrigation was behind schedule partly due to delays in compensation of PAPs and floods at Acomai irrigation scheme during season 2022A; however, after the extension of the contact period the progress has not matched the extension.
Component 3: Market Development and Trade Facilitation			
Food safety and quality management systems	Dairy Analytical Laboratory in Lugogo under DDA equipped and accredited. Mobile dairy analytical laboratory procured. Two milk collection centres constructed	The project procured and installed the Ultra-High Performance Liquid Chromatography (UHPLC) and CHARM II Procurement of consultant for DDA analytical laboratory accreditation and consultant to undertake baseline survey for presence of veterinary drug residues in milk and dairy products in six milk sheds was still ongoing. Delivery of mobile dairy analytical laboratory had not happened Construction of Nabiswera (Nakasongola district) milk collection centres was at 38% physical progress whereas construction of Kamwenge MCC had not commenced. bid evaluation stage	Fair performance. Accreditation had not been achieved and procurement of the mobile analytical laboratory was halted due to the failure of the delivered van to meet the user specifications.
Strengthen sanitary and	National	Rehabilitation of the NSCS	Good performance

Component	Target	Achieved	Remark
phytosanitary and quality infrastructure	phytosanitary laboratory at Namalere (NSCS HQ) rehabilitated; 20000MT maize seed certified; 30,000 acres of maize seed inspected, 10,000 acres of rice seed inspected; equipment for the NSCS procured.	laboratories was at 70% physical progress; 10,000MT and 5200MT of maize and rice seed were certified respectively. 22,110 and 5820 acres of maize and rice seed field were inspected. Assorted laboratory equipment were procured and installation was awaiting completion of the laboratories.	
Business development services	Business development services provided to 655,000 maize and rice growers	The project provided agronomic, harvesting, post-harvest management, insurance and credit services to 856,428 farmers (52% female) in 35,516 farmer groups in 35 districts and signed market agreements with off-takers to guarantee markets and competitive prices. Cumulatively, the project procured a total of 869.85 Mt certified rice seed and 1,536 Mt rice fertilizer for farmer demonstrations. A total of 13,516 rice farmers received inputs and established demonstration gardens in the project districts using the certified rice with 40% being female headed households and 25% youth across the entire project area. The project procured 1,266 MT of Blended NPK fertilizers for demonstrating improved rice technologies and 3566 MT of maize fertilizers.	Good performance; agronomic; postharvest and crop inspection services were provided to farmers.
Establishment of food safety laboratory building.	National metrology laboratory constructed and equipped.	Construction of the NML was completed and yet to be equipped. Contracts for supply of the laboratory equipment were awarded and partial delivery was done.	The facility is not functional thus the need to expedite the delivery project of equipment.

Source: Field findings and Project Progress Reports, Mission supervision Reports (2021, 2022 and 2023)

Implementation challenge

i) Low readiness to implement project resulting in prolonged establishment of the Project Coordination Unit (PCU), compensation of PAPs and poor contract management.

Conclusion

The project physical performance was fair at 59%and behind schedule by 29 months. The project disbursement performance was at 49.9% and remaining with 14 months to the drawing limit date. The performance of the project notwithstanding, it was efficient in utilization of funds. The project estimated cost at completion was Ug shs 283.484 which is less than the planned value by Ug shs 32.144 bn., the estimated schedule at completion is 9.49 years; thus, requiring an extra 2.46 years (29 months) if implementation is not fast-tracked.

Recommendations

(i) Funding for the project should be continued and no time extension should be granted and in case there are incomplete activities they should be prioritized in the MAAIF GoU budget.

(ii) The project steering committee should consider focusing on contracted infrastructure activities (Acomai irrigation scheme; Kiruhura regional disease control centre) and residual activities to be prioritized under MAAIF GoU budget.

3.1.3 China-Uganda South-South Cooperation Project Phase 3 (1663)

Introduction

The Government of Uganda (GoU) through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), is implementing the third phase of the China-Uganda South-South Cooperation (SSC) project in 30 districts[14]. The total project cost is US$ 12.6 million of which US$ 3,014,434 is a grant from Government of the People's Republic of China and US$ 9,623,703 is a contribution from GoU. The project objective is to advance appropriate and effective agricultural technologies and varieties to support food and nutrition security. The project start date was 10th June 2022 and completion date scheduled for 9th June 2025. The project facilitator is the Food and Agriculture Organisation (FAO).

The key project deliverables are to:

- Develop, introduce and produce at least 5 new plant varieties, 1 animal breed, 3value addition products, 1 livestock breeding programmes that will be implemented; At least 7000 small scale rice farmers (14,000 acres) and 5 lead farmers (6,000 acres), 500 foxtail millet farmers (500 acres) will be supported and poultry production of 1000 households in Eastern and Northern Uganda will be established.

[14] Luwero, Mpigi, Wakiso, Kalungu, Soroti, Kumi, Serere, Ngora, Bukedea, Katakwi, Amuria, Kaberamaido, Butaleja, Budaka, Kibuku, Palisa, Kamuli, Iganga, Bugiri, Namutumba, Lira, Pader, Adjumani, Apac, Kole, Oyam, Alebtong, Otuke, Dokolo, Mbarara, Isingiro, Kiruhura, and Ibanda

- Strengthen technical capacity in Aquaculture Research and Development Centre (former Chinese Aquaculture Demonstration Centre) at Kajjansi and at least 100 rice-fish culture farmers and farms supported and established.

Financial Performance

The total project cost is Ug shs 48.228bn and by 30th April 2024, Ug shs 14.73bn (31% of the approved budget) had been released and Ug shs 7.58bn (51% of the release) spent.

Physical performance

The project overall physical performance was good with 67% of the planned outputs achieved as 31st March 2024 within 63% of the project duration. The detailed project performance by component is provided in Table 3.1.5.

Table 3.1.5: Physical performance of the China-Uganda South-South Cooperation Project Phase 2 as at 31st March 2024

Component	Target	Achieved
Integrated Technology Transfer Base	At least 5 new plant varieties and 1 animal breed introduced. At least 3 value addition products developed and commercially produced.	Introduced 96 new crop varieties, 5 millet varieties and 5 sorghum varieties and completed the distinctness, uniformity and stability (DUS) and national performance trial (NPT) tests with National Agricultural Research Organization (NARO) and MAAIF's Department of Crop Inspection and Certification. Developed Chinese wine from rice, foxtail millet porridge and cakes, beef jerky in year one but not being commercially produced; Facilitated 2 trade and investment promotion activities with Chinese companies;
High Yield Scheme for Rice & Foxtail Millet	High Yielding Schemes for Rice and Foxtail Millet Developed. At least 3 rice nucleus demonstration sites totaling to 300 acres established. At least 500 small scale foxtail millet farmers (500 acres) supported.	Production handbook for rice and foxtail millet was compiled, over 160 acres of WDR-73 planted. Established 7 Demonstration sites of rice and foxtail millet in Budaka, Butaleja, Luweero, Lira, Oyam, Pader and Adjumani though didn't reach 300 acres due to lack of operational funds for field officers. The 3 Investigation on Chinese hybrid rice and foxtail millet production were conducted and a total of 230 farmers trained and were technically advised on Good agricultural land practice to produce and market Chinese hybrid rice in Butaleja, Budaka and Namutumba Districts in Eastern Uganda.
Livestock Improvement Programme	Volume of livestock feed produced as a result of support by the livestock programme. Number of poultry provided to target beneficiaries.	The project delivered 5000 Sasso chicks, 6000 layer chicks and 25.8 tons of poultry feeds to 20 demonstration sites and 1 new animal breed introduced (big ear goat) and 17 small sized biogas digesters constructed. A total of 285 participated in training in Mbarara, Isingiro and Kazo districts and were supported to produce and market milk, poultry and fodder conservation biogas.

Aquaculture Value Chain Development	Number of rice-fish culture farms established	Twohe rice-fish demonstrations were established in Kajjansi and Luwero and over 200 farmers were trained on establishment of rice-fish fields.
	Kind and extent of capacity provided;	18 officers from MAAIF and project districts completed short courses in China. 2 products were developed.
	Number of farmers profiled, trained, supported with technologies, and producing agricultural commodities disaggregated by sex and age.	Conducted 3 Investigation and trained 230 farmers in Budaka, Palisa, Serere, Amuria and Soroti on the approach of early stocking of ponds, utilization of nutrient rich ponds for rice or vegetable production and pest and disease control in aquaculture to produce and market hybrid rice and fish.
Access to agricultural inputs by farms		2206kg of rice seed to 440 farmers and 790kg of millet seed to more than 150 farmers across the implementing districts. Five farmers were monitored in the districts of Lira, Oyam, Butaleja and Luwero district and confirmed receipt of 11kg of hybrid rice; 10kg of fox tail millet and 86kg of fertilizers
Project administration and coordination		FAO-UTF agreement was signed by MoFPED; Follow-up and support on tax exemption for the China Uganda Agricultural Industrial Park-URA stayed enforcement of customs report.

Source: Field findings; Project progress report March, 2024.

Implementation constraints

(i) Lengthy procurement process, including lengthy turn-around of technical clearances for specifications by FAO facilitators.

(ii) Understaffing of project coordination unit.

Conclusion

The project physical performance was very good with 67% of the project planned output achieved against a 63%-time progress. The project promoted advanced agricultural technologies in various districts however their adoption by the farmers were yet to be verified. There is need to re-scope the project targets to match the available financial resources and remaining time.

Recommendation

i) The MAAIF should accelerate signing of the letter of acceptance to strengthen the national project management secretariat team, enhance operational effectiveness and project visibility.

3.1.4 Coffee and Cocoa Value Chains Development Project

Introduction

The Coffee and Cocoa Value Chain Development Project (CoCoDev) component of GreenUP[15] is a five-year Programme funded by a grant from the European Union. The total project cost is Ug shs 25.534bn of which Ug shs 22.271 billion is the European Development Fund (EDF) imprest, Ug shs 0.106bn is GoU counterpart funding, and Ug shs 3.157bn is for special interest.

The project commenced on 3rd March 2022 and is scheduled to end on 2nd September 2027. It covers 126 coffee and cocoa growing districts. The project objective is to contribute to Uganda's transition towards an Inclusive Green and competitive low carbon economy with the creation of green jobs in a number of key sectors laid down in the Uganda Green Growth Development Strategy (UGGDS). The project is implemented by the Uganda Coffee Development Authority (UCDA).

The key result areas are;

i) Strengthened coffee and cocoa policy and regulatory framework
ii) Commercial coffee and cocoa production & productivity enhanced
iii) Post-harvest losses reduced and quality and creation of market opportunities improved

Financial Performance

By 30th April Ug shs 8.85 billion (34.7%) of the EDF imprest had been released and Ug shs 2.824 bn (31.9% of the release) had been spent. The project had a poor absorption rate attributed to non-expenditure of matching grants resultant from the delayed approval of the matching grant guidelines.

Physical performance

The project physical performance was fair as at 31st March 2024. Progress is reported below under each result area:

Coffee and cocoa policy and regulatory framework supported

Two sensitization and awareness workshops were held in Busoga and Bugisu regions covering 14 districts[16]. A total of 225 stakeholders participated in the workshops and this was reported to have increased awareness on the National Coffee Act 2021 among coffee stakeholders. The Draft National Coffee Regulations were developed and stakeholder sensitization workshops were held in South-Western region.

[15] The GREENUP is a five-year Programme funded by the European Union under the 11th European Development Fund (EDF). The project objective is to contribute to Uganda's transition towards an Inclusive Green and competitive low carbon economy with the creation of green jobs in a number of key sectors laid down in the Uganda Green Growth Development Strategy (UGGDS).

[16] Iganga, Kamuli, Luuka, Bugweri, Mayuge, Jinja, Buikwe, Mbale, Kapchorwa, Bulamburi, Kween, Bukwo, Budadiri and Sironko

Commercial coffee and cocoa production & productivity enhanced
The UCDA advertised an expression of interest (EOI) calling for applications under the Matching Grant Scheme and Ug shs10.826bn was reserved for successful coffee and cocoa farmers. The financial support for each successful applicant will be Ug shs 3.276 million per acre, which represents about 55% of the total cost of establishing an acre of coffee /cocoa. Matching grant guidelines were launched in April, 2024. The contracts for the coffee/cocoa producers' matching grants had not been awarded, as at 31st March 2024. Sensitization of the district technocrats from seven coffee regions about matching grant guidelines was done. The draft cocoa Nursery Manual and cocoa production handbook were developed. A total of 200 coffee nurseries were verified in 52 districts and 74 cocoa nurseries were also verified.

Reducing post-harvest losses, improving quality and creation of market opportunities
The UCDA in collaboration with the Uganda Coffee Federation (UCF) organized the Best of the Pearl Arabica (BOP) competition that ran from the 3rd to 14th April 2023 to select the best Arabica coffees from across Uganda after the main Arabica harvesting season (November to March). This annual competition was used to identify high quality producers that include farmers, exporters, and cooperatives.

A total of 75 samples were graded that included six honey processed coffees, 40 washed processed and 29 Natural processed coffees were graded and cupped in accordance to the specialty coffee association (SCA) protocol. The best samples from this competition were awarded and recognized during the Uganda coffee day celebrations and were used to market Arabica Coffee at the various local and international expos and conferences attended by Uganda.

Implementation constraint

i) Delayed approval of the matching grant guidelines.

Conclusion
The project is key in the development of coffee and cocoa value chains; however, its physical performance was fair against a 34%-time progress. The project recorded a poor absorption of the released funds. Thus, it is imperative of the imprest manager to expedite the implementation of pending activities within the project lifetime.

Recommendation

i) The UCDA should conduct a mid-term review and set measurable performance indicator targets.

3.1.5 Developing a Market Oriented and Environmentally Sustainable Beef Meat Industry (1493)

Introduction
The Government of Uganda through the MAAIF is implementing the Developing a Market-oriented and Environmentally Sustainable Beef Meat Industry (MOPIB) project, with a total cost of €15.6 million of which the grant from the European Union is €15.3 million and GoU

counterpart funding is €0.3 million. The project development objective is to contribute to a competitive, profitable and job intensive gender responsive and environmentally-sustainable agriculture sector in Uganda, in order to reduce poverty and improve food and nutrition security. The summary project profile is presented in Table 3.1.6.

Table 3.1.6: Basic data for the Developing a Market-oriented and Environmentally Sustainable Beef Meat Industry

Project Goal	To use a holistic value chain approach in the targeted geographical areas, to leverage an increase in the overall performance of the Ugandan beef meat value-chain.
Project coverage	Bulisa, Kayunga, Kiboga, Kiryandongo, Kyankwanzi, Luwero, Masindi, Nakaseke and Nakasongola, Lwengo, Lyantonde, Masaka, Mbarara, Mityana, Mpigi, Mubende, Ntungamo, Greater Rakai (Rakai and Kyotera districts), Greater Kibaale, (Kibaale, Kakumiro and Kagaadi Districts), Sembabule, Kiruhura, Kalungu, Bukomansimbi, Butambala, Gomba, Kampala, Wakiso and Isingiro.
Start date	13th June 2018
Original end date	30th June 2022
Revised end date	12th April 2025

Source: MAAIF Project documents 2017 to 2024

The planned outputs and targets are presented below.

a) Needs Identification for review and update of legislative and Policy Frameworks
b) Legislative and policy frameworks reviewed and updated (06)
c) Results of the review disseminated
d) Control, inspection and enforcement system at central and local level in the targeted areas through training and providing equipment supported
e) Environmental monitoring of beef /meat related strengthened
f) Animal disease control and prevention in the targeted areas promoted
g) Platforms and market strategies for district-based groups established
h) Breeding services at community level established
i) Best practices in range and pasture management promoted and scaled up
j) Participatory planning for water resources promoted
k) One a new regional abattoir built or upgraded or one slaughter house rehabilitated in each of the DCZ
l) Women in the meat value chain to form groups mobilized and sensitized

Financial performance

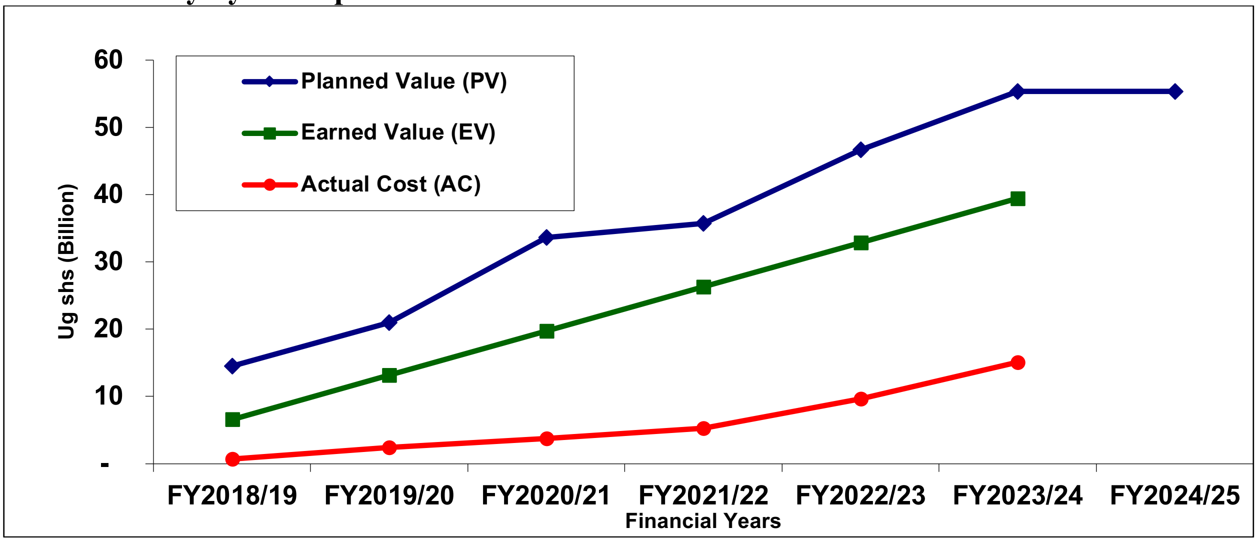
At execution, the budget was revised to Euro 14,899,609 (Ug shs 65.407 bn) during implementation due to changes in scope. By 31st March 2024, Ug shs 37.45bn (57.3%) had been released to the project and Ug shs 31.096 bn (83% of the release) spent. The project was spending within budget and cost efficient[17].

[17] CPI was 1.31

Physical Performance

The project achieved 71%[18] of the planned targets as at the end of 30th April 2024 which was good performance against the time progress of 71%, based on the revised end data. The key outputs that were delivered are discussed below. The project achievements were higher than the actual cost of producing these outputs (Figure 3.1.3). This arose possibly because of three key reasons i) the underestimation of targets, hence not requiring the large budget ii) the large contributions made by the private sector in the public private partnership (PPP) iii) poor project design due to lack of a feasibility study. The establishment of key infrastructure and equipment under the project including dams and slaughter facility was behind schedule.

Figure 3.1.3: Performance of the Market-oriented and Environmentally Sustainable Beef Meat Industry by 30th April 2024



Source: Author analysis of MAAIF and MFPED data FY 2018/19 to FY 2024/25

Result area 1: Policy, legal, regulatory and institutional framework

Good performance was noted in the development of policy, legal and regulatory frameworks by MAAIF under the MOBIP.

Needs Identification for review and update of legislative and Policy Frameworks: Legislative Gaps Analysis (LGA) was undertaken and covered six Acts: i) the Animal Diseases Act, ii) Public Health Act, iii) Animal Breeding Act, iv) Cattle Traders Act, v) Dairy Industry Act and, vi) Hides and Skins Trade Act. Regulatory Impact Assessments (RIA) were conducted on regulation of; Animal feeds, Veterinary practice, Livestock Identification and Traceability, Meat inspection and certification, Animal diseases prevention and control, and Management of animal genetic materials.

Legislative and policy frameworks reviewed and updated (06): The Veterinary Practitioners and Animal Feeds Bills were gazetted on 3rd March and 11th August, 2023 respectively. The draft animal disease amendment bill 2022 and principles for Meat bill and Animal breeding

[18] SPI was 0.71

amendment bill were developed. The Meat Investment Plan was refined for onward submission to Top Policy Management of MAAIF. The Animal Health Master Plan-draft was reviewed. The Meat Investment Plan (MIP) 2021 – 2024 was developed; and the Veterinary Animal Movement Control Manual was reviewed, updated and disseminated to stakeholders.

The control, inspection and enforcement system at central and local level in the targeted areas was achieved through training and providing equipment. The Guidelines and Standard Operating Procedures (SOPs) for Handling and Transporting of Live Animals in Uganda 2021 were developed. Guidelines for Inspection and certification of meat handling facilities and SOPs for meat hygiene along the value chain were developed.

Environmental monitoring of beef /meat related strengthened: completed the Environmental Impact Assessment (ESIA) brief for the construction works of Sanga Slaughter facility and subsequently secured the ESIA certificate issued by National Environmental Management Authority (NEMA). The MAAIF developed a Concept Note for management of waste from cattle markets, feedlots and slaughterhouse in the Project area

Result area 2: Production, productivity and quality assurance

Fair performance was registered to the promotion of production, productivity and quality assurance along the beef meat value chain.

Animal disease control and prevention in the targeted areas promoted: Fair performance was noted as the construction of animal holding grounds was behind schedule. The following achievements were registered: Developed animal movement and Control tracking charts; Participatory Community involvement in sample collection and laboratory testing of FMD in DCZ1 and 2 was conducted. A total of 194 veterinary inspectors and animal health technicians were trained in disease surveillance, laboratory diagnosis and reporting and animal movement management. The MAAIF launched a proof of concept for the Uganda Livestock Identification and Traceability System (U-LITS) in Isingiro District and it was being piloted in the districts of; Isingiro, Rakai and Kyotera. Also launched a hand-book on the Control of Ticks and Tick Borne Diseases in Uganda.

Development of an Integrated Management Information System (MIS) for Livestock Service was on-going. Animal disease control committees were established in 16 districts; biohazard disposal tanks were established in four districts of disease control zone two. Boundary opening was undertaken for the demarcated land for construction of holding grounds and checkpoints in Kamuli, Rakai, Kasali, Kyotera and Isingiro districts. Cadastral for two sites in Isingiro district was done and construction of two animal holding grounds was ongoing in the districts of Rakai and Kyotera.

Platforms and market strategies for district-based groups established: the target was achieved as a national and two regional stakeholder platforms were formed.

Breeding services at community level established: 20 breeding bulls and six nitrogen reservoirs were procured. Inseminated 1,100 straws of imported high performance semen in selected farms in the districts of Sembabule, Kiruhura, Gomba, Masaka, Nakaseke Kyankwanzi and

Nakasongola. In-planted 50 embryos at ASWA Government Ranch in Pader District. Established community-based breeding programmes in the project area

Best practices in range and pasture management promoted and scaled up: The project implementation for the pasture development component was undertaken mainly during 2020-2022, with some follow up actions by MAAIF in 2024. The MAAIF provided fertilizer, elite pasture seeds and tree seedlings to farmers in selected districts to set up demonstration sites. Monitoring of some beneficiary farmers indicated that they received pasture seeds and fertilizer in 2021/22 from MAAIF and set up demonstration sites and farm level gardens.

Participatory planning for water resources promoted: Developed an Operational Framework for the construction of the water harvesting facilities. Eighteen household water harvesting facilities were constructed in eight districts. Beneficiaries were satisfied with the quality of the tanks. For example; Mr. Rwakanuma Ephraim, a beef farmer in Kiralamba village, Katuugo parish and Katuugo sub-county in Nakasongola district who said ''before *the water tank was constructed, I was using a bicycle to fetch water from a community water well, which was 7 km away from my farm for domestic use and my goats. This would take 3-4 hours of my daily routine because my goats need a lot of water. But I now have adequate water for my 150 goats and ten beef cattle. I also have enough water for my domestic chores"*

It was planned that 25 valley dams would be established; the number was reduced to 14 due budget inadequacies. Four out of the 14 dams were under construction in Isingiro, Lyantonde, Kiryandongo and Kiruhura district. The establishment of valley dams was progressing fairly, affected by heavy rains. For example, the construction of Rwendama dam in Rwendama village Akaku parish Kiruhura district was about 70% complete and Ntenga dam in Ntenga village Kakamba subcounty in Isingiro district was about 60% complete.


Left - Ntenga dam under construction in Isingiro district; Right: Rwendama dam under construction in Kiruhura district

Works were centrally managed by MAAIF and the benefitting districts were not meaningfully involved in the planning, monitoring and execution of the project. Neither where future maintenance costs integrated in the district plans and budgets. The facilities were not inspected by the District Engineers as they lacked access to the Bills of Quantities (BOQs) to understand the scope of the facilities. The future maintenance and sustainability of the dams by the beneficiary DLGs was at risk.

Result area 3: Marketing and hygiene promotion

Good progress was made in the establishment of marketing infrastructure and promotion of hygiene in the meat industry.

A new regional abattoir built or one slaughter house renovated in each of the Disease Control Zone (DCZ): Rehabilitation of Sanga slaughter facility in Sanga Town Council Kiruhura district was substantially complete and the pending works were levelling and paving of the compound; installation of slaughter equipment; plumbing and electrical works among others. Renovation of 10 meat stalls at Sanga Town Council was completed and they were in use. Procurement of the specialized animal trucks was completed.

Two specialized trucks were procured by MAAIF, awaiting deployment

Meat stalls were completed and in use in Sanga Town Council Kiruhura district

Women in the meat value chain to form groups mobilized and sensitized: The MAAIF trained 105 private sector groups (PSGs) in beef meat processing and beef by-products value addition. 169 beneficiaries from 59 groups in the 4 districts (Kampala, Wakiso, Luweero and Mbarara) were trained in green entrepreneurship, workforce skills and group dynamics. The ministry procured and disseminated meat processing equipment to the meat association in Mbarara district.

Quality and functionality of delivered outputs

The quality of outputs was poor and some interventions were unsustainable as the farmers lacked resources to sustain and expand the interventions, beyond the project end period. Similarly, the prospective users had not yet been trained on how to use and sustain the facilities, neither were they aware of where to source spare parts in case the machines broke down. Some constructed facilities were not operational

For example, the Kitindo animal check point in Kamuli Ward Isingiro Town Council Isingiro district that was completed in FY 2022/23 was not operational. The facility was closed after one month of use, in observance of the Foot and Mouth Disease (FMD) quarantine issued by MAAIF. Similarly, the Kyotera animal check point was constructed in FY 2022/23, however it was left incomplete with pending civil works that included; sanitation point (toilet); water facility; ground stabilizing/leveling; drainage pit for the foot and tire bath; drainage pipes for feeding lots, and functional.

L-R: Construction of Kitindo animal check point in Isingiro was completed but the facility was not in operation due to the FMD Quarantine; and Kyotera animal check point in Kyotera district was incomplete and not in operation

Pasture was in storage unused since 2021 in Kashenyi village Isingiro district

Pasture from the MOBIP project dried up and was spoilt by weather elements at Mr. Musinguzi farm in Mbarara district

In Isingiro district, 1500 bales of pasture that were harvested in 2021 at Kempaka Farm Uganda Limited in Kashenyi village were still in storage by 4th April 2024 unused. The farm lacked animals that would feed on the pasture as the previous stock was disposed to acquire more improved breeds. There was no market for the pastures in the surrounding areas. More grass had sprouted from the previous crop in the 27 acres and was ready for harvesting. However, farm lacked funds to hire harvesting equipment and the grass had overgrown

In Mbarara district, Mr Caleb Musinguzi in Nkaka village Rugarama parish set up half an acre of assorted pasture in 2022. He used part of the proceeds from pasture sales to establish a storage structure. However, the structure remained incomplete and the remaining pasture was spoiled by rains. The farmer lacked harvesting equipment, labour and resources to harvest the second crop which indicates unsustainability of the project.

Slaughter facility: The renovation, upgrading and equipping of the slaughter facility in Sanga Town Council Kiruhura district, that was supposed to be completed in FY 2021/22 was still incomplete by the extended contract end date (April 2024), at 85% completion rate. Key constraints were: delayed payment of completed certificates by MAAIF; failure of contractor to access part of the site as MAAIF had not settled all complaints from the beneficiary community; delays in approval of variations; and change in scope of works involving importation of machinery from China instead of sourcing locally.

Prospective users illustrating the difficulty of putting up animals manually and holding them upside down in the small space inside the slaughter facility in Sanga Town Council in Kiruhura district

The MOBIP supported the Uganda Small Scale Industries Association (USSIA) in Mbarara district to acquire a facility in June 2023 that processes and packages beef into products such as sausages and minced meat. The facility worked for one month and closed in September 2023 when the Foot and Mouth Disease (FMD) quarantine was declared on livestock movement. By April 2024, the facility was still closed and not operational even if the quarantine was lifted in 2023. The user association failed to raise working capital to purchase key equipment that was missing, including a generator to reduce spoilage of meat during power cuts.

The beef processing facility in Mbarara district was not operational

Implementation constraints

(i) Low sustainability of project outputs as the beneficiary farmers lacked funding to sustain the interventions beyond the donor support; also some facilities were not meeting the needs of the beneficiaries

(ii) Poor quality and functionality of some installed equipment due to low capacity of suppliers.

Conclusion

The project physical performance of the MOBIP was good as 71% of the project targets achieved at completion although some sub-components were behind schedule and there were cases of poor quality, functionality and sustainability of some of the interventions. The delays in implementation during the initial years led to loss of a substantial component of the grant (Ug shs 3.074bn) due to depreciation of the shillings against the euro. This necessitated re-scoping and reducing some of the planned targets. The project achieved at lower cost possibly due to underestimation of targets as there was no feasibility study at design stage and the large contribution of private sector players.

Lessons

The MFPED should not solicit for funds that are not needed in projects were there is an underestimation of targets or where is a large contribution from the private sector stakeholders. There is need for grant funded projects to go through the Public Investment management cycle for establishing realist outputs, targets and budgets.

Recommendations

i) The MFPED should design a public investment management system (PIMS) for grant funded projects.
ii) The MFPED to officially close and exit the MOBIP from the Public Investment Plan
iii) The MAAIF should integrate the pending works and activities in the routine budget

3.1.6 Enhancing National Food Security through Increased Rice Production Project (1493)

Introduction

The Enhancing National Food Security through Increased Rice Production Project (ENRP) is a development project aimed at actualizing the Uganda National Rice Development Strategy (UNRDS). The project cost is US$71.16 million funded by a loan from the Islamic Development Bank (IsDB) and the Government of Uganda. The project development objective is to significantly enhance the production and productivity of small-holder rice farmers. The project scope included: developing the Igogero-Naigombwa irrigation scheme with two multipurpose dams in Bugiri and Bugweri district; improved farm rice productivity and development of agro-processing facilities. Basic information of the project is provided in Table 3.1.7.

Table 3.1.7: Basic data for the Enhancing National Food Security through Increased Rice Production Project

Project Goal	Inclusive rural transformation through oil palm investment.
Coverage	Bugiri and Bugweri
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries
Total project cost	US$ 71.16 million (inclusive of US$34.05 million IsDB loan; US$19.2 million GoU counterpart; and US$17.91 million private sector contribution.
Project Financier/Donor	Islamic Development Bank (IsDB); the Government of Uganda and the private sector (Pearl rice company and Busowa traders and farmers' cooperative society company limited)
Loan effectiveness date	20th October 2016
Completion date	31st October 2023

Source: Project appraisal document

Financial Performance

By 30th April 2024 Ugshs40.307 billion had been disbursed to the project and spent. The loan disbursement was US$ 7.421million representing 21.8% of the loan. The project actual cost as at 30thApril 2024, was Ug shs 40.307 billion representing 16% of the total project cost inclusive of Government of Uganda and private sector contributions. The project has spent more money compared to the value of the work completed (Figure 3.1.4), showing inefficiency in cost management[19].

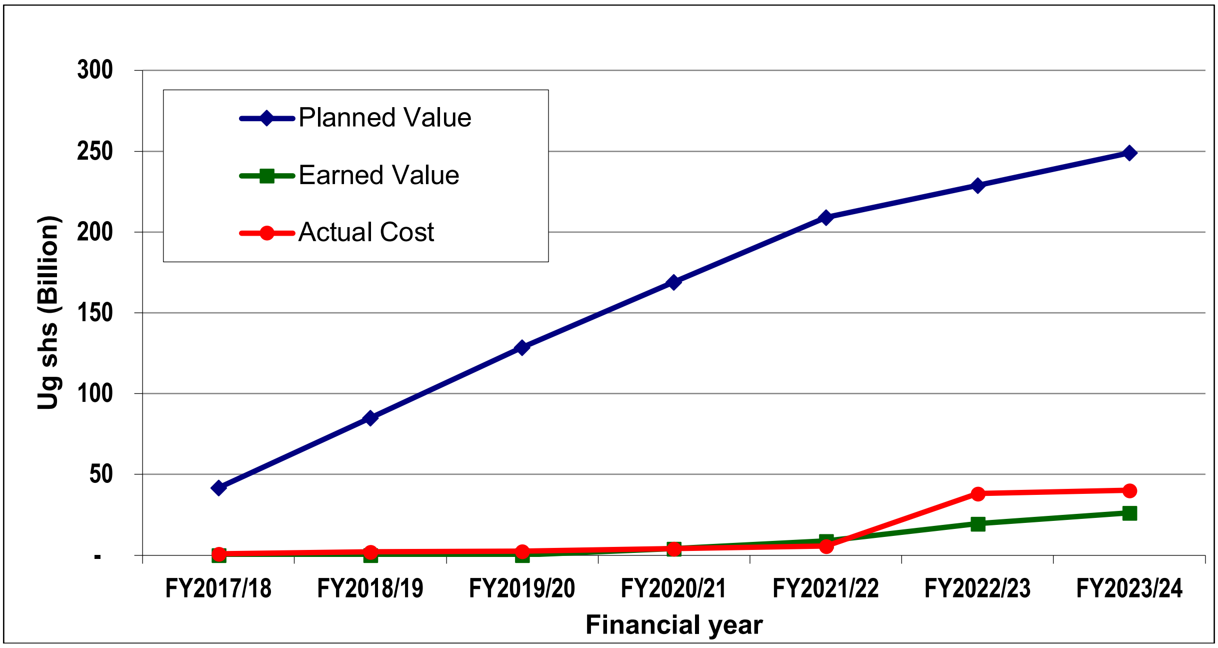
Physical performance

The project physical performance was poor at 11% achievement of planed outputs and behind schedule by 6.2 years[20] as shown in Figure 3.1.4. The detailed project performance is presented in Table 3.1.8.

[19] Earned value=Ug shs 26.344 bn; Cost variance= Ug shs -13.972 bn; Schedule variance= Ug shs -222.621 bn; CPI=0.65

[20] SPI=0.11

Figure 3.1.4: Performances of the Enhancing National Food Security through Increased Rice Production Project



Source: Author's analysis of ENRP data FY 2017/18 to FY 2023/24

Table 3.1.8: Physical performance of the Enhancing National Food Security through Increased Rice Production Project as at 31st March 2024.

Components	Project Target	Achievements
Establishing Water Storage Infrastructure for Irrigation	Two dams built and 4,400 hectares of farmland established	Contract for construction of Kitembuzi dam was singed on 2nd February 2023 and awarded to Ms Coil ltd for 18 months up to 5th November 2024. The contractor established camp at site on 15th march 2023. However, works were progressing at a very slow pace at 4% as at 31st March 2024. During the field monitoring the dam site was abandoned. The poor performance was attributed to restricted access of site due to delayed compensation of the PAPS. The target was scaled down in December 2022 to one dam (Kitembuzi to support 3200ha) due to inadequate funding as a result of the shillings depreciating against the dollar. It was observed that contract for civil works was going beyond the last drawing limit date of 31st December 2023.
Farmer organization Strengthening and Out	400 Producer Organization (groups) established/trained	220 farmer groups were successfully mobilized and they have been trained in both governance and business development aspects such as business planning and marketing Machinery (tractors) were procured for Busowa traders and farmers'

Components	Project Target	Achievements
growers' Arrangements	100% site mobilization including procurement of farm mechanization facilities	cooperative society and delivered to Bugiri district headquarters on 22 March 2024 and yet to be commissioned by MAAIF. The machinery procured include one tractor, one rice planter and single axel tractor with all the matching implements).
Project Management and Coordination	Consultancies (Detailed Studies, Detailed Eng. Design, Construction Supervision, ESIA RAP; Baseline Surveys) Audits undertaken	Detailed Studies, Detailed Engineering Designs, Tender Documentation Baseline Surveys were completed (100%). Geotechnical investigations were ongoing to map the boundary areas of the main canal. However, right of way was denied by PAPs to map 8.4km in the four villages of Nambale, Kataaala, Nakasubi and Buwaaba as they demanded for compensation to be paid first. A total of 931 PAPs were identified in 11 villages; of which 703 PAPs were verified and 140 compensated as at 31st March 2024.

Source: Field findings, MAAIF project progress reports

L-R: Excavated site for construction site of Kitumbuzi multipurpose dam in Bugiri district; Machinery (one tractors) procured for Busowa traders and farmers' cooperative society delivered at Bugiri district headquarters.

Implementation constraints

i) Low project readiness at the time of project effectiveness; the project did not have feasibility studies in place before loan effective
ii) Delayed compensation of project affected persons thus limiting the contractor to access the site
iii) Low equipment mobilization by the contractor.

Conclusion
The project performance was poor at 11% achievement of planned outputs against 96%-time progress. The project has been inefficient in use of the allocated resources. The estimated cost at completion is Ug shs 403.104 billion above the planned budget at completion of Ug shs 248.955 billion and will require an additional 6.2 years. Thus, the project should be terminated and the contractual obligations be funded by MAAIF GoU budget.

Recommendations

i. The MFPED should exit the project from the public investment pipeline (PIP)

ii. The MAAIF should reprioritize the budget to fund the any contractual obligations of any residual activities.

3.1.7 Irrigation for Climate Resilience Project (1661)

Introduction
The Irrigation for Climate Resilience Project (ICRP) is funded by the International Development Association (IDA) and Government of Uganda (GoU). The total project budget is US$ 192.80 million contributed by IDA credit US$ 169.20m, GoU US$ 2.4m (revised to US$ 5.1m) and beneficiary contribution US$ 18.5m. The project start date was 1st July 2019 and the end date is 30th June 2025. However, the loan became effective on 17th December, 2020 and is set to close in April 2026**.** The objective of the project is "to provide farmers in the project areas with access to irrigation and other agricultural services, and to establish management arrangements for irrigation service delivery".

The key implementing agency is the Ministry of Water and Environment (MWE), working in collaboration with the MAAIF and National Forestry Authority (NFA). The project is comprised of three components, namely: (1) Irrigation Services; (2) Support Services for Agricultural Production and Value-Chain Development; (3) Institutional Strengthening and Implementation Support.

The key outputs were:
(i)Infrastructure development of Kabuyanda and Matanda irrigation schemes, (ii) Development and strengthening of management models for Kabuyanda and Matanda, (iii) Development of studies for three future irrigation schemes of Amagoro, Enengo and Nyimur, (iv) Pilot public support for the construction of farmer-led small and micro scale irrigation schemes (v) support to farmers and marketing groups in the irrigation schemes with extension services, value addition and market linkages services, and (vi) Implementation Support and Institutional Strengthening.

Financial Performance
By 30th March 2024, the cumulative loan disbursement was 17.31% and 56% expended against 78% lapse of the project period. The poor financial performance was attributed to disagreement between MAAIF and MWE on their roles and responsibilities which caused procurement and implementation delay. The key risk was that the undisbursed funds would not be utilized in the remaining project life time. On the other hand, there was over expenditure on the GoU counterpart due to the high costs for Project Affected Persons (PAPs) compensation. Although

the value[21] of achieved outputs at the time of assessment was more than the expenditure, the project was operating under budget[22]. Table 3.1.9 presents the detailed financial performance.

Table 3.1.9: Financial performance of Irrigation for Climate Resilience Project as at 31st March 2024

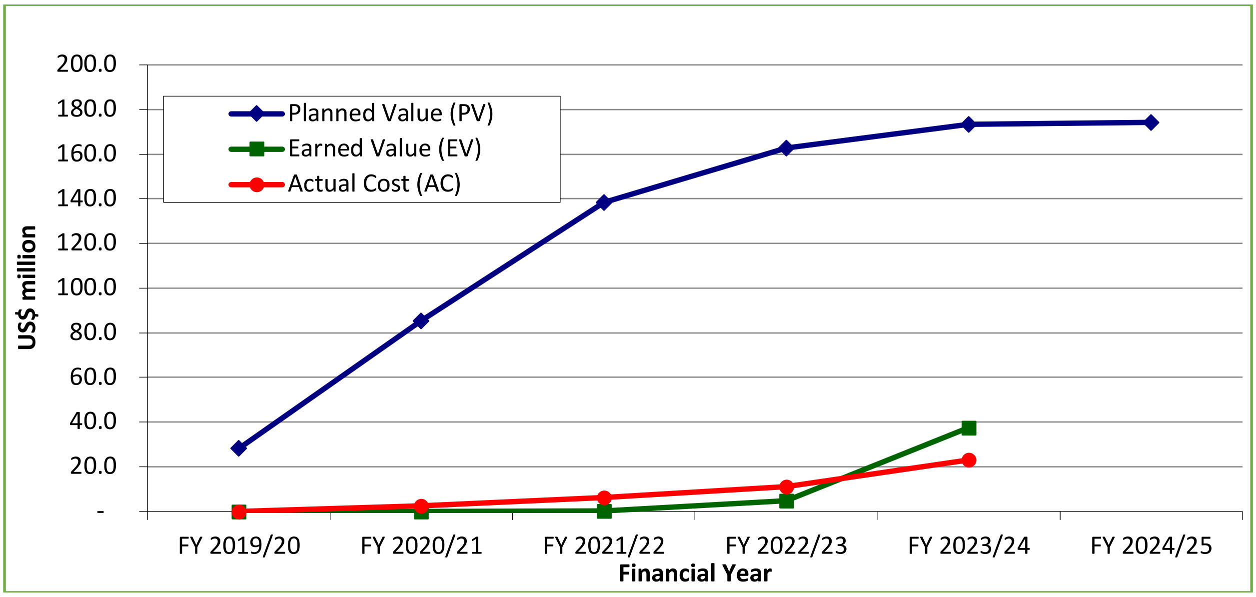
Funder	Committed Funds (US$ million)	Disbursement (US$ million)	Expenditure (US$ million)	% disbursed or released	% of disbursement spent
IDA (credit)	169.20	29.29	16.40	17.31	56.0
GoU counterpart funding	5.10	6.16	6.67	121	108
Farmers contribution	18.50	0.0	0.0	0.0	0.0
Total	192.80	35.45	23.07		

Source: MWE, ICRP Progress Report October 2022 - March 2024; Programme Budgeting System Reports FY 2019/20 – FY 2023/24

Physical performance

The overall physical progress was poor at 20% due to the non-achievement of set targets. The project was 78% behind schedule[23] (Figure 3.1.5). Overall, the project was delayed by design reviews and approvals among others.

Figure 3.1.5: Performance of the Irrigation for Climate Resilience Project as at 31st March 2024



Source: Authors' analysis based on MWE, ICRP Project Profile; ICRP Progress Report October 2022 - March 2024; Programme Budgeting System Reports FY 2019/20 – FY 2023/24

The following section presents the detailed performance of the scope of work.

[21] Earned Value = US$ 37.56m
[22] Actual Cost = US$ 23.07m
[23] Schedule Performance Index 0.22

Component 1: Irrigation services
This component aims to provide farmers with irrigation water across various irrigation models including large and medium scale irrigation and small and micro scale irrigation.

Infrastructure development of Matanda and Kabuyanda irrigation schemes
The construction of Matanda hadn't commenced because of a change in the dam site. This necessitated additional topographical and cadastral surveys as well as geology and geotechnical investigations that led to untimely completion of the detailed design. This was submitted to the Dam Safety Panel of Experts and the World Bank for review.

Kabuyanda irrigation scheme in Isingiro district
The construction was scheduled to start on 28th March 2023 and end on 27th August 2025, but works started on May 11th 2023. The time lag was attributed to design variations in material quantities and implementation timelines; and late approval of the contractors' Environmental and Social Management Plan by MWE and the World Bank.

Physical progress for the earth dam works was at 17% by 30th April 2024. The ongoing activity was mainly the earth excavation which was being affected by heavy rains. The payment of Project Affected Persons (PAPs) was ongoing with 69% paid. Out of 1298 PAPs along the pipeline route, 118 (9%) had not consented to the values disclosed to them.

Construction of Kabuyanda Earth Dam in Kanyimizi Parish Isingiro district

HIV/AIDS, Covid 19 and gender mainstreaming were being implemented in the contractors' camp and surrounding communities.

Development and strengthening of management models for Kabuyanda and Matanda
The establishment of Farmer Based Management Organizations (FBMOS) and Irrigation Water User Committees (IWUCs) had not commenced pending the identification of beneficiary farmers.

Development of studies for three future irrigation schemes of Amagoro, Enengo and Nyimur
The project planned to carry out feasibility studies, detailed designs and related safeguard studies. By April 2024, the draft feasibility studies for Amagoro Irrigation Scheme in Tororo District was presented to MWE by the consultant. The detailed design for Enengo Irrigation Scheme in Rukungiri/ Kanungu was ongoing at 10%. On the other hand, the Environmental and Social Impact Assessment (ESIA) and the RAP studies for Nyimur were updated.

Pilot public support for the construction of farmer-led small and micro scale irrigation schemes

The MAAIF is to facilitate support for the construction of farmer-led small and micro scale irrigation schemes around Kabuyanda, Matanda, Nyimur, Amagoro, Enengo and in Mukono, Wakiso and Mpigi Districts that are characterized by high marketing potential

As at April 2024, the MAAIF had introduced prequalified irrigation equipment suppliers to the beneficiary districts and the features of the Irri-track APP that is used under UgIFT were configured to support the registration of farmers for ICRP.

Implement catchment management measures for Kabuyanda, Matanda,

This aims to develop and implement integrated catchment management interventions upstream from the two new irrigation schemes, including the restoration/reforestation activity in Rwoho Central Forest Reserve (CFR) in Kabuyanda.

The micro-Catchment Management Plans and water management measures for micro-Catchments around Kabuyanda and Matanda were prepared and implemented (100% in Kabuyanda and 54% in Matanda). Achievements were registered for the restoration planting and maintenance of the targeted 1000ha of Rwoho CFR and the preparation of a revised Forest Management Plan for Rwoho CFR. The MWE in collaboration with NFA completed the restoration through replanting of indigenous trees with a 70% survival rate.

Component 2: Support Services for Agricultural Production and Value-Chain Development

This component aims at support to farmers and marketing groups in the irrigation schemes of Kabuyanda, Matanda, Agoro, and Olweny with extension services, value addition and market linkages services.

By April 2024[24], the planned key outputs including training of extension workers and farmers, establishment of demonstration plots, facilitating farmer field schools (FFS), provision of agro-inputs and matching grants and linkages to value chain actors had not been achieved. This was poor performance with output delivery focusing on processes at 10%. The disagreements between MAAIF and MWE on their roles and responsibilities caused delays in procurements and implementation of works. For example, funds transferred by MWE to MAAIF were not utilized for close to two years as the MAAIF account was inactive.

Although behind schedule, fair progress was made in some of the process indicators that would enable delivery of the key activities and outputs. These included:

i) The contracts of the technical assistance (TA) on extension enhancement for Kabuyanda scheme and the chain development for Kabuyanda and Matanda schemes were signed and being implemented. The MAAIF nominated officers for appointment as Contract Management Team (CMT) members on March 20, 2023, and was awaiting the MWE to reconstitute the CMT.

[24] MWE, ICRP Progress Report October 2022 – March 2024

ii) The revised Matching Grant manual for the provision of inputs was finalized and was awaiting approval and adoption by MWE and MAAIF.

iii) The National Information Technology Authority (NITA-U) reviewed and approved the e-Voucher Management System specifications and the procurement of the e-Voucher Management Agency was initiated pending preparation of bid documents by MAAIF.

iv) Tools for carrying out detailed assessment for the agricultural extension system and agro-input dealers and profiling existing farmer organisations, and value chain analysis for Kabuyanda and Matanda irrigation schemes were completed and submitted to MWE and MAAIF for approval.

v) The mapping of input suppliers for Olweny and Agoro irrigation schemes was completed.

Component 3: Institutional Strengthening and Implementation Support

The component provides institutional strengthening and implementation support for the project. The Project Support Team was hired, Vehicles and ICT equipment were procured for project operations. Regular stake holder engagements were conducted in Kabuyanda, Matanda, Agoro, Olweny and Amagoro Irrigation Schemes in the districts of Isingiro, Kanungu, Lamwo, Lira and Tororo. Despite this, coordination between MAAIF and MWE remained weak leading to delayed implementation.

Implementation constraints

i) Poor adherence and low commitment by MAAIF to implement agreed work plans

ii) Change of dam site for Matanda caused a delay in finalization of the detailed design and subsequent works.

Conclusion

The projects' performance was poor (20%) in terms of achievement of set targets owing to delays in design reviews and approvals among others. The loan disbursement rate was low at 17% with 56% absorption, hence the project was operating under the budget. The progress of works Kabuyanda was only at 17%, restoration of Rwoho central forest reserve was 100% complete, the project was behind schedule by 78%. Based on this performance, the estimated budget at completion is US$106.93m and an additional time of 23 years is required to complete the pending targets. Thus the project risks financial losses on administrative costs, delay in service delivery, resource wastage in terms of idle machinery among others. It's therefore unlikely that all the planned outputs shall be achieved thus the need to restructure and scale down on targets

Recommendation

i) The MWE and MAAIF should consider restructuring the project to scale down the scope especially under component 2.

3.1.8 National Oil Palm Project (1508)

Introduction

The National Oil Palm Project (NOPP-1508) is a ten-year agricultural development project designed as a public, private producer partnership. The project cost is US$210.442 million funded by the International Fund for Agricultural Development (IFAD), Bidco Uganda Limited and GoU. The project development objective is to sustainably increase rural incomes through opportunities generated by the establishment of an efficient oil palm industry that complies with modern environmental and social standards. The detailed project profile is provided in Table 3.1.10.

The key development outputs include: establishment of smallholder oil palm plantations and a nucleus plantation; construction of both farm and community access roads; construction of a ferry and landing sites; construction of hub offices, fertilizer stores, crude palm oil mill in each hub among others.

Table 3.1.10: Basic data for the National Oil Palm Project

Project Goal	Inclusive rural transformation through oil palm investment.
Coverage	Kalangala, Buvuma, Mayuge, Masaka, Kyotera, Kalungu, Mukono, Buikwe, Namayingo and Bugiri
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries
Total project cost	USD 210.442 million (inclusive of US$75.82 millionIFAD loan and a grant US$1.210 million; US$ 11.2 million GoU counterpart; US$90.622 million private sector contribution and US$ 31 million loan reflows and farmer contributions)
Project Financier/Donor	International Fund for Agricultural Development (loan and grant); Bidco Uganda Limited (private sector); trust (loan reflows) and farmers
Loan effectiveness date	1ST March 2019
Completion date	31st March 2029

Source: IFAD, NOPP, Project design report, 2017

Financial Performance

By 31stMarch 2024, Ug shs 85.621bn had been released to project of which Ug shs 25.828 billion (US$7.078 million) was the GoU counterpart and Ug shs 59.793 billion (US$ 16.384 million[25]) was IFAD loan. The disbursement performance of the IFAD loan was at 21.6% whereas GoU counterpart was at 63.2%. The project actual cost was Ugsh 84.618 bn representing 98.8% expenditure performance.

The planned cumulative disbursement by FY23/24 for the project excluding the private sector financing was Ug shs 315.31 billion (Fig 3.1.1); however, Ug shs 85.621 billion had been disbursed representing 27.1% performance. The project value of achieved outputs was matching the actual cost, though behind schedule[26] with planned activities worth Ug shs 230.157 billion yet to be implemented.

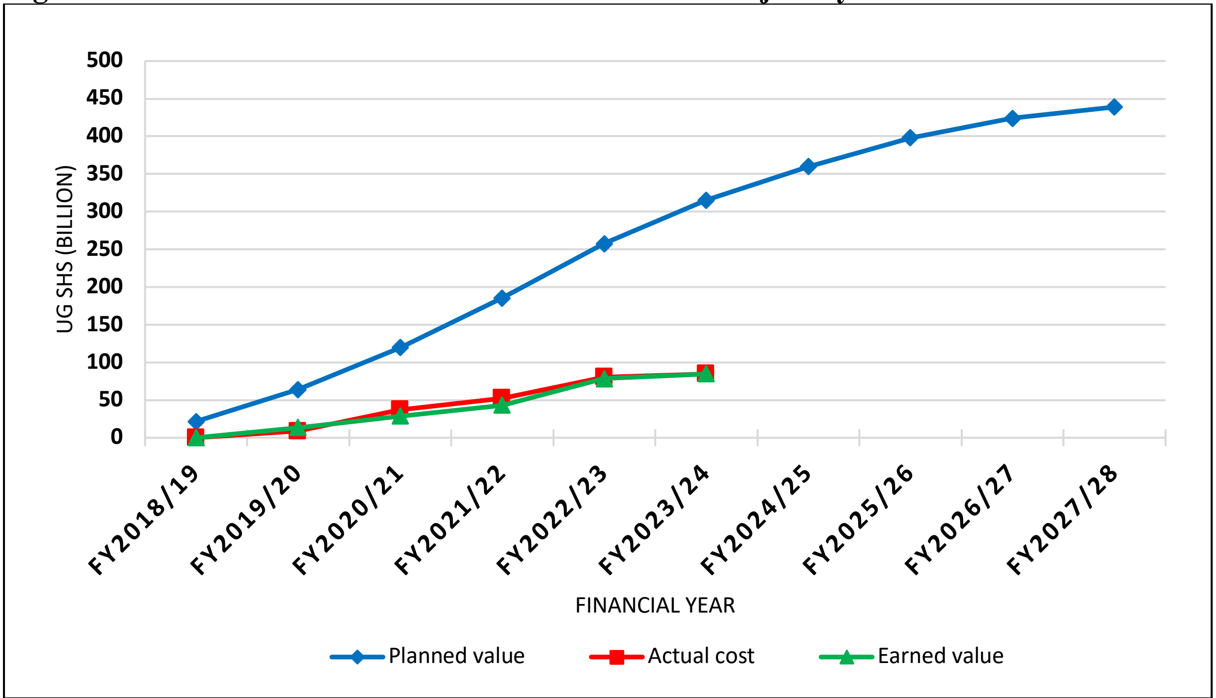
[25]US$ 1 = Ug shs 3,649

[26]CPI=1.0, SV=-230,772,483,600

Physical Performance

The cumulative physical performance from the date of effectiveness to 31st March, 2024 was poor with 27% of the planned output targets for the period achieved excluding the private sector funded outputs (Fig 3.1.6). The project was behind schedule by 52 months. A total of 2,917.65Ha (1,526.65 ha in Buvuma hub and 1,391ha in Kalangala hub) of smallholder oil palm plantations were established out of the planned project target of 17,147ha. Four oil palm growers' organizations were registered in three hubs[27] of which two were fully operational. A 604MT ferry for connecting Kiyindi and Buvuma islands was completed and operational whereas construction of ferry landing sites at Kiyindi and Buvuma was terminated at 25% physical progress in the FY2021/22.

Figure 3.1.6: Performance of the National Oil Palm Project by 31st March 2024



Source: Author compilation from MAAIF project documents FY 2018/19 to FY 2023/24

A total of 16.5km of community access roads (CARs) out of the planned project target of 340km were completed and 32km of farm access roads were completed out of the planned project target of 1020km. A total of 2371 persons in Kalangala, Buvuma and Mayuge hubs were trained in alternative income generating activities out of the targeted 23,922 persons. The project also enrolled 1,290 households in oil palm growing districts into the mentorship program out of the targeted 8,066 households.

The project in partnership with Implementing Partner Organization (IPO) Solidaridad rehabilitated and restored 92.4ha of degraded land in Kalangala, Buvuma and Mayuge hubs against the targeted 5751ha. The private sector oil palm buvuma limited (OPBL) has established

[27] Kalangala, Buvuma and Mayuge

a 14ha oil palm nursery and planted 2,310.83ha against the project target of 5000ha of oil palm plantations for the nucleus estate in Buvuma hub. The OPBL also 561.42km of nucleus plantation access roads in Buvuma hub against a project target of 400km. Construction of crude oil palm mill in Buvuma hub was postponed to 2027 which is against the project design that required a mill to be constructed upon established of 3000ha of oil palm plantations.

The project hired a consultant to work closely with MAAIF to undertake the development of the oil palm policy and the regulatory impact assessment for the policy was ongoing in March 2023. The oil palm research was progressing relatively well with six new trial sites established in the districts of Arua, Zombo, Moyo and Adjumani in addition to the three trial sites established under VODP2 at Kituza, Buvuma and Kalangala. Valuation of yield data; pests and diseases resistance and adaptability studies for the best management plots was ongoing in Kalangala hub and Namulonge (NACRRI) was ongoing. Adaptability valuations of the five varieties of oil palm from CIRAD Benin was ongoing. The oil palm sector and geographic information systems (GIS) databases were developed and a baseline study for Kalangala and Buvuma hubs were completed.

Although the value of the achieved outputs was closely matching the actual costs, the project has registered a significant loss of time and most of the activities begun a year after project effectiveness. The project design report envisaged that land for the establishment of a nucleus estate to be acquired before project effectiveness, opening of both CARs and farm access roads to have happened before oil palm planting to aid movement of seedlings and other relevant inputs, however this did not happen.

Implementation constraints

i) Low preparedness to execute project activities (delayed acquisition of land by government for establishment of the nucleus estate);
ii) Low stakeholder buy-in in the proposed project districts; and
iii) The COVID-19 outbreak that resulted into national lockdowns that restricted movement and gatherings.

Conclusion

The project physical performance excluding the private sector investment as at 31st March, 2024 was poor with 27% of the planned output targets for the FY2018/19 to FY2023/24 achieved and behind schedule by 52 months. The project had made progress on establishment of support infrastructure in Buvuma hub but slow on opening up land for planting of oil palm by both the private sector and farmers. The project will also require additional Ug shs159.4 million[28] and 52 months to implement the planned activities. Thus, for the attainment of the envisaged project outcomes within the project period there is need to expedite the implementation of planned activities.

[28]EAC= Ug shs 439,156,995,409 SPI= 0.27

Recommendations

The project is key for the development of agriculture sector and recommended for continued funding as per the stipulated timeframes; however, the following should be done to improve performance.

i) The MAAIF through the MLHUD should expedite the process of opening boundaries and maps for land already procured by Government and compensation of tenants,
ii) The NOPP steering committee should develop robust mechanisms for the PMU and unit/hub managers to deliver the project output targets in the stipulated timeframe to reduce on the likely risk of time and cost overruns.
iii) The project steering committee should consider re-scoping the implementation plan to focus on hubs were land has been acquired,
iv) The MAAIF should expedite the process of land acquisition for the hubs in Mayuge, Masaka and Mukono hubs.

3.1.9 The National Oil Seeds Project (1772)

Introduction

The National Oil Seeds Project (NOSP) is a development intervention funded by a loan from the International Fund for Agricultural Development (IFAD), OPEC Fund for International Development (OFID) and Government of Uganda (GoU) counterpart funding. The project development objective is to accelerate commercialization in key oilseeds value chains and improve the livelihoods and resilience of the smallholders engaged oilseed production and marketing. The project profile is presented in Table 3.1.11.

Table 3.1.11: Basic data for the National Oil Seeds Project

Project Goal	Inclusive rural transformation through sustainable development of the oilseeds sector.
Specific objectives	To facilitate the private sector-led growth of competitive, inclusive value chains for priority oilseeds and their associated support markets and improve local-level public transportation infrastructure to facilitate the commercialization of the oil seed sector.
Coverage	120,000 oilseed growing households in 81 districts located in six regional hubs: West Nile (12); Gulu (08); Lira (19); Eastern Uganda (26); Mid-Western (10); Karamoja (06)
Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries; to work closely with Ministry of Local Government (MOLG)
Total project cost	US$ 160.68 million contributed by: IFAD - US$ 99.56 million (Special Drawing Rights (SDR) 72,300,000); OFID US$30.002 million; GoU US$ 14.427 million; others US$ 16.817 million (Heifer international, Kuehne foundation, beneficiaries and private sector)
Date loan declared effective	12th July 2021
Original completion date	July 2028

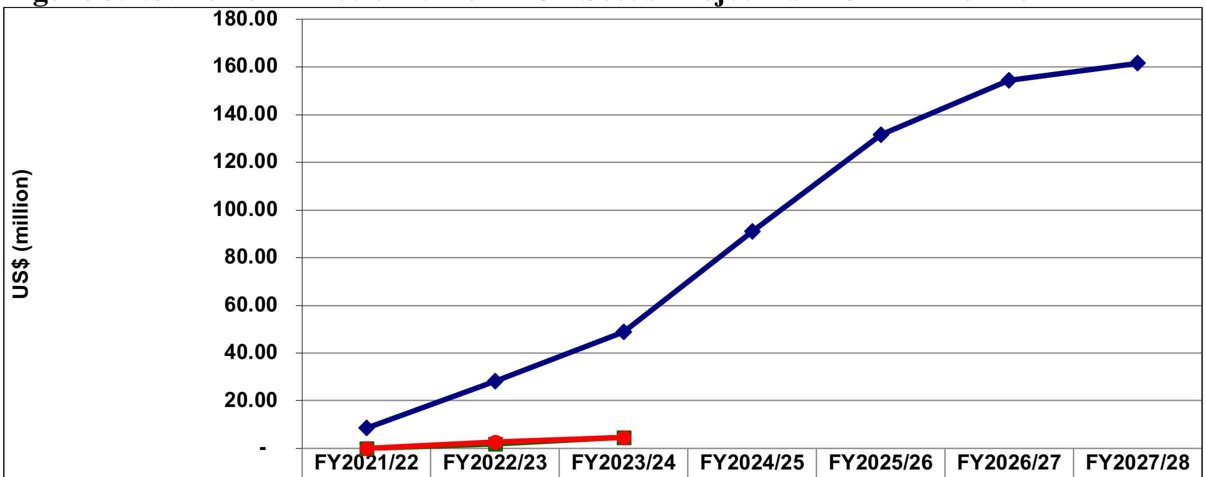
Source; Field findings

The project scope includes: development of oil seeds (sunflower, sesame, soybean and groundnuts) value chains and improvement of the local-level public transportation infrastructure to facilitate the commercialization of the oil seed sector.

Financial Performance

By 31st March 2024 a total of US$ 32.38 million (25%) of the external financing was released of which US$ 28.75 million was from the OPEC-FUND (95.3% of the loan amount) and US$ 3.63 million from the IFAD (3.65% loan amount). Ug shs 1.387 billion ([29]US$377,415) was released as GoU counterpart funding. US$ 4.62 million was spent by 31st March 2024 representing 14.1% expenditure performance. The funds absorption was poor, expected to rise when the pending procurements are completed. The value of achieved outputs[30] was more than the expenditures (Figure 3.1.7).

Figure 3.1.7: Performance of National Oil Seeds Project as at 31st March 2024



	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
Planned Value (PV)	8.50	28.20	48.90	90.90	131.50	154.40	161.50
Earned Value (EV)	-	1.8	4.7				
Actual Cost (AC)	-	2.7	4.6	Financial year			

Source: Authors compilations based on MAAIF data 2024 suggest to add the data table….

Physical performance

The project performance was poor with 10% of the planned outputs achieved and behind schedule by 23 months. The project was behind schedule with a time loss of 23 months. The detailed project performance is provided in Table 3.1.12. The poor performance was attributed to delayed constitution of the project coordination unit both at MAAIF and the Ministry of Local Government (MoLG).

[29] US$1=Ug shs 3675

[30] Actual cost= US$ 4.6million; Earned value=US$4.7million; Cost performance index=1.02

Table 3.1.12: Physical performance of the National Oil Seeds Project as at 31st March 2024

Component	Planned Outputs	Achievements
Support to Oil Seeds Value Chain Development and Support production, productivity and market development	200 Cluster selection and verification conducted 406 Multi-stakeholder platforms formed and Oilseed business established Seven Financial Services enhanced in supported clusters. six Hub level offices facilitated eight Quality declared seed production scheme enhanced 51Climate information and climate change adaptation improved Support to value chain financing (Financial services) 810 groups and 180 demo-Farmer Learning Platforms Established Auxiliary Farm Services Promotion Scheme Established and operationalized Certified Local Seed Business scheme supported to produce quality certified declared seeds (QDS) (1200 LSB Pack, 200 LSBs trained and 200 LSBs) Yield Potential of local varieties improved – Research 120,000 farmers trained 20,000 households mentored Undertake 6 Investment Financing of Priority areas 100 Farm mechanization equipment procured 720 Groups mentored on production, business and social issues by PSPs	Cluster profiling and selecting of 200 farmer groups in the project area was done and yet to be operationalized 106 Multi-stakeholder platforms were formed and strengthened. Eight financial institutions were profiled Three hub offices in Lira, Napak and Hoima were renovated. Equipping of the hub offices was ongoing. Six quality declared seed production scheme enhanced 26 of 51 Climate information and climate change adaptation were improved Four Production Manuals, and 36,000 tones for Soy bean seed were distributed to farmers for multiplication and farmer trainings purposes; though farmers reported late delivery of the inputs (seed and fertilizers). Supported 1,200 farmer groups with 36,500kgs of soya bean foundation seed for multiplication and planted on 1,215 acres. Developed the extension production training manuals for priority crops. This was in collaboration with the Directorate of Agriculture Extension services and SNV. The MAAIF signed the Memorandum of Understanding (MOU) with National Agricultural Research Organization and Makerere University for adaptive research on the development of new oilseed varieties and crop husbandry practices for Sunflower, Sesame, Ground Nuts
Support to Market Linkage Infrastructure Servicing the oil Sector	Construction of 2,500Km market access roads Effective Project Coordination & Management to ensure that AWPB, Financial Management, Procurement, and Reporting on NOSP are done.	Identification and selection of community Access Roads (CARs) under Batch A totaling to 1,098 Km (44%) was completed. In-house engineering designs of 1,098 CARs in 81 districts were completed. Prepared the environmental briefs for the designed community access roads. Conducted Community Awareness and Social

Component	Planned Outputs	Achievements
		Mobilization meetings across the six (6) hubs.
Project coordination and management	39 Staff recruited 11Vehicles procured One Office space procured Utilities and consumables procured 126 motorcycles Equipment procured	39 Staff recruited Eight Motor vehicles were delivered Office space for CPU was procured. Procurement and installation of Cameras and Biometric Security door for NOSP PCU premises evaluation process completed Office consumable s and utilities procured
Knowledge Management and Monitoring and Evaluation	4000 Knowledge management and 675 communication materials delivered. 1 M&E system established	Assorted communication and visibility materials were procured, the communication strategy validated and in use. Development of the M&E system was not achieved due to delayed procurement of the Consultant to undertake baseline study and the development of the Management Information System and the GIS. The baseline study evaluation report was at the Solicitor General's office for clearance.

Source: Field Findings, MAAIF Project progress report 2024.

Implementation constraints

i) Low preparedness to implement that resulted into delayed recruitment of Project Coordination Unit (PCU) team. These delays led to the low fund absorption by the project.

ii) Poor planning that resulted into halting of the project activities by MAAIF top leadership to revise the scope, priorities and deliverables

Conclusion

The project performance was poor and behind schedule requiring an extra 23 months to ensure that the planned outputs are achieved. Although the project was behind schedule it was efficient in utilization of resources with an estimated cost at completion of US$ 159 million which is lower the project planned value. The project can achieve the planned output targets within the project lifetime.

Recommendation

(i) The MAAIF/PCU should expedite implementation of planned activities with a clear implementation strategy.

3.1.10 Promoting Environmentally Sustainable Commercial Aquaculture (1494)

Introduction

The Government of Uganda is implementing the Promoting Environmentally Sustainable Commercial Aquaculture (PESCA) with a total cost of €10,250,000 (Ug shs 41.628 billion) composed of a grant from the European Development Fund (EDF) worth €10,000,000 (96.89% or Ug shs 40.333 billion) and contributions from project beneficiaries amounting to €250,000 (3.11% or Ug shs 1.295 billion). The financing agreement[31] stated that the partner country (Uganda) shall not co-finance the action. It was planned that the project beneficiaries of the aqua parks would co-finance the interventions. The GoU took up the role of co-funding the project since the aqua parks were not built and hence no co-financing from beneficiaries was realised.

The project objective is to improve food and nutrition security, household incomes and livelihoods through promotion of an environmentally sustainable, climate resilient and a market oriented aquaculture value chain. The summary project profile is presented in Table 3.1.13.

Table 3.1.13: Basic data for the Promoting Environmentally Sustainable Commercial Aquaculture

Implementing Agency	Ministry of Agriculture, Animal Industry and Fisheries working collaboratively with the National Agricultural Research Organisation
Project coverage	Mwenna landing site in Kalangala district; Lake Kyoga north of Masindi Port; Kampala, Entebbe, Kajjansi, small holders and smallholder associations
Start date	13 January 2017
Original end date	06 June 2022
Revised end date	30th June 2024

Source: European Union, 2017; Public Investment Plan 2021/22-2023/24

The project had three targeted outputs areas:

i) A sound policy and regulatory framework affecting the operations of the commercial aquaculture industry improved.
ii) Enhancing Production and Productivity of Aquaculture Fish Products and focusing on smallholder and rural livelihoods plus formation of producer groups.
iii) Postharvest handling and marketing of aquaculture fish and fish products improved.

Financial Performance

By 31st March 2024, Ug shs 35.631 bn was released of which Ug shs 31.768 was spent (Table 3.1.14). However, only 29% of the grant was disbursed against a time progress of 99%. The low grant disbursement was due to two key reasons: i) lack of competent contractors to implement the most critical output that had the largest budget, the two aqua parks and ii) the low implementation capacity of sub-grantees. Business Summit Africa the grantee implementing the One Stop Shop and Uganda Aquaculture Baseline Study failed to access resources from their bankers; Owan Mwan Aquaculture Limited (OMAL), the implementer for the Producer Organisations Best Management Practices and Extension Capacity Enhancement failed to mobilise resources to complete delivery of extension services and capacity building of farmers.

[31] European Union, 2017. Financing Agreement between the European Commission and Republic of Uganda for Promoting Environmentally Sustainable Commercial Aquaculture in Uganda

Table 3.1.14: Financial Performance of the Promoting Environmentally Sustainable Commercial Aquaculture project as at 31st March 2024

	Approved budget (Ug shs billion)	Releases (Ug shs billion)	Expenditure (Ug shs billion)	% release of approved budget	% expenditure of release
GoU Financing	1.295	24.461	23.158	1888.88	94.67
External Financing	40.333**	11.710	8.61	29.03	73.53
Total	**41.628**	**35.631**	**31.768**	**85.59**	**89.16**

*****Approved budget as per the financing agreement between EU and GoU, 2017.***
Source: MFPED PBS data; field findings

The project was primarily funded by GoU even though the partner country was not supposed to co-finance this intervention. This is attributable to the need for Government to compensate the PAPs on the land that was provided by the DLGs. The DLGs identified public land that was allocated to the project; the land had PAPs that needed to be compensated. Eighty percent (80%) of GoU funding was spent on PAP compensation. A request was made by MAAIF to extend the project to 2026 but this was not granted.

Physical performance

The overall weighted physical performance of the project was fair at 53.33% (Table 3.1.15) against a time progress of 99%. Major achievements were made in establishment of a sound policy and regulatory framework for the aquaculture industry and establishment of a training hub with key infrastructure at the Aquaculture Research Development Centre (ADRC) in Kajjansi. However, the most critical activities (establishment of the two aqua parks in Apac and Kalangala districts and developing and operationalising the one stop shop) were not completed.

Table 3.1.15: Physical performance of the Promoting Environmentally Sustainable Commercial Aquaculture project as at 31st March 2024

Result areas	Outputs	Achievement	Remark
A sound policy and regulatory framework affecting the operations of the commercial aquaculture industry improved.	Fisheries and aquaculture policy, rules, regulations, and guidelines updated,	The fisheries and aquaculture policy was updated. Aquaculture rules and regulations were developed under aquaculture and feed. The aquaculture Standard Operational Procedures (SOPs) were updated and gazetted. Two environmental impact assessment reports and related certificates were approved	*Achievement was at 75% as some planned activities were not delivered including socioeconomic assessments and some baseline surveys*
	Aquaculture Bill gazetted	The Fisheries and Aquaculture Bill was gazetted in February 2022.	
	Bio safety and bio security measures updated	Bio safety and bio security measures were updated.	
	national residue monitoring control plan updated	A national residue monitoring control plan was updated	

Result areas	Outputs	Achievement	Remark
	Review licencing rules and regulations for harmony.	Reviewed and updated licencing rule and regulations to harmonise payments on licenses to operate.	
	Develop national aquaculture strategy and development plan	The national aquaculture strategy and development plan was developed and still in place	
	Conduct an aquaculture baseline study	This was accomplished	
	30% increase in the output, access, supply and use of quality fish seed amongst smallholder and commercial fish farmers	10% achievement as project funding phased before the research projects were concluded. Research work continued with GoU funding	
	National aquaculture strategy and development plan developed	The strategy was developed	
Enhancing Production and Productivity of Aquaculture Fish Products and focusing on smallholder and rural livelihoods plus formation of producer groups.	A training hub established, research laboratory renovated, the training hall, trainee's hostel, fish hatchery, feed mill, tanks and ponds developed at Kajjansi Aquaculture Centre	Using the direct transfer from the PESCA project, the ARDC upgraded the research infrastructure for aquaculture and set up a training hub for scientists. Renovations were completed for 31 ponds, 52 breeding tanks, training and conference hall, hostel, solar lights, hatchery, feed mill, two research laboratories and installation of experimental tanks. The infrastructure that was established was of good quality and it was under use.	*40% achievement as the main target of the two aquaculture parks that accounted for 60% of the output was not achieved.*
	Two (2) aqua parks constructed	Not achieved; Land wrangles at the two sites stalled activities and the contracts were terminated	
	GIS maps for at least five high potential aquaculture zones developed	GIS maps for 6 aquaculture zones were developed	
	Procure specialised auto mobile for live fish transportation	The specialised vehicle was procured for the Kajjansi Aquaculture centre. The vehicle was functional but too small and not meeting the needs of the centre fully	
	120 producer organizations (POs) formed and trained and supported to adopt aquaculture technologies	120 POs were formed and registered, 6 regional unions were formed with representation of respective POs and one national producer organisation was formed. Training was conducted for fish farmers on cage management aspects, record keeping, marketing and how to prevent disease outbreak. However, extension and capacity building services were not fully provided due to the limited financial capacity of the	

Result areas	Outputs	Achievement	Remark
		contractor. 70 youth and women organisations were supported in setting up 750 ponds; that were stocked with 2,329,112 seed fingerlings for Nile tilapia and African catfish plus 40,429 Kgs of start-up feed. Grow out feed of 337,500 tonnes were also distributed to the groups and 73 fish breeding grounds in water bodies were gazetted.	
	Quality, cost-effectiveness and management of formulated feeds based on locally produced improved crop varieties (1 legume and 1 cereal) improved and a non-conventional animal protein sources as appropriate fish feed	The research was partially done (70%) as funds from the project phased out. Research is ongoing with Gou funding. Eleven (11) local crop varieties were identified as appropriate fish feed and the black soldier fry larvae as a non-conventional protein for fish feed. NARO worked with the private sector (Nutrinova ltd) and availed a multi-enzyme treatment protocol Research was advanced on substituting Mukene in fish feeds with the Black Soldier Fly. Developed one Tilapia grower diet with 75% black soldier fly as substitute for Mukene	
Postharvest handling and marketing of aquaculture fish and fish products improved.	A digital marketing platform developed and operationalised	The digital marketing platform was developed but not operationalised	*45% achievement as most facilities were not fully operationalised*
	Establish a one stop shop and operationalized	The one stop shop was established at Entebbe (MAAIF) but not equipped and hence not functional	
	Develop a business plan for the (2) aqua parks	Partially completed	
	Fish market points	Not achieved	
	Feasibility study for the fish cold chain	A market assessment study was done and 5 locations identified and recommended for a cold facility and equipment. A technical team from MAAIF was constituted to assess the places and undertake the feasibility study which was not completed	
Average physical performance			53.33%

Source: Field findings, BMAU, NARO and project performance reports 2021 to 2024

L-R: The Fish Health Diagnostic Laboratory that was constructed and the renovated and fully equipped conference hall at the Aquaculture Research and Development Centre Kajjansi

Right-Left: Specialised fingerling transportation van and Hatchery at ARDC Kajjansi in Wakiso district

Implementation constraints

i) The contracts of the aqua parks were cancelled as the contractors lacked the required bank guarantees. The funder recommended for the termination of the major civil works for design and build of the two aqua parks.
ii) Land wrangles at the site that was offered by Apac DLG disrupted project activities.

Conclusion

The performance of the Promoting Environmentally Sustainable Commercial Aquaculture was fair but the critical output of establishing two aqua parks was not achieved. The lack of competent contractors and the low implementation capacity of project sub-grantees led to low disbursement of the grant.

Recommendations

i) The MFPED officially close and exit the PESCA from the PIP

ii) The construction of aqua parks should be packaged into a new project after undertaking feasibility studies and further negotiations held with the funder to disburse the remaining grant. The intervention should take place in the areas where PAPs have already been compensated.

iii) The Uganda land Commission and DLGs should resolve all the conflicts on the secured land for the aqua parks.

3.1.11 Promotion of Rice Development Project Phase II (1709)[32]

Introduction

The Promotion of Rice Development Project Phase 2 (PRiDe) is financed by a Japan International Cooperation Agency (JICA) grant amounting to Ug shs 46.3 billion with GoU providing complementary services for the JICA experts in terms of office space and utilities[33]. The project objective is to enhance capacity for research and development of appropriate rice production technologies for productivity improvement by zone and strengthen the institutional framework for training and extension. The summary project profile is presented in Table 3.1.16.

Table 3.1.16: Basic project data for the Promotion of Rice Development Project Phase 2

Lead Agency	Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and National Agricultural Research Organisation (NARO)
Total project cost	Ug shs 46.300 billion
Project coverage	National Crops Resources Research Institute (NaCRRI), National Semi-Arid Resources Research Institute and six Zonal Agricultural Research Development Institutes (ZARDIs) in Central Uganda namely: Abi, Buginyanya, Bulindi, Mukono, Ngetta and Rwebitaba ZARDIs
Start Date	1 April 2019
End Date	31 March 2024

Source: MAAIF Project data 2019 to 2024

This PRiDe 2 is part of the three phased Technical Cooperation between Government of Uganda and Government of Japan where both parties committed to enhance rice production and productivity in Uganda through research, extension and technology development over a 20-year period (2011 to 2029). The first phase ended in 2018.

The key outputs and targets were:

(ii) Capacities for rice production technology development and dissemination of NaCRRI and priority ZARDIs improved;

(iii) Machinery and equipment provided to enhance rice research and technology development;

[32] Referred to as the Rice Development Project in the Public Investment Plan

[33] There was no baseline figure attached to the planned contribution by Government of Uganda during the project period.

(iv) Capacity building in planning of the Training Unit at NaCRRI, ZARDIs and MAAIF Directorate of Agricultural Extension Services strengthened;

(v) Capacities of NaCRRI and target research institutions built to produce 42,590 kg of pre-basic and basic seeds;

(vi) Rice production technologies for productivity improvement disseminated to build capacity of 1,000 Musomesa Field School (MFS)34 farmers;

(vii) Mid-term training plan for rice production based on the National Rice Development Strategy II (NRDS II) produced;

(viii) Sustainable rice seed system (income generation system) established in NaCRRI and target institutes; and

(ix) The average rice yield of sample farmers at the MFS demo site, farmer graduates at MFS, and farmers neighboring MFS graduate fields increased by at least 30%.

Financial Performance
The JICA provided machinery and equipment to NACCRI worth US$ 192,743 or Ug shs 730,881,476 and paid Ug 7,238,000,000 for the travel, vehicle and operational expenses of the Japanese experts. Information was not available on the grant funds spent by JICA on training Ugandan researchers in Japan, research and technology development and dissemination, extension services and technology dissemination.

Physical Performance
The performance of the PRiDe Phase 2 was fair at 63.75% against a time progress of 100% by 31st March 2024. Capacity for rice production technology development was built; improved rice varieties were disseminated to farmers and the yields increased at farm level (Table 3.1.17). The project did not achieve all planned outputs by the end date of phase II due to the delayed arrival of Japanese experts and equipment and inadequate extension service by the district local governments (DLGs). A third phase of this project was undergoing approval processes at MFPED to mop up the pending activities and implement new activities for the period 2024 to 2029.

Table 3.1.17: Performance of the Promotion of Rice Development Project Phase 2 by 31st March 2024

Output/target	Achievement	Remark
Capacities for rice production technology development and dissemination of breeder seeds	NaCRRI developed and disseminated to farmers 22 rice varieties[35] (breeder seed) that enhanced production and productivity at farm level as presented	60% achievement Affected by the

[34] Musomesa Field School (MFS) is a technology dissemination model that identifies farmer instructors (Musomesa) in target communities, equips them with skills and knowledge of improved rice cultivation techniques through intensive practical training at each stage of plant growth. They are the locus for further dissemination of technologies to other farmers.

[35] 1) WITA9, 2) NERICA6, 3) NARORICE1, 4) NARORICE2, 5) K85, 6) K34,7) K38, 8) K98, 9) Supa (Soroti), 10) Supa (unknown), 11) NERICA1, 12) NERICA4, 13) NERICA10, 14) NARIC1, 15) NARIC2, 16) Suparica1, 17) NamChe3, 18) NamChe5, 19) Yumenohatamochi, 20) Buyu, 21) Benenego, and 22) TXD

Output/target	Achievement	Remark
NaCRRI and priority ZARDIs improved	below. The process of researching by the NARO institutions improved their capacity in rice technology development. . The results from research conducted at NaCRRI and priority ZARDIs were incorporated into the training curricula and materials. The training syllabus for Training of Trainers courses on rice production and management was completed and disseminated	evacuation of Japan experts during the COVID 19 pandemic period
Machinery and equipment provided to enhance rice research and technology development	JICA provided equipment and machinery mainly to NaCRRI to strengthen rice research activities: Vehicles; Rice milling machine; Winnowers; Power tillers; Plant Dryer; Seed sorting machine; Electrophoretic device; Micropipettes; Spectrophotometer; Autoclave; and PCR Thermocycler	70% achievement. Good performance Not all expected machinery were delivered due to budget constraints
Training and planning capacities of the Training Unit at NaCRRI, ZARDIs and MAAIF Directorate of Agricultural Extension Services strengthened	39 Directors and Project managers from the target institutions were trained and involved in project execution. Eleven (11) Ugandan officials participated in short-term and long term training in Japan under JICA Knowledge Co-Creation Program (KCCP). Two (2) persons participated in the training organized by a Kasetsart University, extension & training centre in Thailand and (1) person participated on CARD Regional Training organized by JICA in Tanzania.	50% achievement Fair performance MAAIF and NARO committed less staff and extension workers to the project than what was required
Capacities of NaCRRI and target research institutions built to produce 42,590 kg of pre-basic and basic seeds under seed multiplication	A total of 37,720kg (88.56%) of pre-basic and basic seeds were produced. The major varieties multiplied were WITA9, Supa, NERICA 1, NERICA4, NERICA6, NERICA10, NamChe3, and NamChe5	88.6% achievement. Good performance
Rice production technologies for productivity improvement disseminated to build capacity of 1,000 Musomesa Field School (MFS) farmers in 100 schools; the trained farmer instructors to train 10,000 other farmers	2,400 MFS farmers (100%) in 122 schools became rice farmer instructors. The instructors trained 23,824 (100%) other farmers in surrounding areas The Rice Cultivation Handbook was revised as the Zonal Rice Cultivation Handbook for each priority zone. Buginyanya ZARDI made a zonal rice cultivation handbook in the local language, "Luganda."	100% achievement Very good performance
Mid-term training plan for rice production based on the National Rice Development Strategy II (NRDS II) produced	The output was not implemented as the NRDS II was not ready (0% achievement).	0% achievement Poor performance
Sustainable rice seed system (income generation system)	A Memorandum of Understanding (MOU) for seed sales between NaCRRI and NARO Holdings	30% achievement. Poor performance.

Output/target	Achievement	Remark
established in NaCRRI and target institutes	Limited was prepared but not implemented.	Halted and awaiting the conclusion of an ongoing process of restructuring the NARO Holding Limited
The average rice yield of sample farmers at the MFS demo site, farmer graduates at MFS, and farmers neighboring MFS graduate fields increased by at least 30%.	Productivity improved by 60% with the highest increases being for lowland rice (76%) than upland rice (65%)	100% achievement
Average performance		**63.75%**

Source: Field findings; MAAIF/JICA project completion report 2024

Hybrid rice trials at NACCRI in Namulonge Village in Wakiso district

For example, the NaCRRI continued to produce breeder and early generation seed for basic seed multiplication. Experiments to evaluate hybrid rice varieties for climate resistance and cooking taste were established. This resulted in the 22 rice varieties that were developed, approved and disseminated to farmers and are widely consumed in Uganda.

Implementation constraints

i) Inadequate involvement of officials from local governments and Directorate of Extension and Skills Management of the MAAIF in project design and implementation led to lack of ownership of the interventions and poor supervision and provision of extension services.
ii) Importation of machinery and equipment from Japan delayed by one year

Conclusion

The project performance was fair (63.75%) but behind schedule in delivery of outputs against a time progress of 100% by April 2024. It is a risk to carry over such a large portfolio of unfinished business in the new project phase which may lead to non-completion of new activities by 2029. It is possible that the targets were overestimated at the beginning of the project due to lack of project feasibility report to guide the design phase. Thus the planned activities could not be completed within the scheduled time, a risk that may be carried forward into phase 3 of the project.

Lessons
Involvement of key staff (MAAIF extension staff) from project design and implementation encourages ownership of the outputs and increases chances of sustainability. The grant funded projects should also be subjected to Public Investment Management (PIM) at design stage to ensure feasibility of targets and budget.

Recommendations
(i) The MFPED should extend the project into its third phase to among others, complete pending outputs in PriDE Phase 2, scale up uptake of proven rice technologies and develop the rice value chain, including value addition, storage and post-harvest handling.

(ii) The MAAIF and DLGs should provide adequate extension and supervisory services to the project.

3.1.12 The Project on Irrigation Scheme Development in Central and Eastern Uganda (1323)

Introduction
The Project on Irrigation Scheme Development in Central and Eastern Uganda (PISD) is funded by a grant from the Japan International Corporation Agency (JICA) and the Government of Uganda (GoU). The project cost is Ug shs 107.4 billion of which Ug shs 90 billion is a grant from (JICA) and Ug shs 17.4 billion as GoU counterpart funding. The project main objective is to ensure the provision of stable supply of irrigation water for increased production and productivity of rice in the target communities of Kween and Bulambuli districts, in Eastern Uganda. The project scope involves construction of an irrigation scheme with projectable irrigable area of 680 hectares for a period of six years that is from 8/12/2018 to 30/6/2023, but the project was given an extension up to 31/12/2026.

To complement the Grant Aid Project, it was further agreed between MAAIF and JICA that a Technical Cooperation Project (TCP) be implemented alongside PISD to ensure sustainable utilization and management of the developed scheme while also building technical capacity for rice production in Atari Basin Area. The TCP officially commenced on 1st April 2021 and it will seek to ensure that i) Techniques for farm management on irrigated rice cultivation are acquired by farmers; ii) Management capacity of Atari Irrigation Water Users' Association (IWUA) is developed, and iii) Capacity of Government Officers to support and coordinate Atari IWUA is strengthened.

Financial Performance
By 31st March 2024 Ug shs 51.77 billion had been released and spent as GoU counterpart. This represents 297% release performance on the GoU counterpart. The value of achieved outputs was less than the project expenditure[36], as shown in Figure 3.1.8. The project was behind schedule and overspending on the GoU financing thus inefficient at both financial and time resources.

[36] AC=51,772,744,000 EV=12,117,300,000 CV=-39,655,444,000 SV=-72,162,700,000

Physical performance

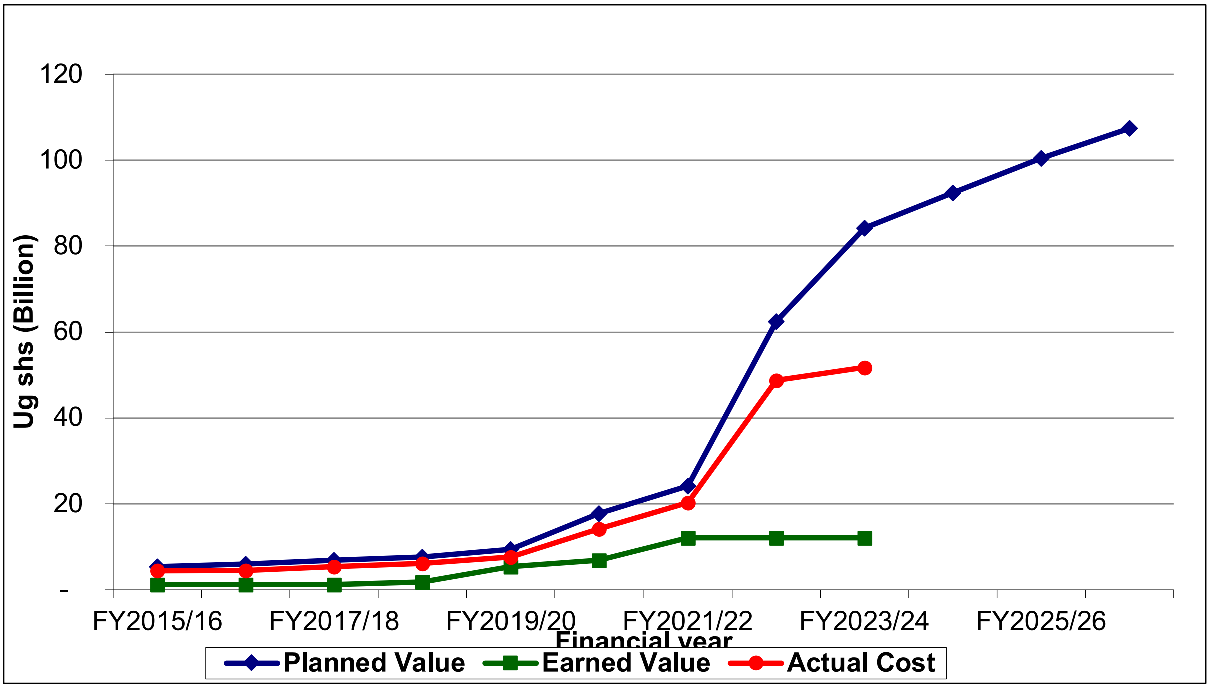
The project physical performance was poor at 20% achievement of planned outputs and behind schedule by 7.74 years as shown in the Figure 3.1.8. The detailed project performance is provided in Table 3.1.18.

Table 3.1.18: Physical performance of the Project on Irrigation Scheme Development in Central and Eastern Uganda as at 31st March 2024

Planned Output Target	Achievement of Outputs
Counterpart staff participation in construction field activities for Atari irrigation scheme. And Obtain necessary permits for construction of Atari irrigation scheme.	Undertook one technical field supervision visits for the preparation for the construction of Atari Irrigation scheme by the MAAIF management Obtained permits for the construction of Atari irrigation scheme
Guidelines, plans and strategies for irrigated agriculture developed, disseminated and adopted in the Central region	Developed draft guidelines for the irrigation water user association awaiting approval by TPM
Payment for the RAP and all related costs to ensure proper utilization and possession of the Land at Atari by the contractors.	So far Government has paid 75% of the Resettlement Action Plan for Atari and its related costs. A Resettlement Action Plan (RAP) study is ongoing for the Atari Irrigation scheme
Initiate the construction of the Atari Irrigation scheme in Bulambuli and Kween Districts	The process of initiating the construction of Atari irrigation scheme in Bulambuli and Kween districts is still ongoing
Feasibility Studies & Designs for Atari (Kween/Bulambuli);	Complete feasibility studies for Atari irrigation scheme in Bulambuli and Kween Districts were carried out with support from JICA.
Environmental & Social concepts	Complete Environment Impact Assessments were carried out for Atari.
Techniques for farm management on irrigated rice cultivation	The purpose of forming farmers group is to train farmers on improved rice cultivation technologies. The Bulambuli and Kween trial farms conducted various rice cultivation technology tests, including seedling density and fertilizer usage, to optimize yield and improve agronomic practices.
Management capacity of Atari Irrigation Water Users' Association (IWUA) is developed,	IWUA Committee at Atari Irrigation scheme comprises of 20 persons from both sections at Kween side and Bulambuli side. The Project is continuously building their capacity to ensure self-sustainability of Atari scheme Project has engaged IWUA members in various trainings and activities ranging from visiting nearby schemes, maintenance of the canals and intake and involvement of District leadership The Atari irrigation water users' association bylaws have been drafted and submitted to Bulambuli and Kween as well as MAAIF for review and approval before adoption by the association
Capacity of Government Officers to support and coordinate Atari IWUA is strengthened	The Project has supported the District Agricultural Engineers in both Kween and Bulambuli Districts in various trainings so as they support the schemes at Atari. The Project has also trained the ISO team in recording and computing volume of flow in the rivers, canals and storage reservoirs.

Source: Field findings

Figure 3.1.8: Performance trends for the Project on Irrigation Scheme Development in Central and Eastern Uganda as at 31st March 2024



Source: Authors' analysis of PISD data

Implementation constraints

i) Delayed compensation of project affected persons (PAPs), about 75% of the PAPS have been compensated which has stalled the project as full compensation of the PAPS is one of the conditions for the scheme construction to set off. The incomplete compensation of PAPs also affected the establishment of trial farms at Atari which was later on established at Ngenge irrigation scheme.
ii) Foreign exchange losses, as dollar gained more value against the shillings. Inflation which caused an increase in exchange rate affected the grant amount

Conclusion

The average project physical performance was poor estimated at 20% and behind by 7.74 years. The delayed take off of the project was mainly due to late compensation of the PAPs and delays to procure contractor for the construction of the irrigation scheme. The project estimated cost at completion is Ug shs 458 billion which more than the planned cost by Ug shs 351.4 billion. The project will also require an additional 7.74 years if the implementation pace is not hurried.

Recommendations

i) The MAAIF should consider commencing scheme civil works were compensation of PAPs has been completed
ii) The project steering committee should consider re-scoping the project.

3.1.13 Uganda Climate Smart Agricultural Transformation Project

Introduction

The Uganda Climate Smart Agricultural Transformation project (UCSATP) is a new World Bank funded intervention that was undergoing parliamentary approval processes by April 2024. The total project cost is US$ 354.7 million. The project development objective is: "To increase productivity, market access and resilience of select value chains in the project area and to respond promptly and effectively to an eligible crisis or emergency". The project profile is presented in Table 3.1.19.

Table 3.1.19: Basic data of the Uganda Climate Smart Agricultural Transformation project

Implementing agency	Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)
Coverage	83 districts in Northeastern and South Western regions of the country
Financier/Donor	International Development Agency (IDA) and Government of Uganda (GoU)
Total cost	US$ 354.7 million (US$ 350 million IDA loan and US$ 4.7 GoU counterpart)
Approval date	22nd December 2022
Drawing limit date	31st December 2028
End date	June 2029

Performance

The declaration of project effectiveness and start of disbursements and implementation that was targeted for 2023 has not been achieved due to the low readiness of MAAIF to meet the World Bank prior conditions within the stipulated time. The World Bank set three conditions for the project to be declared effective and only one of these conditions has been fulfilled. Table 3.1.20 shows the progress made in achieving these conditions.

Table 3.1.20: Progress in achievement of prior conditions for declaring Uganda Climate Smart Agricultural Transformation project effectiveness as at 5th May 2024

Conditionality (Planned target by 2023)	Target date	Achievements	Remarks
Having and adequate Refugee Protection Framework	March 2023	The framework was reviewed and considered adequate	
Preparation and Adoption of the Project Implementation Manual (PIM)	September 2023	Technical review and stakeholder consultations were undertaken during July to September 2023 and the draft PIM was submitted to World Bank. The World Bank in December 2023 recommended an overhaul of the PIM from the component based to the value chain-based approach. Validation workshops were conducted in various regions in January-February 2024. Finalization and approval of the PIM was scheduled for May 2024	This activity was behind schedule by eight months
Establishment of the National	March 2023	Letters were written to Accounting	The activity was

Conditionality (Planned target by 2023)	Target date	Achievements	Remarks
Project Coordination Unit (NPCU), including the National Project Steering Committee (NPSC) and National Technical Advisory Committee (NTAC)		Officers of the Ministries, Departments and Agencies (MDAs) to nominate key officers to the NPSC and NTAC. The process of constituting the two committees was still ongoing. The recruitment of staff for the NPCU commenced in October 2023 and was scheduled to be completed in May 2024	behind schedule by 14 months

Source: MAAIF, 2024; Field findings

Implementation constraints

Delayed fulfillment of donor prior conditions for project effectiveness due to inadequate capacity and slow implementation processes in the MAAIF. For example, the Technical team to ensure that the three conditions are fulfilled within 2023 was formed in February 2023 and these conditions have not been fulfilled as at 30th April 2024.

Conclusion

The project performance was poor as declaration of project effectiveness and disbursements were behind schedule by more than a year.

Recommendations

i) The MAAIF to fast track achievement of the three project conditionalities as a trigger to funds disbursement.
ii) The MAAIF to ensure that the National Project Coordination Unit is fully staffed and equipped and supported to undertake its roles in a timely manner, in line with the approved PIM.

Financial Performance

The overall project cost is US$ 354.7 million of which US$ 350 million is external financing from IDA and US$ 4.7 is Government of Uganda Counterpart funding. By 5th May 2024, no disbursements had been made to the project implementers. A one year and half time lag in disbursements by US$ 90 million **(Table 3)** puts the project at risk implying that a time extension of not less than two years will be needed beyond the end date to spend the external financing fully.

The project implementation is behind schedule due to the delayed approval of the project by Parliament which was done in November 2023, one year after the approval by the World Bank. Disbursements have not commenced because Government has not yet fulfilled the World Bank prior conditions for declaring the project effective, hence EVM analysis was not conducted. However, the risks have been identified and physical performance to date is presented below.

Table 3: Planned disbursements and variances in donor financing of the UCSATP as of 5th May 2024 (US$ million)

	2023	2024	2025	2026	2027	2028	2029
Planned disbursement	30	60	75	85	60	40	0
Planned Cumulative disbursement	30	90	165	250	310	350	350
Actual cumulative disbursement	0	0	-	-	-	-	-
Variance	**30**	**90**					

Source: World Bank 2022; field findings

Physical performance

The declaration of project effectiveness and start of disbursements and implementation that was targeted for 2023 was not achieved due to the low readiness of MAAIF to meet the World Bank prior conditions within the stipulated time. The World Bank set three conditions for the project to be declared effective; **Table 4** shows the progress made in achieving these conditions. Only one of the three conditions have been fulfilled.

Table 4: Progress in achievement of prior conditions for declaring UCSATP project effectiveness as at 5th May 2024

Conditionality (Planned target by 2023)	Target date	Achievements	Remarks
Having and adequate Refugee Protection Framework	March 2023	The framework was reviewed and considered adequate	
Preparation and Adoption of the Project Implementation Manual (PIM)	September 2023	Technical review and stakeholder consultations were undertaken during July to September 2023 and the draft PIM was submitted to World Bank. The World Bank in December 2023 recommended an overhaul of the PIM from the component based to the value chain based approach. Validation workshops were conducted in various regions in January-February 2024. Finalization and approval of the PIM was scheduled for May 2024	This activity was behind schedule by eight months
Establishment of the National Project Coordination Unit (NPCU), including the National Project Steering Committee (NPSC) and National Technical Advisory Committee (NTAC)	March 2023	Letters were written to Accounting Officers of the Ministries, Departments and Agencies (MDAs) to nominate key officers to the NPSC and NTAC. The process of constituting the two committees was still ongoing. The recruitment of staff for the NPCU commenced in October 2023 and was scheduled to be completed in May 2024	The activity was behind schedule by 14 months

Source: MAAIF, 2024; Field findings

Implementation constraints

i) Delayed fulfillment of donor prior conditions for project effectiveness due to inadequate capacity and slow implementation processes in the MAAIF. For example, the Technical team to ensure that the three conditions are fulfilled within 2023 was formed in February 2023. The conditions have not been fulfilled in the 14 months that have passed.

Conclusion

The project performance is poor as declaration of project effectiveness and disbursements are behind schedule by more than a year.

Recommendations

i) The MAAIF to fast track achievement of the three project conditionalities as a trigger to funds disbursement.
ii) The MAAIF to ensure that the National Project Coordination Unit is fully staffed and equipped and supported to undertake its roles in a timely manner, in line with the approved PIM.

3.2 Digital Transformation Programme

The focus under this programme was on one project: Uganda Digital Acceleration Project (UDAP).

3.2.1 Uganda Digital Acceleration Project -1615

Introduction

The Government of Uganda through the National Information Technology Authority (NITA-U) with support from the World Bank is implementing the Uganda Digital Acceleration Project with the main objective of expanding access to high-speed internet in selected areas, improving efficiency of digital service delivery in selected public sectors, and strengthening the digital inclusion of selected host communities and refugees. The UDAP is a US$ 200 million multiyear project that was approved by the World Bank in May 2021 but the necessary approvals from GoU delayed and the project became effective in May 2023 with the expected closure date of 30th May 2026.

The project is divided into four components:

1. Expanding digital connectivity in selected areas
2. Enabling digital transformation of the Government
3. Promoting digital inclusion of host and refugee communities.
4. Project Management

The project expected Outputs are:

- Expanding access to high-speed Internet in selected areas focusing on buying additional bandwidth
- Improve the efficiency of digital government services in selected public sectors covering cyber security, e-government services, data protection, digital inclusion for refugees and host communities.

Financial performance

The first tranche of the project funds worth US$ 3.046 million was disbursed from the World Bank on 26th December 2023 and remained unspent by 31st March 2024. The project earned value was therefore zero.

Physical Performance

The overall project physical performance was poor with preliminary activities initiated to trigger actual implementation of the project. The recruitment of four out of eight key staff had been completed. These included the project coordinator, procurement specialist, Accountant and Legal Officer. The remaining four positions were expected to be filled by May 2024. The NITA-U had issued 18 procurements valued at US$ 7.4 million.

Project Risks

- The delayed approval of financing caused the project to start two years after it was approved by the World Bank yet the closure date has remained the same. There is a likelihood that several project deliverables will not be achieved by the end of the project unless measures are taken to expedite the processes.
- Inadequate staffing at NITA U to implement the project. The execution is happening at a time when the agency staffing is reduced with uncertainty of continuation arising from the Government rationalization policy.
- Exchange rate variation between the SDR of the World Bank and the US dollars which has reduced the available funds for the same outputs.

Challenges

- Lack of the GoU counterpart funds for UDAP implementation.
- Delays in recruitment of key staff owing to late clearance from the Solicitor General.

Conclusion

The overall project performance was poor and behind schedule. Both the Cost Performance (CPI) and Scheduled Performance Indices (SPI) were at 0.

Recommendations

1. The NITA-U, MoICT &NG and MFPED should prioritize counterpart funding of the project in the remaining period to achieve the planned value.
2. The GoU should align the financing approval process to the lenders' approval schedule to mitigate the time overruns.

3.3 Human Capital Development

This section presents performance of nineteen externally funded projects under Human capital development programme. The presentation is structured as follows; Education, Health, Water and Uganda Intergovernmental Fiscal Transfers programme (UgIFT) that is implemented across the sectors of Human Capital Development Programme and Agro-Industrialisation.

3.3.1 Education Projects

This section presents findings from seven projects within the Education Sector. Four of these projects focus on Skills Development Education, two address interventions in Secondary Education while one is on Higher Education. The World Bank-International Development Association (WB-IDA) funds four of these projects namely;

1. Uganda Secondary Education Expansion Project (1665).
2. Eastern and Southern Africa Higher Education Centers of Excellence Project II (1491).
3. Uganda Intergovernmental Fiscal Transfers Programme (UGIFT).
4. Uganda Skills Development in Refugee and Host Communities Project, which is yet to commence.

Additionally, the Vocational Education (VE) Project Phase II-(1432) is funded by the OPEC Fund for International Development (OFID). The Vocational Education and Training (VET) Project funding is from the Saudi Fund for Development (SFD), while the Business, Technical, and Vocational Education and Training Support Project Phase II (1433) is financed by the Islamic Development Bank (IsDB).

Detailed projects performance is presented hereunder:

1. Uganda Secondary Education Expansion Project (1665)

Introduction

The Uganda Secondary Education Expansion Project (USEEP) is a five-year World Bank-International Development Association (WB-IDA) funded project, implemented by the Ministry of Education and Sports (MoES).

The total cost of the project is US$ 171.6 million, wherein US$ 90.0 million is a loan (Special Drawing Rights (SDR) 65.6 million and US$ 60 million (SDR 43.8 million) a grant under Refugee Sub-Window (RSW). The Government of Uganda (GoU) counterpart funding is US$ 21.6 million.

Whereas, the loan was approved on 23rd July 2020, the loan Financing Agreement was signed on 24th February, 2022. The Project became effective on 19th May, 2022 and Project closure is slated for 31st December, 2025. The Project Development Objective (PDO) is to enhance access to Lower Secondary Education, by focusing on underserved populations in targeted areas[37].

[37] Underserved populations include; Refugee Hosting Communities, refugee girls and people in the targeted areas with limited access to public lower secondary schools.

The project comprises of four components and a breakdown of the scope and costs in each of the four components is presented in the Table 3.3.1.

Table 3.3.1: Summary of Project Components, Scope and Budget

Components	Scope	Financing Modality (Amount in US$ Million)			
		IDA (Credit)	**IDA** (Grant)	**GoU** Counterpart	**Total**
Components 1: Expansion of Lower Secondary Education					
1.1: Construction of New Lower Secondary Schools and Facilities.	a) Construction of 116 new lower secondary schools across the country, of which 32 new schools will be located in Refugee Hosting Districts[38] (RHDs) and 84 will be in other targeted sub-counties of districts that meet the criteria. b) Improve infrastructure in 61 existing schools in the Refugee Hosting Areas (RHAs)	74.6	44.0	21.6	**140.2**
1.2: Ensuring Safety and Protection of Children.	Ensure that over 2,450,600 children are safe and protected, with a particular emphasis on girls, based on the Amended Children's Act 2016 and National Gender Based Violence Policy 2017.	1.2	3.8	-	**5.0**
Component 2: Hosting Community and Refugee Education Support					
2.1: Special Needs Education Support.	Support the development and execution of the Accelerated Education Program (AEP) and supply of special needs learning materials. The AEP will provide students who have missed the opportunity to enroll in lower secondary school at the appropriate age or who dropped out of school for various reasons (displacement, pregnancy, etc.) with a fast track learning opportunity.	-	4.0	-	**4.0**
2.2: The Refugee Capitation Grant Program.	School capitation grants to 93 new and expanded schools in RHAs will depend on the number of refugee students enrolled each year.	-	4.5	-	**4.5**

[38] The RHDs include: Adjumani, Yumbe, Isingiro, Kikuube, Kyegegwa, Madi Okollo, Obongi, Kamwenge, Kiryandongo, Terego, Lamwo, Koboko and Kampala.

2.3: Certification of Prior Education.	Certification of prior education will support refugees in obtaining papers required to start /continue secondary education through MoES/ Uganda National Examinations Board (UNEB). The target population is 29,951 refugees and 51,867 host community school-aged children (ages 13-18) eligible for lower secondary education.	-	0.9	-	**0.9**
Component 3: Improving Teachers' Support and Strategy Development Nationally					
3.1: Support to Teachers.	The sub-component will support establishing a Continuous Professional Development (CPD) system in all public and poorly performing private Secondary schools that will include RHDs. The system will be based on about 100 lower secondary school clusters that will help organize and support teacher training. About 14,880 teachers and administrators will benefit from the CPD.	7.2	2.8	-	**10.0**
3.2: Support for Development of Key Secondary Education Improvement Strategies	Technical assistance to support policy research, preparation of policy papers and implementation plans, and capacity building for policy-makers to further improve the quality of teaching and learning in lower secondary schools. This will Include teacher recruitment, deployment, retention, reward and motivation to address the teacher gap, teacher attrition; and improvement of provision of teaching and learning materials among other.	2.0	-	-	**2.0**
Component 4: Project Management, Monitoring and Evaluation					
4.0: Project Management, Monitoring and Evaluation.	Provide support to Project implementation, supervision, monitoring and evaluation, and verification costs office rent, furniture, equipment, transportation, data collection and analysis and capacity building etc.	5.0	-	-	**5.0**
TOTAL		**90**	**60**	**21.6**	**171.6**

Source: Author's compilation from USEEP Financing Agreement, 2022

The construction of 177 new and expanded secondary schools under component 1 will be implemented in three phases and is expected to be completed within three years of project effectiveness. Phase I includes construction of 60 schools (10 in RHDs and 50 in non-RHDs). Phase II has construction of 61 schools (with a smaller scope) for expansion within the RHDs, while Phase III targets construction of 56 new secondary schools (14 in RHDs and 42in non-RHDs).

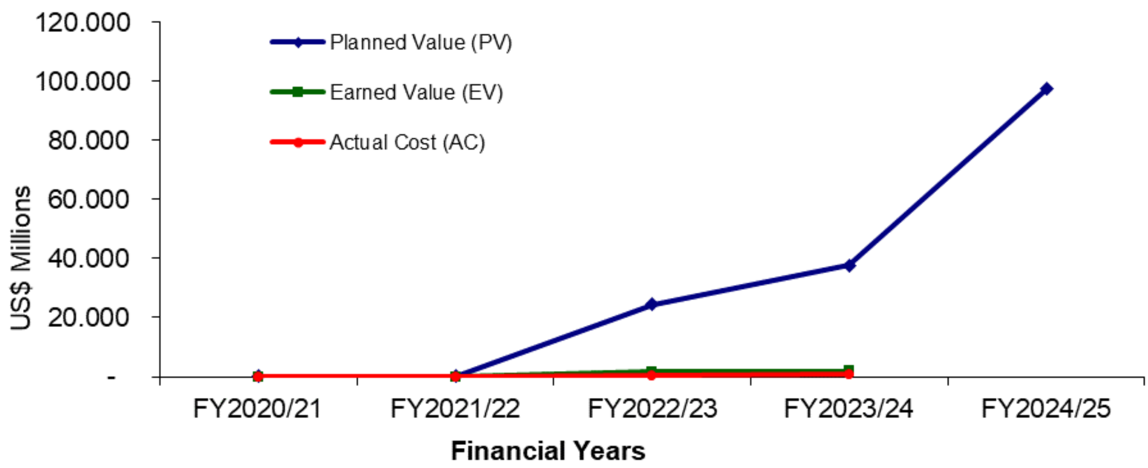
Financial Performance

The cumulative disbursements as at 30th April,2024 was US$ 7.261 million, representing only 8.04% of the loan amount against 64% expected financial progress. The project is operating under the budget[39], which represents a significantly low absorption rate due to failure by MoES to commence implementation of planned project deliverables as per scheduled timelines.

Physical Performance

Physical progress was poor at 6% as at 30th April, 2024 and the project is significantly behind schedule[40]. This is attributed to lengthy administrative protocols and procedures that delayed execution as illustrated in Figure 3.3.1.

Figure 3.3.1: Performance of the Uganda Secondary Education Expansion Project as at 30th April 2024



Source: Authors Analysis from USEEP project documents

Figure 3.3.1 indicates poor performance of the earned value and actual cost because of failure to spend.[41] Construction of Secondary Schools, a sub-component which accounts for 79% of the total loan and grant facility has not commenced due to weak project management, deficiencies in project preparation and procurement planning and scheduling.

The Project is at a very high risk of not achieving the Project Development Objective with only 19 months remaining to project closure date of 31st December, 2025.

Time and cost overruns are most likely to occur if the project closure date is revised to enable complete implementation of project deliverables. In addition, Government of Uganda risks

[39] The Cost Performance Index (CPI) of 0.90 = >1 is "Under Budget"

[40] Schedule Performance Index (SPI) of 0.06= <1 is "Behind schedule".
Schedule Variance (SV) of -97 = -"Behind schedule"

[41] Four years into project execution, the project is not achieving its planned value as it has failed to spend.

losing funds if *Article II Sub-section 2.03* of the agreement is invoked because of the charges levied on undisbursed balance. Pursuant to *Article II Sub-section 2.03* of the Agreement, the borrower (GOU) is expected to pay interest at a rate of 1.25% and a service charge at a rate of 1% per annum on the principal amount of the loan withdrawn and outstanding.

In spite of the dismal performance, the following outputs in table 3.3.2 were accomplished:

Table 3.3.2: Key Project Achievements since inception of the project to 30th April,2024

Components	Sub-Component	Status of implementation
Expansion of Lower Secondary Education	Construction of New Lower Secondary Schools and Facilities	Preliminary activities were on going with 119 out of 177 land titles acquired, bidding documents prepared, 85 sites surveyed and nine engineers recruited.
	Ensuring Safety and Protection of Children	Recruitment of NGOs to implement the child-friendly schools was at evaluation stage pending Contracts Committee decision.
		Environmental Specialist were recruited
		Completed Environmental and Social Management Plans (ESMPs) and Project Briefs for 71 sites, while drafts for 43 new sites were submitted by the consultant for review.
Hosting Community and Refugee Education Support	Special Needs Education Support	Procurement of Service Providers to implement the Accelerated Education Programme (AEP) in five Centers, awaits approval by the WB after resubmission of Technical Evaluation report.
		Commenced procurement of Special needs equipment, while supply and delivery of furniture for learners and teachers is pending Solicitor General for clearance.
	Certification of Prior Education	Constituted a task force to develop the unified protocol.
Improving Teachers Support and Strategy Development Nationally	Support to Teachers	Completed the identification of 100 Cluster Centers.
	Support for Development of Key Secondary Education Improvement Strategies	Development and review of policies were at different levels ranging from literature review to procurement of consultants. Such policies included; Universal Secondary Education (USE) Policy; National School Construction Strategy; Private Education and Training (PET) Policy; National Curriculum, Assessment and Placement (CAP) Policy.

Source: Authors compilation from field findings

Implementation Constraints

1) Critical deficiencies in project preparation, planning and scheduling. This is attributed to failure by the Implementing Agency, the Ministry of Education and Sports (MoES) to prioritize preparatory activities such as recruitment of the Project Coordination Unit (PCU) staff, structural designs, procurements, among others, precedent to civil works and services started after the project commenced.

2) Delayed submission of land tittles by beneficiary districts, a condition set for clearance by the Solicitor General's Office, delayed procurement of contractors to commence construction. This was exacerbated by the absence of the District land boards, lack of funds for title processing, among others.

Conclusion

The project performance is poor and significantly behind schedule, with physical progress at only 6% against time progress of 68.3%, indicating substantial delays and inefficiencies in project implementation. The project challenges, include; low absorption of funds, weak project management which generally delayed the implementation of planned activities. The project is at a high risk of failing to deliver the performance targets and project objectives within the project period.

Recommendation

1) The Project is recommended for termination of funding because the MoES failed to meet the performance targets to achieve project deliverables, timelines, budget adherence, and overall impact that are clearly defined in the USEEP Project's Operation Manual (POM). The cessation of funding underscores the importance of adhering to established performance targets and serves as a learning opportunity for improving project execution and management practices for other projects in the future.

2. Vocational Education (VE) Project Phase II (1432)

Introduction

The second phase of the Vocational Education (VE II) Project, is implemented under a second long-term loan from the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development (OFID), by the Ministry of Education and Sports. The total cost of the Project is US$ 16.710 million, of which OPEC funding is US$ 14.300 million (85.6%) while, the GoU counterpart funding is US$ 2.410 million (14.4%).

The loan was approved on 9th August, 2016 however, the project became effective on 3rd July 2017 after long parliamentary approval processes. The original date of project closure was 31st December, 2021 but was revised to 30th June, 2024. The Project's aim is to support expansion and equitable access to quality Business, Vocational Education and Training (BTVET).

The project is structured into five components and the project scope covers additional priority buildings, provision of equipment and external works that were excluded in Phase I. The detailed project scope and budget breakdown by component and financing modality are presented in Table 3.3.3.

Table 3.3.3: Project Components, Scope and Budget

Component	Scope/Key deliverables	Budget (US$) (Millions)	
		Loan	GOU
1: Civil Works	Expansion of 8 technical institutes constructed under Phase 1 of the Project i.e. Nawanyago, Basoga Nsadhu Memorial, Ogolai, Kilak Corner, Lokopio Hills, Sasira, Buhimba & Lwengo), including priority workshops, multi-purpose halls, student dormitories, staff housing, sickbays & toilets.	9.030,000	2,410,517
2: Supply of Equipment & Tools	Additional to provisions made under Phase I, including text books, furniture, transport, workshop & ICT	2.630,000	-

Component	Scope/Key deliverables	Budget (US$) (Millions)	
		Loan	GOU
	equipment, Bus and Vehicle		
Component 3: Capacity Building	To improve institutional performance in hands-on pedagogical and management skills	1.140,000	-
4: Design & Supervision of Civil Works	Design & Supervision of Civil Works	720,000	-
5: Support to Project Management	Support to Project Coordination Unit (PCU) costs, Knowledge development & visits/meeting	780,000	-
Total		16.710,517	

Source: OFID Project Appraisal Document, 2016

Financial Performance

As of 30th April, 2024, the cumulative release performance totaled US$ 11.579 million (69.2%), with expenditures amounting to US$ 11.578 million (69.2%). However, there was significant overspending on the GoU financing with a cost variance of US$ 1,616 million, representing a 67% increase compared to the original approved counterpart funding (*Table 3.3.4)*. This overspending was attributed to a two-year project extension.

Table 3.3.4: Financial Performance of the OPEC Project as at 30th April, 2024

Financing Modality	Budget (US$ Millions)	Release (US$ Millions)	Expenditure (US$ Millions)
GoU	2,410,517	6,201,963 (257.3%)	4,026,694 (65%)
OPEC	14,300,000	5,376,678 (37.6%)	5,078,906 (94.4%)
Total	**16,710,517**	**11,578,641 (69.2%)**	**9,105,600 (77%)**

Source: MFPED-IFMS 2017/18-2023/24

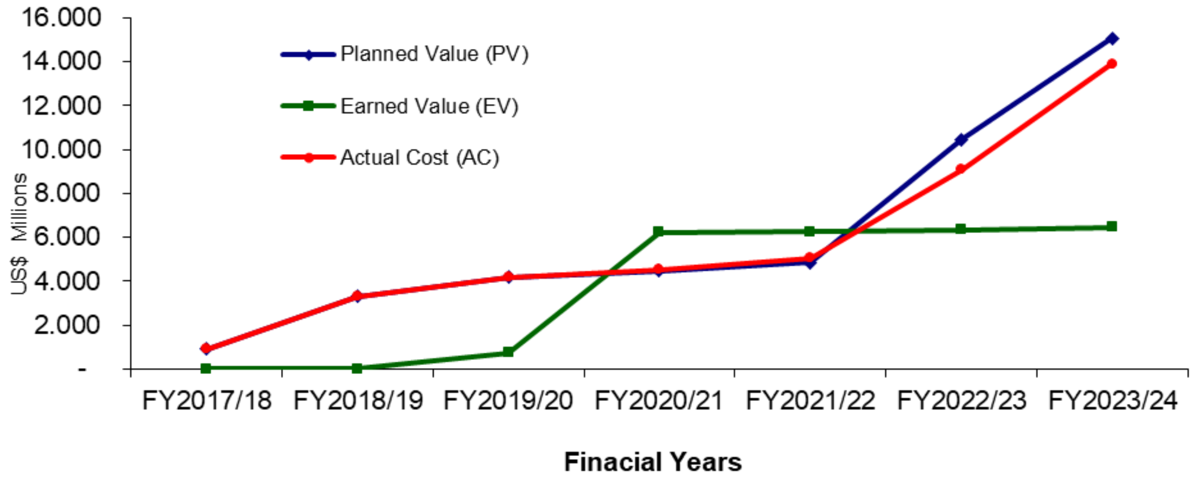
Notably, OPEC disbursement performance was poor with only 37.6% of the funds disbursed against 96%-time progress (inclusive of the time extension), which represents a significantly low absorption rate.

Physical performance

Physical progress was fair at 52 % as at 30th April 2024, although the project is behind schedule[42]. The delayed civil works for the three sites of Kilak Corner, Ogolai and Lokopio Hills have dragged down the performance of the entire project. In terms of cost efficiency, the project is spending more money than the value of work done as illustrated in Figure 3.3.2.

[42] Schedule Performance Index of 0.46= <1 "Behind schedule"

Figure 3.3.2: Performance of the Vocational Education (VE II) Project as at 30th April 2024



Source: Authors Analysis from VE II Project Reports

The main reasons for the poor performance include; inefficiencies in the administration and management of the project, poor planning and contract management challenges due to cash flow constraints and technical capacity issues among some contractors. Details of project performance are presented below:

Civil Works: Four out of eight beneficiary Technical Institutions; Basoga Nsadhu Memorial, Nawanyago, Sasiira, Buhimba were completed, with occupational permits already secured from the respective local governments. The completed buildings were under the Defects Liability Period (DLP) for 12 months. The quality of works was good and the facilities, especially the dormitories were already in use.

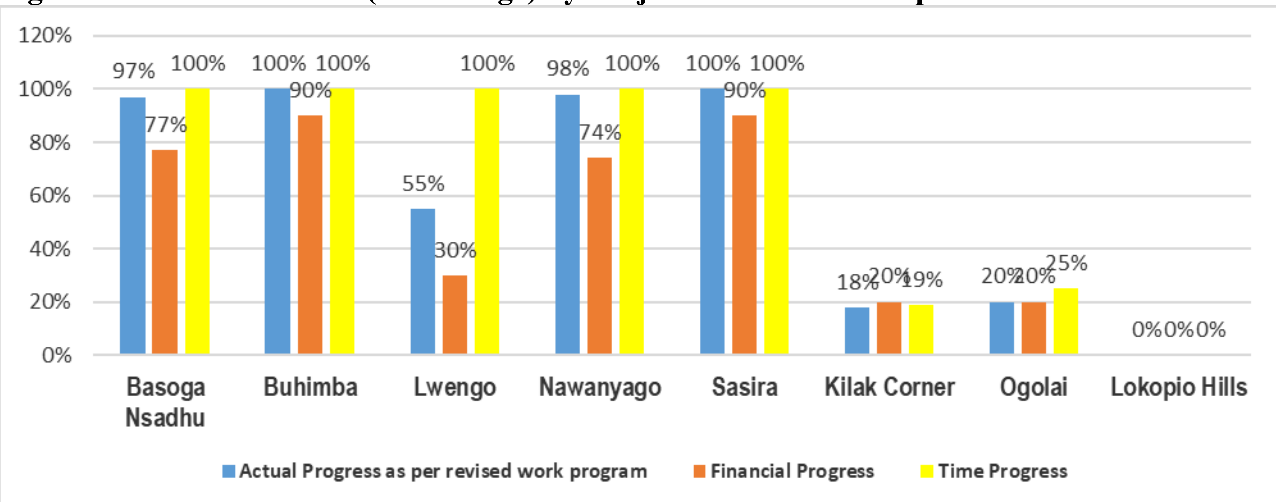
Left: Completed 3- level, 86 Bed capacity boys' dormitory; Right: 4-Unit one Bed room Staff House at Nawanyago Technical Institute in Kamuli District.

Works at Lwengo TI stalled at 55% due to limited capacity of the contractor. Although the contract was terminated in January 2024, the contractor secured a court order halting the finalization of the termination process and was still at site while the MoES awaits a verdict on the matter.

Left: A multi-purpose hall and Right: A girls' dormitory at Lwengo TI.

Expansion of Ogolai and Kilak Corner works delayed due to the re-tendering process which was completed and works commenced in January 2024. Performance of the different sites is illustrated in Figure 3.3.3.

Figure 3.3.3: Performance (Percentage) by Project sites as at 30th April 2024



Source: Authors' Compilation from field findings

Works at Lokopio Hills had not commenced due to failure by MoES to procure a suitable contractor. However, a No Objection to allow retender of works under restrictive biding, was granted by the OPEC Fund and the procurement process had commenced by 30th April, 2024.

Supply of Equipment, Machines and Tools: Institutional 30-seater buses were procured and delivered to all the eight TIs. The procurement of the remaining training supplies such as furniture, tractors, ICT equipment and text books were completed and suppliers were in the process of delivering, apart from the workshop equipment had not been procured due to contract price variations.

Capacity Building: Capacity building trainings are classified into two thematic areas namely; Institutional Management, and Skills Up-grading for Instructors. The two categories cover Training of Trainers (TOTs) and institutional management trainings for tutors and TVET managers. Skills upgrading for Instructors training were all completed, only pending industrial attachments. The contract for the supply of the items to the resource center was also fully executed.

Implementation Constraints

1) Delayed implementation of the project due to untimely remittance of deemed VAT by URA to the contractors.
2) Limited capacity of some of the contractors and cash flow constraints partly affected effective project implementation.
3) Poor planning and sequencing of activities, led to loss of implementation time in the initial years.
4) The disruptions attributed to COVID-19 pandemic also interfered with the supply of goods and services needed to execute the projects.

Conclusion

Overall performance of the Vocational Education Project was at 52 % against 96%-time progress. The project is behind Schedule[43] despite extension of two and half years and is at risk of not achieving both the performance targets and project objectives within the project period. However, it has a chance of achieving them once granted some time extension.

Recommendations

1) The MoES should re-negotiate for additional loan duration beyond 30th June, 2024 to 30th September 2025 to cater for the completion of civil works in the 3 sites of Lokopio Hills, Kilak Corner and, Ogolai Technical Institutes and defects liability period for all the eight Institutions.

3. Vocational Education and Training (VET) Project

Introduction

The Vocational Education and Training (VET) Project is financed with support from Saudi Fund for Development (SFD) and implemented by the Ministry of Education and Sports. The total cost of the project is Saudi Riyals (SAR) 45 million (approximately US$ 12m) with a GoU counterpart funding of US$ 1.2 million.

The Loan Financing Agreement was signed in January, 2010, declared effective in July 2010 and project has been under implementation since January 2011[44] with and original project closure 30th June, 2016. The revised project end date is 30th June, 2024.

The overall aim of the project is to support key priorities of the Education Sector Strategic Plan (ESSP II) in tandem with the National Development Plan (NDP), targeting expansion and access to quality Business, Technical and Vocational Education and Training (BTVET).

The operational components of the Project include; 1) Civil Works, 2) Training Supplies, 3) Design and Supervision Services; and 4) Project Coordination and Management.

The Project Scope covers; construction and equipping of five new technical institutes, i.e., 1) Amelo TI (Adjumani District), 2) Bukedea TI (Bukedea District), 3) Bukomero TI (Kiboga District), 4) Nyamango TI (Kyenjojo District) and 5) Lyantonde TI (Lyantonde District).

Financial Performance

The total loan disbursement stands at 93.61% while 6.39% remains undisbursed. Total loan expenditure was US$ 11.008 million, with the last expenditure registered in FY 2020/21. The project over spent[45] compared to the value of work earned indicating a cost overrun, as illustrated in Figure 3.3.4. This is because the project has been executed for more than 12 years as opposed to the initial five-year duration. In addition, the frequent staff turnover at the Saudi Fund Development's East Africa office also led to disruptions in coordination between stakeholders, which affected efficient loan management.

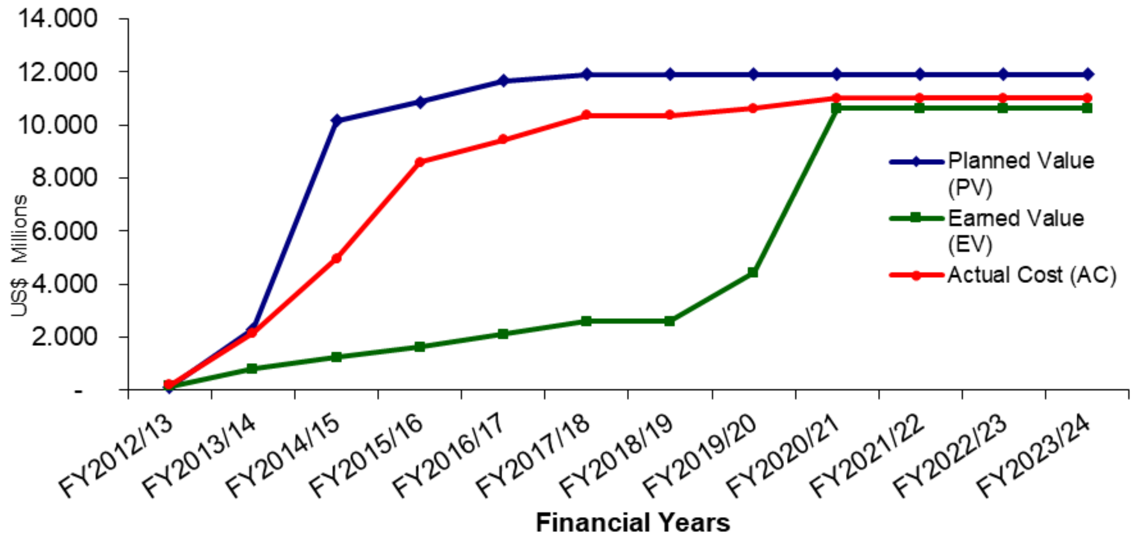
Physical Performance

Physical progress of the project stalled at 63% (for all the components) despite loan disbursements of up to 94%. Only one site at Nyamango TI was fully completed (100%). Physical progress of four TIs stalled at an average of 74% (Bukedea TI at 80%, Bukomero TI at 80%, Amelo TI at 45% while Lyantonde TI was at 90%). Two contracts to complete outstanding works by M/s Excel Construction Ltd and M/s COMPLANT were terminated in 2018 and 2022 respectively after failing to complete the works. The COVID-19 pandemic and contractor's cash flow problems, further exacerbated the contractor's challenges leading to incomplete works. The project is behind schedule[46]. (Figure 3.3.4).

Incomplete boys' dormitory at Bukomero TI

[44] This is the oldest and most challenging project that the PCU has implemented.
[45] The Cost Variance (CV) was -37= Negative (CV) means "Spent more money than the value of work done
[46] Schedule Variance was -13= - "Behind schedule"

Figure 3.3.4: Performance of the Vocational Education and Training (VET) Project as at 30th April, 2024



Source: Authors Analysis from VET Project Reports

Following termination of the second contractor, the SFD issued a No-Objection in June, 2022 allowing the MoES to directly procure suitable replacement contractors to complete the outstanding works, and also agreed to extend the Project implementation duration up to 30th June, 2024 to allow adequate time for completion of the outstanding works.

However, even with the extension, the MoES was still in the process of procuring new contractors and the draft contract documents had been submitted for the requisite clearance by the Solicitor General (SG). The MoES was also working on a formal request for loan extension for an additional 6-months from 1- July to 31-December 2024, to allow realistic execution of works.

Implementation Constraints

1) Contract Management challenges as the project experienced termination of contracts for two different contractors due to cash flow problems.
2) Staff attrition at the Saudi Fund Development office in charge of East Africa affected the project in terms of institution memory loss about the project. With new teams having no prior information on the project meant fresh start which delayed decision making.

Conclusion

The project has experienced both time and cost overruns[47] yet it is significantly behind schedule and has not achieved the performance targets. Overall project performance stalled at 63% despite the project spending more in terms of cost than the value of work earned[48].

[47] The original closure date was 30th June 2016 and has been extended a number of times up today
[48] Cost Performance Index (CPI) of 0.97= <1 "Over Budget"

Recommendation

1. The MoES should undertake critical administrative reviews to fast track completion of the pending works in the four TIs.

2. The current project financing should be closed in line with the financing agreement end date of June 2024. Subsequently, the MoES should rescope the pending works and request for their completion under GoU funding.

4. Business, Technical and Vocational Education and Training Support Project- Phase II (1433).

Introduction

The Business, Technical and Vocational Education and Training Support - Phase II (BTVET II) Project is financed through a loan from the Islamic Development Bank (IsDB). The total cost of the project is US$ 51.140 million, of which IsDB funding is US$ 45 million (88%), while the GoU counterpart is US$ 6.140 million (12%). The loan approval was on 16th February, 2020 and the agreement was signed on 19th April, 2020. It became effective on 26th July, 2020 and the current closure date is 1st March, 2025.

The Project Development Objective is to improve overall coordination, access, quality and Management Capacity of BTVET in Uganda. The project is operationalized in five components as outlined in Table 3.3.5.

Table 3.3.5: Summary of Project Components and Financing for Business, Technical and Vocational Education and Training Support - Phase II

Component	Key Deliverables	Budget (US$)		Total(US$)
		Loan	GoU counterpart	
1:Improving Access to BTVET	Construction of the new Skills Development HQ building in Kyambogo; (2) expansion of 9 existing TIs i.e. Moyo, Minakulu, Moroto, Nalwire, Nkoko, Kitovu, Lutunku, Kabale & Birembo with classrooms, workshops, labs, resource centers, administration blocks, multi-purpose halls, sickbays, dormitories, staff housing & toilets; equipment, furniture and tools; and the related design and supervision services.	35.891M	3.825	39.716M
2:Improving Quality of Service Delivery;	Improving the overall quality of teaching and learning to the 9 beneficiary TIs through: Provision of ICT training infrastructure, curriculum review and development for core training areas, learning materials, instructor skills upgrading (advanced scholarships for PhDs and Masters).	2.875M	0.523	3.398

3: BTVET Institutional and Mgt Capacity Building	Improving the overall Institutional management of the 9 TIs covering; Institutional Governance and Management training, Support the TVET Management Information System (MIS) to be offered & accreditation of training programmes.	0.440M	-	0.440M
4:Project Management	Support to Project Management Unit costs, knowledge development visits/meetings and Audit services.	1.713M	1.234 M	2.947 M
5:Base Costs	Financial Contingencies (approx.5%). Physical Contingencies (approx.5%).	4.081 M	0.558 M	4.639M
Grand Total		**45.00M**	**6.140M**	**51.140M**

Source: IsDB Project Appraisal Documents,2020

Financial Performance

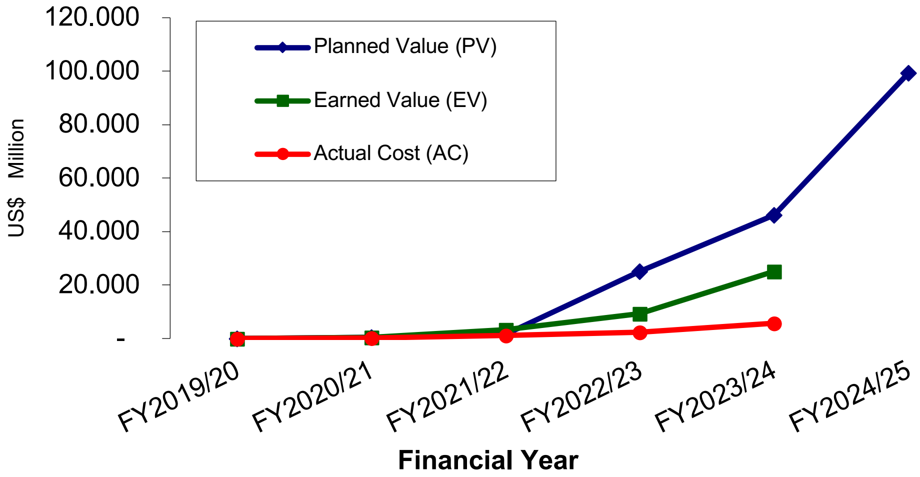
Overall loan disbursement by 30th April, 2024 was US$ 3. 321 million (6.5 %) against 75%-time progress. The project spent less funds than the value of work done revealing low absorption trends[49] (Figure 3.3.5). The low absorption of funds is attributed to slow implementation of key project deliverables due to the reviewing of designs that had an initial cost overrun of about 40%, in addition to disruptions caused by the COVID-19 lock down restrictions on travel abroad. Consultancy services procured to undertake activities under component 2 and 3 had not yet been fully paid for.

Physical performance

Overall performance of the BTVET-II Support Project is poor, averaging at 21.5%. The project is behind schedule[50] with 45 months (75%) of the 60-month project execution period already spent (Figure 3.3.5).

[49]Cost Variance (CV) of 32 = + "Spent less money than the value of work done"
Cost Performance Index (CPI) of 6.62= >1 "Under Budget"
[50] Schedule Variance (SV) was -21.2= - "Behind schedule"
Schedule Performance Index (SPI) was 0.54 = <1 "Behind schedule"

Figure 3.3.5: Performance of the Business, Technical and Vocational Education and Training Support - Phase II Project as at 30th April, 2024



Source: Authors Analysis from BTVET-II Project Reports

This is because the initial 3 years of the project were spent on preparatory activities to support effective implementation of the project including procurement processes to secure the contractors and consultants, delays in developing structural designs especially for the TVET Headquarters.

Despite the delays, MoES implemented some activities and key achievements are highlighted below;

a) The construction of the MoES Skills Development Head Quarters building commenced and the Contractor has fully mobilized at the site. Procurement for the expansion of nine Technical Institutes was at advanced stages with draft contracts submitted to the Solicitor General for clearance. Multipurpose halls were removed from the scope following the IsDB's recommendation to fit within available resources.
b) A total of 32 in-service TVET staff) i.e. 27 masters and 5 PhD, were awarded scholarships being undertaken in universities in Uganda, Kenya, Tanzania and India.
c) Contract for CBET curricular development were signed and implementation was at preliminary stage.
d) The nine technical institutes have been uploaded on the MoES, TVET-MIS

Implementation constraint

- Inadequate project preparation, poor planning and procurement delays.

Conclusion

Project performance was poor, averaging at 21.5% against 75%-time progress therefore, behind schedule and operating under the budget respectively. The project lost time due to COVID-19 disruptions and slow implementation of planned activities. Given the current pace of project execution, the project is likely to incur time over run and will require 10 (ten) years[51] to complete the project if implementation time goes beyond January 2025.

Recommendation

- The MoES, MFPED and the IsDB should conduct a mid-term review to reassess and revise the project time lines. Additionally, they should streamline the processes to enhance procurement effectiveness and flexibility to prevent further delays.

5. Eastern and Southern Africa Higher Education Centers of Excellence Project II (1491)

Introduction

The Second Phase of the Eastern and Southern Africa Higher Education Centers of Excellence Project-ACE II was a regional project implemented in eight countries, funded by the World Bank's International Development Association (IDA) through a loan and grant totaling US$140 million. In Uganda, the loan was worth US$ 24 million implemented in four (4) Centers of Excellence (CoE) at Makerere University (2), Mbarara University of Science and Technology (1) and Uganda Martyrs University-Nkozi (1). The project is coordinated by the Ministry of Education and Sports. The loan approval was on 15th Febraury,2017 and the project became effective on 20th July 2017. The project was restructured three times and the original closing date of 31st December 2022, was revised to 31st December 2023.

The overall ACE II Project Development Objective was to strengthen selected education institutions to deliver quality post-graduate education and build collaborative research capacity in the regional priority areas. The project aimed at addressing key development challenges facing the region, through improvement of education, training and applied research at postgraduate level in key priority fields of Science, Technology, Engineering, Mathematics (STEM), Agriculture, Health, Water resources, Industry and related fields.

The scope of the project included three components as shown in Table 3.3.6.

Table 3.3.6: Summary of Project Components and Implementing Agencies for the **Eastern and Southern Africa Higher Education Centers of Excellence Project**

Component	Component Description	Implementing Agency
1	Africa Centers of Excellence (ACEs) in Regional Priority Areas	Ministry of Education and Sports.
2	Capacity Building Support to ACEs through Regional Interventions - activities at the regional level to enhance the capacity of the ACEs and help them overcome key challenges for achieving the PDO.	Specialized Technical Assistance firm(s) overseen by the Regional Facilitating Unit (RFU) .
3	Facilitation, Coordination and Administration of Project Implementation	The Inter-University Council for East Africa (IUCEA) coordinates and facilitates the management of the ACE II Project under a Regional Steering Committee.

Source: ACE II- Project Operation Manual (POM), 2016

[51] Schedule at Completion(SAC) is Duration of the project at Completion = Duration(5 years)/SPI (0.54)

Component 2 and 3 were implemented at regional level, while component 1 was implemented by the four Centers of Excellence (CoE), namely;

1) The Materials Product Development and Nanotechnology (MAPRONANO) at Makerere University, which specialized in Material Science development and Nanotechnology.
2) Makerere University Regional Center for Crop Improvement (MaRCCI) at Makerere University- Kabanyoro Campus, focused on crop improvement for food security.
3) The African Centre of Excellence in Agro-Ecology and Livelihood Systems (ACALISE) hosted at Uganda Martyrs University Nkozi, handled advancement of Agro-ecology and livelihood systems for sustainable development of communities.
4) Pharm-Biotechnology and Traditional Medicine Centre (PHARMBIO-TRAC) at Mbarara University of Science and Technology focused on training and building capacity in the region to develop specialized human capital in traditional medicine and pharm-biotechnology.

Each of ACE in Uganda was allocated US$ 6 million and the amount of credit disbursements was dependent on achievement of results measured through four Directly Linked Indicators (DLIs) that were used to measure progress towards achieving the overall objective namely:

a) Regional students[52] enrolled by the ACEs in Master's and PhD programs (number).
b) Students (both national and regional) enrolled by the ACEs in Master's and PhD programs (number).
c) Memorandum of Understandings (MoUs) on partnerships for collaboration in applied research and training entered into by the ACEs (number). Accredited education programs offered by the ACEs (number).
d) Direct Project Beneficiaries (number), of which female (%)

Key outputs/result areas over the project period included;

1) Students enrolled by the ACEs in Master's and PhD programs (both national and regional) with 30% females. The baseline for Master's and PhD programs is 290 students.
2) Accredit 15 education programs developed, at national level and international level.
3) Publish 360 internationally recognized research papers in peer- reviewed journal papers or in peer- reviewed conference papers supported by the ACE Program.
4) Achieve 106 collaborations between the universities and industry through partnership promoted with MoUs signed.
5) Conducted 305 International Academic Exchanges.
6) External Revenue of US$ 7,400,000 million generated by the ACE.
7) Partnership for Applied Sciences, Engineering and Technology (PASET) Benchmarking exercise conducted by) each of the ACE.
8) Product Development and Innovations and Facilities constructed.

The achievements are highlighted hereunder.

[52] Regional students exclude students from each ACE's own ACE hosting country

Financial Performance

The project was highly recurrent and the African Centers of Excellence (ACE) in Uganda received a total credit of US$ 24 million (100%) allocated to them. However, due to fluctuations in the exchange rate, the ACE lost US$1.8 million cumulatively. In terms of cost efficiency, the project earned more value on implemented project deliverables compared to the total investment[53] (Figure 3.3.6). The disbursement performance of the ACE varied as indicated in Table 3.3.6.

Table3.3.7: Disbursement Performance of the Africa Education Centers of Excellence in Uganda as at 30th April, 2024

ACE	Total Disbursements (US$ Million)	Achievement (Percentage %)
MAPRONANO	6.225	104
PHARMBIOTRAC	6.225	104
ACALISE	6.000	100
MaRCCI	5.550	92
Total	**24.000**	**100**

Source: Author's Compilation from Field finding

MaRCCI achieved only 92% disbursement of the US$6 million, because the Center under-achieved on DLI 3. Consequently, US$ 450,000 was reallocated to MAPRONANO and PHARMBIOTRAC who had over achieved on the same DLI with both receiving additional funding of US$ 225,000.

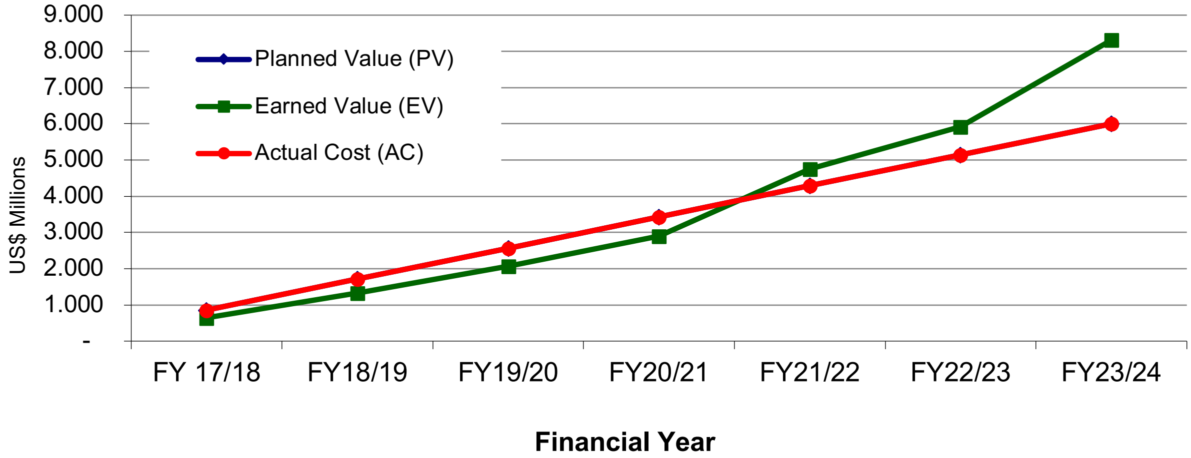
The Government of Uganda also provided funds to support operational costs of the Project's National Steering Committee. Notably, these funds were not part of the original Financing Agreement. However, over the fiscal years from 2018/19 to 2023/24, the total approved budget amounted Ug shs 2.31billion. Of this, Ug shs1.909 billion (83%) was disbursed and Ug shs 1.414 billion (74%) was spent by the end of December 2023.

Physical performance

The overall programme performance was very good with over 100% of the planned deliverables achieved. Figure 3.3.6 shows cost efficiency during Project implementation with more value earned compared to project actual cost because the Project was implemented based on a results-based financing model which aligned incentives with desired outcomes.

[53] CV was 185= + "Spent less money than the value of work done"
CPI was 1.31 = >1 "Under Budget"

Figure 3.3.6: Performance of the Eastern and Southern Africa Higher Education Centers of Excellence Project II as at 30th April 2024



Source: Authors Analysis from ACE-II Project Reports

In spite of the initial setbacks, the performance of the four African Centers of Excellence was remarkable across all Project Development Objective indicators. Notably, the ACE in Uganda were distinguished as the top-performing centers, achieving all the Intermediate Results (IR) indicators for Component.

Details of project performance are presented in Table 3.3.8.

Table 3.3.8: Key Project Achievements since inception of the project to 30th April,2024

Key outputs/ Result Area	Target/Baseline	Achieved	Remarks
Enrollment of National and Regional Students in Masters and PhD Programs	290 students (baseline)	A total 1,235 (170 PhDs and 1,065 Masters) of whom 28.2% were females, , 910 were national students while 325	The overall graduate student enrolment increased by 514.8% between 2017 and 2023, the PhD and Masters student enrollment increased by 844% and 336.4% respectively, while female enrollment increased by 364%.
Students enrolled in the Professional Short Courses;	0 (baseline)	A total of 3,063 students were trained, out of these 678 (22%) were females.	The ACEs offered highly specialized professional short courses developed during the curriculum review of programs. All students completed their courses.
Accreditation of Education Programs offered by the ACE;	15 Nationally Accredited; and 6 Internationally Accredited: Programmes.	National accreditation was with 20 (133%) while for international accreditation, 5 were accredited.	MaRCCI did not achieve the international accreditation of the programme during the project lifetime. The performance was affected by; the absence of a regional accreditation body, exorbitant accreditation costs, and

			unclear articulation of intentions and purposes.
Publications in disciplines supported by ACE programs;	A total of 360 Publications.	A total of 611 (170%), against a target of 360 research publications were published in disciplines supported by the ACE II program in peer reviewed Journals and Conference Papers.	All the four Centres of Excellence surpassed their established targets. These publications played a pivotal role in providing solutions to the challenges in key priority fields of Agriculture, Health and Technology.
Collaboration between the universities and industry through partnership promoted with Memorandum of Understandings (MoUs) signed;	106 MoUs signed	A total of 65 (61.3% of the 106 target) MoUs were signed with Academic Institutions, Ministries, Private Sector Foundation Uganda (PSFU) and Non-Government Organizations.	MAPRONANO and MaRCCI did not achieve their set targets because they were very high, and required more resources beyond what the IDA provided.
International Academic Exchanges Conducted	325 exchanges	628 (193.2%) Faculty and PhD students' exchanges were conducted to promote research and teaching.	Achieved
External Revenue Generated by Uganda ACE;	US$ 7,400,000 million.	ACEs generated a total of US$ 7.186 million.	Each of the ACE was to generate revenue externally to set the path for sustainability of the project beyond the IDA funding
PASET Benchmarking Exercise.	The exercise was to conducted by) each of the ACE.	Only ACALISE and PHARMBIOTRAC achieved on the PASET output.	MaRCCI and MAPRONANO did not achieve because of Makerere data privacy policy. The funds meant for PASET were re-allocated to areas where the two centres had over achieved
Product Development and Innovation Facilities constructed	There were no specific targets but the Centres made significant strides on product development, incubation and establishment of facilities.	Notable among the innovations was on the substitution of Mukene and soybeans with the Black Soldier Fly Larvae (BSFL) as affordable alternative protein source in animal feed by ACALISE. The development of the Diesel Engine Product in partnership with Kevton Motions Engineering Ltd. and a walking tractor by the MAPRONANO. MaRCCI developed 17 new high yielding crop	The achievements notwithstanding, scaling up and commercializing products that emerged from research remained a significant challenge due to the low adoption of research findings. Although the project concentrated on amplifying the output of research and innovation, there was inadequate investment in the processes that translate these findings into market-ready solutions. Additionally, lack of high technology laboratory equipment delayed research progress as some students were sent to other Universities such as University of Nairobi to undertake part of their research.

		varieties of cowpea that are resilient to pests and disease. PHARMBIOTRAC developed over 30 product prototypes, notable among them was; COVIDEX (Herbal therapy for the management of COVID-19), Antibacterial peptides from fish among others. The centres constructed and rehabilitated graduate students' hostels, laboratories, procured equipment among others.	

Source: Authors compilation from field findings

Sustainability of the African Centers of Excellence

The Uganda ACEs developed their respective Sustainability Plans (SP) and those that were being implemented include but not limited to:

- Integration into the University System
- Writing funding proposals like ACE Impact
- Offering consultancy services
- Small scale commercialisation of products
- Networking and Partnerships
- Community engagement

Lessons Learnt

After successful completion of the ACE II project, key lessons that can be learned to improve future projects include;

a) The results-based financing model enhances efficiency and contributes significantly to the success of projects by aligning incentives with desired outcomes.
b) The importance of effective project management, proper planning, organization, and communication are crucial for the success of a project.
c) A strong consultative process with key stakeholders on project concept and design increased ownership.
d) Flexibility and adaptability within acceptable margins during project implementation are essential in responding to emerging and unforeseen challenges, such as the Covid-19 pandemic, to ensure continuity and resilience.

Conclusion

The ACE II Project performance in Uganda was very good with over 100% achievement. The four ACE made significant strides in enhancing STEM education in higher education institutions across participating African countries. The quality of postgraduate training significantly enhanced the capacity of the four centers to deliver education that meets global standards. However, to fully realize its potential and ensure long-term impact, addressing the challenge of sustainability must be a priority for all stakeholders involved.

Recommendations

1) The GoU should invest in specialized equipment and high-tech laboratories to create central makerspaces.
2) Government and universities should provide dedicated funding to strengthen research translation and strengthen linkages and collaborations with the private sector.

3.3.2 Health projects

This section presents performance of eight externally funded projects under the health sector that contribute to performance of the Human capital development programme.

1. East Africa's Centres of Excellence for skills and tertiary education in biomedical sciences- ADB Support to Uganda Cancer Institute Project (1345)

Introduction

The key project development goal is to transform Uganda Cancer Institute (UCI) from a modest specialized health facility to a higher institute providing leadership in postgraduate education, clinical training, research, and clinical services to cater for the growing oncology demands.

The project development objective is to address the crucial labour market shortages in highly skilled professionals in oncology sciences and cancer management in Uganda and the EAC region in general. The project is jointly funded by African Development Bank (ADB) and Government of Uganda. (Table 3.3.9)

The project has two components namely:

i). Establishing Centers of Excellence in Biomedical Sciences with the key aim of expanding and improving infrastructure and providing equipment at the Uganda Cancer Institute (UCI) thereby turning it into a Centre of Excellence in Cancer Research, Care and Management in the region.

ii). Support to Regional Integration in Higher Education and labour Mobility which aims to support the EAC regional integration agenda in higher education to respond to labour market needs

Table 3.3.9: Basic project data for ADB Support to Uganda Cancer Institute Project

Coverage	Kampala (Uganda Cancer Institute), Equipping of satellite Regional Cancer Centres
Lead Agency	Uganda Cancer Institute (UCI)
Project Financier/Donor	African Development Bank
Total project cost	UA 22.5 million (USD 31,500,000) – Loan
	UA 2.25 million (USD 3,850,000.00) – Counter part
Project Implementation Period	1st January 2016 to 31st December 2024
Date signed	26th October 2015
Date loan declared effective	1st February 2016
Project closing dates.	Original closing date: 31.12.2019, First Revised closing date: 31.12.2021, Second revision: June 2023, Third revision June 2024

Source: UCI

The planned deliverables for the project include.

a) Works (Construction of the Multipurpose Building for Cancer Treatment and Research) completed.
b) Equipment & Furniture for Laboratories, training facilities procured and installed.
c) Equipment & Furniture for cancer diagnosis & care; LINAC procured and installed.
d) Information and Communication Technology (ICT) Equipment for training and Telemedicine procured and installed.
e) Research undertaken.
f) Equipment for outreach centres (Arua, Mayuge, Jinja) was procured and installed.
g) Motor Vehicles (4 SUV Pickup, Vân and mobile van) procured and installed.
h) Training for in post staff undertaken.
i) Scholarships for post graduate training in cancer provided.

Financial Performance

As of 31st March 2024, the loan disbursement rate was 88.15% while the disbursement for the counterpart funding was at 100%. **(Table 3.3.10).** Majority of the expenditures were made on civil works for the Multi-Purpose Building and trainings at 44%, 23% on equipment and 32% on consultancy services among others.

The project experienced cost overruns partly due to rises in manufacturer costs, freight costs and other operating costs, escalation of price of construction materials, changes in models for equipment initially planned to be procured such as Magnetic Resonance Imaging (MRI) among others. The initial project costs are insufficient to support completion of the remaining works and the government of Uganda engaged the ADB for additional financing.

Table 3.3.10: Financial performance of for ADB Support to Uganda Cancer Institute Project

ITEM	ADF		GOU	
	UA	US$	UGX	US$
Loan Amount	22,500,000.00	31,500,000.00	14,052,500,000	3,850,000.00
Disbursement to Date	19,834,570.56	27,768,398.00	14,052,500,000	3,545,923.19
Undisbursed Balance	2,665,429.44	4,480,420.75	00.00	00.00
% Disbursement	**88.15**	**88.15**	**100**	**100**

Source: Uganda Cancer Institute, Field findings

Physical performance

The overall performance of the project was fair at 69% achievement of set targets. Some planned outputs were substantially completed. These included equipping outreach centres in Jinja, and Arua, research in oncology, training of health workers among others.

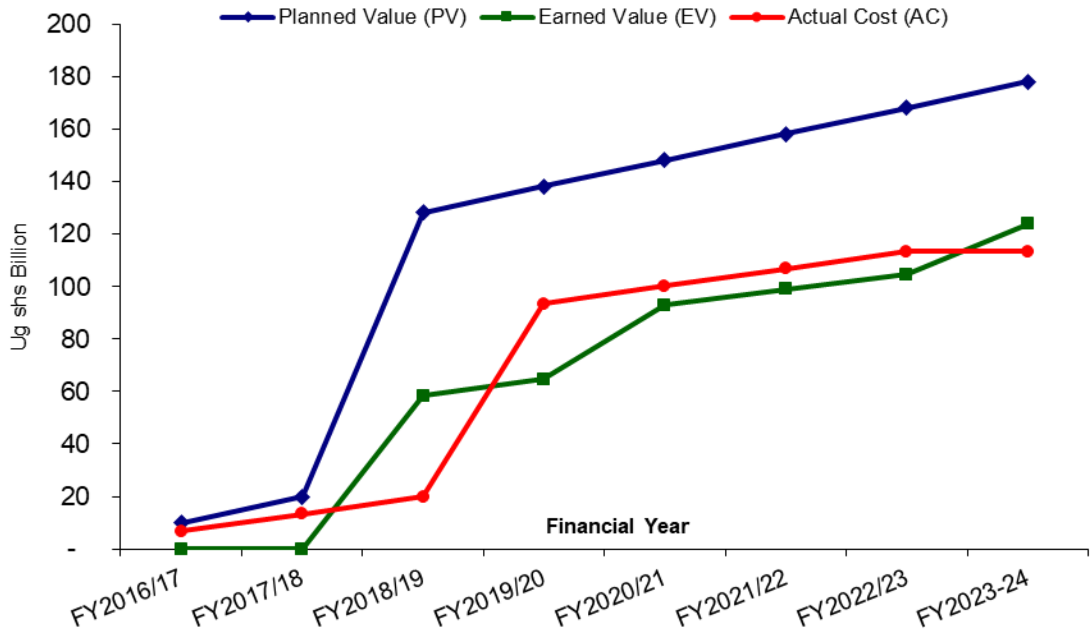
Despite the project experiencing time and cost overruns, works continued and was at 85% physical progress under the new contract[54] (**Phase 01**) for additional works for the completion of the multipurpose building for cancer treatment and research.

The project was behind schedule of 30th March 2024[55]. The contractor, however, was onsite working, some equipment delivered remained in storage pending final completion works, installation, and commissioning before full payment is made. **(Figure 3.3.7).**

[54] The Contract for Additional Works towards the completion of the construction of the Multi-Purpose Building for Cancer Treatment and Research, valued at USD 2,756,604, was signed in May 2023 with SMS Construction ltd (SMS) upon termination of the contract with Roko Construction Ltd. The site was handed over in June 2023 with a contract period of 6 months till 31st December 2023. The scope that was contracted was to facilitate the execution of already running contracts under the project as well as protecting the building integrity in the interim as the additional financing request from the Government of Uganda to the African Development Bank was being processed.

[55] Schedule Performance Index of 0.7 though the Cost Performance index was 1.09 as of 31st March 2024 which was indicative that the project was operating under the budget.

Figure 3.3.7: Performance of ADB Support to Uganda Cancer Institute Project



Source: Author analysis based on UCI Project data.

Delays in completion of works partly led to variations in contracts, particularly the contracts whose delivery was tied to the completion of the Multipurpose building i.e. ICT and telemedicine, MRI equipment contract, Laboratory Furniture contracts. Consequently, available projects funds were inadequate to complete the works and support acquisition of these equipment. **Detailed performance by component and outputs is presented hereafter.**

Component 1: Establishing Centers of Excellence in Biomedical Sciences with the key aim of expanding and improving infrastructure and providing equipment at the Uganda Cancer Institute

a) **Works (Construction of the Multipurpose Building for Cancer Treatment and Research)**

The scope for the current contract involves: Finalizing all works (architectural finishes, mechanical, electrical and IT) as designed for level 02 of the building to enable the installation of the MRI.; Finishing up of the building exterior. This involved installation of all external doors, windows, and all external finishes; Select electrical works to include main power reticulation to the building from the mains, installation of the transformer, Ring main unit, main distribution board and stabilizer.; Installation of 01 no lift to facilitate the installation of laboratory furniture on level 06 of the building; Assorted mechanical works to functionalize level 02 of the building.

The weighted progress of work on the current running contract with SMS[56] as of 30th April 2024 was 85%. A summary of selected works ongoing works is presented in Table 3.3.11.

Table 3.3.11: Summary of progress of works at the Multipurpose Building for Cancer Treatment and Research at UCI- Mulago-Kampala as of 30th April 2024

DESCRIPTION	% Complete	ITEM DESCRIPTION	% Complete
Concrete Works	95	Vinyl flooring	50
Blockwork	100	False Ceilings	40
Plastering	100	Internal Paint	30
Steel Door Frame	90	MEP First Fixes	100
Wooden Doors	100	MEP Second fixes	50
Lead Lined Doors	0	External Blockwork	100
Fire rated Doors	50	External Plastering	100
Steel Doors	70	External Painting	80
Aluminum Window Frames	85	External Sewage Connection	100
Float Glass	65	Temporary sewer connection	98

Source: UCI, Field findings

Electrical installations on level six on Multipurpose Building for Cancer Treatment and Research at UCI- Mulago-Kampala

b) **Equipment and Furniture for Laboratories, training facilities.**

Delivery, installation, and commissioning was on hold pending Multipurpose Building site readiness

[56] SMS Construction ltd (SMS) is the successor contractor of Roko Construction Ltd whose contract was terminated

c) **Equipment and Furniture for cancer diagnosis and care**

Regarding the contract for supply, installation, and commissioning of the Linear Accelerator (LINAC), which was signed in March 2018, the equipment was delivered, installed, and tested successfully and is fully paid. Commissioning took place in March 2021 and since then the machine has been actively used to treat patients.

- Magnetic Resonance Imaging (MRI) equipment

The contract for the supply of the Magnetic Resonance Imaging (MRI) scanner was signed in November 2019 with a delivery period of six (6) months and 20% advance payment to the Supplier was affected by the Bank in March 2020. Delivery, installation, and commissioning was still on hold pending site readiness, that is, the proposed Multipurpose Building.

The Supplier submitted a claim for additional costs of US$ 400,000 citing that the model in the Contract award had been phased out by the manufacturer and the newer/replacement model though better, came at an extra cost. Supplier requested for a Contract amendment to cater for the additional costs, however the funding gap itself was submitted to the Bank for consideration and a response is still awaited.

d) **ICT Equipment for training and Telemedicine.**

The supplier stored the goods and waited for site readiness, as agreed upon during the Mission Visit on December 10th-11th, 2020. However, in August 2023, the Mission advised UCI to stop storage from the supplier due to high storage costs[57]. UCI then wrote to the supplier, requesting delivery of all the items, including the containers where the goods were stored, by November 30th, 2023.

As of 30th March 2024, the supplier, under the supervision of the ICT Contract Manager, was confirming that all the conduits are provided by the contractor and fixing any additional works, especially in the Theater, Bone Marrow, and Laboratory.

e) **Research.**

The project supported improvement of institutional research capacity through identifying research bottlenecks and establishment of research infrastructure. A national cancer surveillance program was established and is being implemented collaboratively between UCI, Kampala Cancer Registry (Makerere University Department of Pathology), Mbarara University faculty of Medicine, and Gulu Cancer Registry (Lacor Hospital).

UCI also established and piloted processes and procedures to support a National Cancer Registry. A road map was completed for scaling up cancer surveillance to cover 25% of the population over the next 5 years and standardized the cancer registration process for the Country. UCI also managed to fast track cancer surveillance for the 3-active population-based registries as follows:

[57] The supplier delivered the equipment in line with the contract terms. The equipment however arrived before completion of the works causing the need for the supplier to first store the equipment pending site readiness and this attracted a cost.

- Kampala Cancer Registry (KCR) – case ascertainment completed through 2015. The total cases registered are as follows: 1729 for 2015, 1257 for 2016, 1257 for 2018, 1160 for 2018, 1100 for 2019, and 1042 for 2020. The KCR findings published through 2015.
- Gulu Cancer Registry – case finding is complete through 2018. The total cases registered are as follows: 2015 – 489, 2016 – 345, 2017 – 334, 2018 – 387, and 2019 – 372.
- Mbarara Cancer Registry became active in 2019 under the ADB program. Estimated case registration for 2019 is near complete. The registry has recorded 1439 cases so far as follows: 220 cases for 2020, 749 for 2019, 250 for 2018, and 220 for 2018.

f) **Equipment for outreach centres (Arua, Mayuge, Jinja).**

The contract for procurement of equipment for outreach centres (Arua and Mayuge) was fully implemented and delivered. All items under Lot 1 and Lot 2 were delivered and received. Installation, training, and commissioning for Lot 2 was initially delayed due to site un-readiness was later delivered. Sage wood delivered Lot 1 and Lot 2 delivered by Jos-Hasen. These were installed subsequently.

g) **Motor Vehicles (Pickup, Vân & mobile van).**

Four vehicles were procured by the project including a double cabin pick-up truck, a fourteen-seater van. The van was given to Makerere University College of health sciences to facilitate student transportation.

Component 2: Support to Regional Integration in Higher Education and labour Mobility which aims to support the EAC regional integration agenda in higher education to respond to labour market needs.

a) Training for in post staff.

As of March 2024, the project had a total number of 197 long-term trainees (Masters, PhD, and Fellowships). Eleven (11) fellows trained in the three fellowship programmes. Twenty-five (25) fellows in the Paediatric Oncology, Medical Oncology and Haematology programmes have completed training.

The UCI had so far supported 201 trainees to attend short course trainings and cancer seminars including Oncology nursing, Radiology and Imaging in Cancer, Clinic Master, and Paediatric Oncology nursing. These seminars and courses were offered in collaboration with our international partners including Seattle Cancer Care Alliance, the Fred Hutchinson Cancer Research Centre, Baylor College of Medicine, Clinic Master, and the Radiological Society of North America.

As of March 2024, 182 trainees have completed long-term training programmes. These include twenty-two (22) fellows in different programmes including Paediatric Haematology and Oncology, Adult medical Oncology and Haematology, surgical oncology, gynaecologic – Oncology and 1 in interventional radiology, 25 MMEDs (Radiology, surgery, internal medicine, pathology, anaesthesia, and paediatrics), 1 Radio pharmaceutics, 17 other masters, and 42 other programmes.

b) Scholarships for post graduate training in cancer.

Three (4) postgraduate oncology fellowship programmes were established with a total of 35 fellows by 2023. These included: Pediatric Hematology-Oncology (PHO); Gynecological Oncology; Radiation Oncology and Adult Medical Oncology and Hematology

Implementation constraints

- Delayed completion of the project partly due to cash flow constraints of the initial contractor- ROKO. These delays continue, which is indicative that the implementation pace is also suboptimal even by the successor contractor.
- Substantial upward price escalation of materials inputs, especially electrical and mechanical equipment for the building
- Variations in contracts particularly those waiting delivery after the completion of the Multipurpose building i.e. ICT and telemedicine, MRI equipment contract, Laboratory Furniture contract.

Conclusion

The performance of the UCI project was fair and behind schedule. The project was greatly affected by cost overruns that emanated from delayed completion of works and consequent changes in price and technology relevant in the management of cancer. The estimated cost at completion was Ug shs 120 billion. The current project financing should be closed in line with the financing agreement end date of June 2024 as the pending works have been ear marked for additional financing next financial year FY2024/25.

Recommendations

1. The current project financing should be closed in line with the financing agreement end date of June 2024 as the pending works have been earmarked for additional financing next financial year FY2024/25. The additional financing is at cabinet level and should be fast-tracked to ensure timely commencement of project activities.
2. The UCI should strengthen monitoring, inspection and supervision of the contractor to ensure timely completion of works.
3. The UCI rescope the project to use available resources and complete critical pending works as they resource for more funds.

2. Global Alliance for Vaccines Initiative Vaccines and Health Sector Development Plan Support Project (1436)

Introduction

The Global Alliance for Vaccines Initiative (GAVI) Health Strengthening Project in Uganda focuses on improving healthcare by increasing access to vaccines and essential medicines, strengthening healthcare systems, and supporting immunization programs. It aims to reduce child mortality and improve overall health outcomes in Uganda by collaborating with the government and other partners to implement effective health interventions.

The project objectives in Uganda are aimed at reducing the burden of vaccine-preventable diseases, improving health outcomes, and contributing to the country's broader efforts to achieve universal health coverage and sustainable development.

The total project cost for the current grant phase 1st January 2024 to 31st December 2028 is US$ 310,697,927[58]. The project is jointly funded by a grant from GAVI to the tune of US$ 281,579,469 and US$ 29,118458 as Government of Uganda (GoU) counterpart contribution.

The project has four components namely:

(i) Health systems strengthening[59]
(ii) Yellow fever campaign
(iii) Malaria vaccine introduction
(iv) Strengthening of the Rota virus campaign.

The planned project deliverables for the monitoring period (January to March 2024)[60] included**:** The yellow fever vaccination campaign completed at 100%**,** the rotavirus immunization campaign (Rota Switch) completed at 100%, Operations costs met at 100% using COVID-19 Vaccine Delivery Support phase III (CDS3), grant

Financial Performance

The total release is US$ 11,663,653(21.86%) of which US$ 7889174 (67.6%) was spent by 31st, May 2024. (Table3.3.11). Detailed financial performance is shown in Table 3.3.12.

Table 3.3.12: Financial performance of Global Alliance for Vaccine Initiative by 31st May 2024

Component	Budget US$	Expenditure US$
The rotavirus immunization campaign (Rota Switch)	552,317	288,732
Yellow Fever vaccination Campaign	7,757,024	6,095,488
COVID-19 Vaccine Delivery Support phase III	3,354,312	1,504,954
Total	**11,663,653**	**7,889,174**

Source: MoH Project Implementation Unit

Physical performance

Overall physical performance was good at 70% of the set targets[61]. The district health teams were fully trained in preparation for the vaccination's campaigns, vaccination cards, vaccine & injection monitoring control book, Tally sheets and other stationery were printed to support the vaccination campaigns. Consequently, the project successfully implemented the yellow fever and Rota virus vaccination campaign across the country.

[58] Of the total project cost only US$ 50,450,618 accounts for the funds that will directly be disbursed to Uganda for the implementation of fund agreed priorities. The rest of the funds including the GoU counterpart for vaccines procurement is spent at the GAVI headquarters.

[59] Health Systems Strengthening phase three (HSS3) was meant to start in January 2024. However, due to delayed receipt of the decision letter, its effective implementation is slated for July 2024

[60] The core deliverables had not commenced as of 31st March 2024 as the Decision Letter for Health systems strengthening phase three (HSS3) was issued on 26th April 2024 from GAVI. The MoH however was allowed to implement the mentioned set of activities for period awaiting official commencement in July 2024

[61] For the January to March 2024.

The project also used funds under the COVID-19 Vaccine Delivery Support phase III grant to meet the operation and administrative costs.

The project was on schedule[62] as most of the planned activities for the two campaigns had been undertaken. The project was also efficient in the utilization of the resources as reflected by the cost performance of index[63]. The project achieved more than the actual cost partly because the project coordination unit had not fully paid off service providers and individuals for the completed tasks.

The delayed receipt of the decision letter from GAVI for project effectiveness delayed full project implementation of the planned activities under HSS3. It was also established that the GoU counterpart for the rest of the vaccines for 2024 had not been met and this could affect the vaccines access to Uganda.

Implementation challenges

i). Delayed receipt of the Decision letter from GAVI affected timely commencement of activities for the main HSS3 grant.

ii). Delayed disbursement of counterpart funds for 2024 affected implementation of project activities. As of 31st March 2024, the GoU counterpart for vaccines acquisition had not been met.

Conclusion:

The project performance was good. It exhibited efficiency in the utilization of the planned funds for January to March 2024. The HSS3 planned activities however had not commenced due to delayed receipt of the decision letter for the HSS3 grant. It's critical that MoH fast tracks meet its obligations under the HSS3 grant to ensure effective implementation of all project activities and redeem the six months that have been lost arising out of the late receipt of the decision letter.

Recommendations

i). The MFPED, MoH should timely disburse the GoU counterpart funding totalling to US$ 6,811,960 to GAVI to ensure seamless provision of vaccines to the country. This should be completed before end of FY2023/24

ii). The MoH should fast track all project activities to ensure that the six months lost are redeemed starting July 2024.

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62 The Schedule Performance Index was 1 implying that the project was on schedule and was implementing at a rate of 100% of the planned deliverables.

63 The Cost Performance Index was 1.55 implying that project converted its resources efficiently into results.

3 Global Fund for HIV/TB and Malaria Project (220)

Introduction:

The Global Fund is a partnership with governments, civil society, technical agencies, the private sector, and people affected by HIV/AIDS, Tuberculosis, and malaria. Project implementation is designed to accelerate the end of AIDS, Tuberculosis, and malaria as epidemics.

The Project is Jointly funded by grants from the Global Fund and GoU counterpart for the period between 1st January 2024 to 31st December 2026. The summary of basic project data is presented below (Table 3.3.13).

Table 3.3.13: Basic project data for Global Fund for HIV/TB and Malaria

Project objectives	i). To reduce TB incidence by 20/100,000 from 199 in 2022 to 179/100,000 population by 2026 ii). Increase productivity, inclusiveness, and wellbeing of the population through ending HIV and AIDS as an epidemic by 2030. iii). By 2025, reduce Malaria infection by 50%, morbidity by 50% and Malaria related mortality by 75% of the 2019 levels
Project cost	US$615,479,526
Cost for Component 1; MALARIA	Malaria: - US$ 217,056,092 COVID-19: - US$ 94,784,269; HIV US$ 246,220,613; TB:- US$ 54,418,552
Counterpart Funding	US$ 3,000,000
Coverage	Country wide
Lead Agency	Ministry of Health (MoH)

Source: Authors' compilation, Field Findings

The project scope has four components namely: a) Uganda's Response to HIV b) Uganda's Strategy for the acceleration towards the elimination of Malaria c) Uganda's Response to Tuberculosis (TB) and d) COVID-19 Response mechanism interventions.

Financial Performance

The grant amount for the current three-year period is Ug shs 2.272 trillion of which Ug shs 60.814 billion (3%) was disbursed and all spent. (Table 3.3.14) Most of the expenditures were made on placement of orders for Medical Supplies and services (64%), Medical, Laboratory and Research & Appliances-Acquisition and Procurement and Supply Chain Management costs (35%), Contract Staff Salaries (0.63%). The rest of the expenditures accounted for 0.52% of the expenditures.

Table3.3.14: Financial performance of Global Fund for HIV/TB and Malaria (Ug shs) as of 31st March 2024

Grant name	Grant Amount	Disbursements	Expenditure	% Disbursements	% Spent
HIV	913,724,694,843	13,894,112,141	13,894,112,141	2	100
Malaria	805,495,157,412	10,283,952,888	10,283,952,888	1	100
TB	201,947,246,472	25,706,351,834	25,706,351,834	13	100
COVID-19	351,744,422,259	10,929,651,781	10,929,651,781	3	100
Totals	**2,272,911,520,986**	**60,814,068,644**	**60,814,068,644**	**3**	**100**

Source: MoH Global Fund progress report

Physical performance

The performance of Global Fund for HIV, Malaria, TB as at 31st March 2024 was poor at 25% achievement of set targets. The project, however, recorded some achievements against the planned outputs for the first quarter of implementation. (**Table 3.3.15**). The poor performance was attributed to poor planning which was punctuated by poor planning and budgeting that necessitated virements requests and approvals, delayed initiation and approval of funds requisitions.

Table 3.3.15: Performance of Global Fund for HIV, Malaria, TB

Component	Planned outputs	Achievement
Supporting Uganda's Strategy for the acceleration towards the elimination of Malaria	Quarterly in-country partnership meetings conducted, Technical Working Group coordination meetings, Malaria Annual review meetings conducted MoUs with the sub recipients finalized and funds transferred for the funds implementation, World Malaria Day Commemorated VHTs and community members trained in larviciding; ToTs of CHWs trained in disability; Malaria epidemic Guidelines and SOPs disseminated; Malaria Epidemic thresholds updated; Malaria Policy and guidelines disseminated to districts; Monthly (12) collections of adult mosquitoes from 3 sentinel sites conducted per district; Mosquito larvae and adult's densities after interventions determined; Mosquito samples analyzed for Species identification and presence of sporozoites	The quarterly in-country partnership meeting, technical working group coordination meeting were all implemented through the Malaria Annual review meetings conducted in February 2024. The process of onboarding the sub recipients not yet completed and were at different stages completion. Some of the MOUs had been returned from Solicitor General (SG) and were at signature stage such as the one for MoES, MoGLSD, Malaria consortium while that for WHO was still at SG. The one for MoLG was still with the legal counsels of MoH for review. The commemoration was conducted on 2nd May 2024 in KIbuku and was graced by the Head of Global Fund. The MoH also successfully participated and organized the pre-commemoration activities including Scientific conference, Malaria ride among others. The rest of the activities remained at the planning stage with some at initiation stage while others was at approval stage.
Supporting Uganda's Response to HIV	1 annual training conducted all through the 3 year; capacity of SRs and SSRs to deliver grants and mitigate risks enhanced; Eighty (80) facilities mentored; 10 laptops; 3 multi-function printers and software bought; 105 District mentors trained; 16 regional referral hospitals mentored; 300 hotspots verified for functionality and condom availability; 35 districts mentored in condom programming per quarter; IEC Materials completed and linked to the Guidelines for PWD; Training of health workers on comprehensive PMTCT package to bost testing for integrated testing for HIV, Syphilis and Hepatitis B;	All the planned outputs remained at initiation stage partly due to poor planning and consequent delayed access of funds.

	Two Call Centres strengthened for effective emergency responses and reporting of adverse events	
Supporting Uganda's Response Tuber closis	Gaps in Laboratory Information System identified.; Updated Laboratory Information System; Improved sample transportation system; Scaled up Private Riders in 40 selected Hubs across the country; 80% of Health Facilities Supervised; 120 Quality managers trained; 40 Lead and Technical assessor trained by the consultant.; Sample tracking accessories procured and distributed to sites; Referrals systems enhanced.; 6 integrated support supervision conducted by the national team in three years; 170 Case investigations conducted for every MDR TB patient identified.; health workers in 180 sites mentored in DETECT TB	All the planned outputs remained at initiation stage partly due to poor planning and consequent delayed access of funds
COVID-19 Response mechanism.	Construction of Incinerator House constructed in selected regional referral hospitals, Oxygen plants constructed in Mbarara regional referral hospital; Procure 1500 KVA Generator for power back up for CPHL; Procure Acs 150 for 100 hubs, 5 Mobile Labs and National Referral Hospitals; Procure advanced Ambulances for evacuation. Track and Trace Systems Hardware & software enhancements; Train District IPC focal persons on IPC SOPs at Regional Level; Train Infection Prevention and Control (IPC) Focal persons on IPC SOPs at National Level	The construction of incinerator in Kabalore for the Rwenzori region were ongoing at an estimated progress of 30%. The construction of the oxygen plants at Mbarara Regional Referral Hospital was at preliminary stages. The supervising consultant was however not on site which could affect the quality of delivered outputs. In addition, the Mbarara Hospital did not have detailed documentation such as contracts, Bills of quantities for planned works. This made close monitoring difficult. All the rest of the planned outputs remained at the initial stage.

Source: Field findings

As of 31st March 2024, the project earned slightly more value[64] compared to the actual costs for the first quarter of the current grant 2024-2026. This was on account of commitments made to manufacturers for procurement of medicines and health supplies which are expected in June 2024, and advance payments to contractors**.**

Inter components comparisons revealed that the Malaria grant performed better compared all the other grants with the COVID-19 response mechanism performing worst. This was on account of earlier initiations of procurements and other activities compared to the other components. As of 31st March 2024, the project exhibited a positive cost variance which is indicative that project was performing well on costs management compared to the planned costs.

[64] The project recorded a positive cost variance of 0.630 billion

Implementation constraints

i). Poor planning and budget forecasting resulted in the need for virements.

ii). Weak supervision, monitoring, and inspection of civil works. The construction of oxygen plants at Mbarara did not have a supervising consultant on site nor did the Hospital have detailed scope of works and Bills of Quantities to support effective monitoring and engagements.

iii). Delayed finalization of the Memorandum of Understanding between MoH and the grant sub recipients. Notable among those that remained incomplete by April 2024 were for Malaria consortium, World Health Organization (WHO) which were still at Solicitor General's office while the one for the Ministry of Local government was received late from MoLG and was still with the MoH legal counsel for review as 31st March 2024.

Conclusion

The performance of Global Fund for HIV, Malaria, TB, and COVID-19 response was poor in the first quarter of its implementation. The project was behind schedule[65]. The project however was efficient as it was operating under the budget[66].

The Estimated Cost at Completion (EAC) for the first quarter of the new grant was slightly less than the Budgeted cost. This indicates that if cost efficiency is maintained and schedule performance is improved, the project will be completed on cost and time.

Recommendations

(i) MoFPED should enhance the capacity of the MOH planners in Planning and Budgeting to minimize requests for virements.

(i) The MFPED FCU, MoH should share out the detailed scope of works and Bills of Quantities with the beneficiary institutions to support effective monitoring and engagements.

(ii) The MoH should manage closely all the grant sub recipients to ensure they support sub recipients in review of the MoUs to save time lost.

4 Rehabilitation and Construction of General Hospitals -Refurbishing and Equipping of Busolwe General Hospital-(Project 1243)

Introduction

The Government of the Republic of Uganda (GoU) received funding of US$16,830,353.79 from the Kingdom of Spain under the Debt-Swap Program towards the improvement of the delivery of health care services through improvement of the Kawolo and Busolwe General Hospitals. The project commenced on 7th January 2012 and was expected to end on 30th June 2021.It has however had several project extensions due to delays in finalizing the designs for the refurbishment works.

[65] Schedule Performance Index of 0.53

[66] Cost Performance Index of 1.015

The overall project objective is to contribute to delivery of the Uganda National Minimum Health Care Package (UNMHCP) through refurbishment, expansion and equipping of Kawolo and Busolwe hospitals. Summary of project basic data is presented in Table 3.3.16.

Table 3.3.16: Basic Project Data for Rehabilitation and Construction of General Hospitals (Project 1243) Refurbishing and Equipping of Busolwe General Hospital

Coverage	Busolwe and Kawolo
Lead Agency	Ministry of Health
Project Financier/Donor	Spanish Debt Swap Grant
Total project cost	Grant of US$ 16,830,353.79
	GoU US$ 5,746,608.53– Counterpart

Source: MoH Project progress reports, MFPED-BMAU budget monitoring reports.

All scoped civil works at Kawolo Hospital including the perimeter wall, and medical gas installations, medical equipment, and furniture were completed in FY 2019/20 at a total cost of US$11,546,085.296 of which US$ 911,273.18 was counterpart funding. This the analysis under this project focusses on the component of refurbishment and equipping of Busolwe General hospital which was ongoing.

The refurbishment works at Busolwe general hospital were undertaken by two contractors. Excel construction company for the refurbishment of the medical buildings and UPDF Engineering Brigade for the refurbishment of the staff quarters.

The scope works included; refurbishment of service block, construction of three VIP latrines, a kitchen, renovation of; hospital's old utility systems, new casualty block, mortuary, main operating theatre; delivery suites, existing wards, three VIP latrines, attendant's laundry and external works.

Financial Performance

The total project cost for the refurbishment of Busolwe Hospital was US$ 12,627,929.90 of which US$ 6,195,542 is the debt swap while US$ 6,432,388.26 is Government of Uganda counterpart contribution. The counterpart contribution includes US$1,597,042.381 for the refurbishment of the staff quarters. Cumulatively, US$ 8,316,508.22[67] was paid to Excel construction company. The UPDF Engineering brigade has been paid all the money under the contract

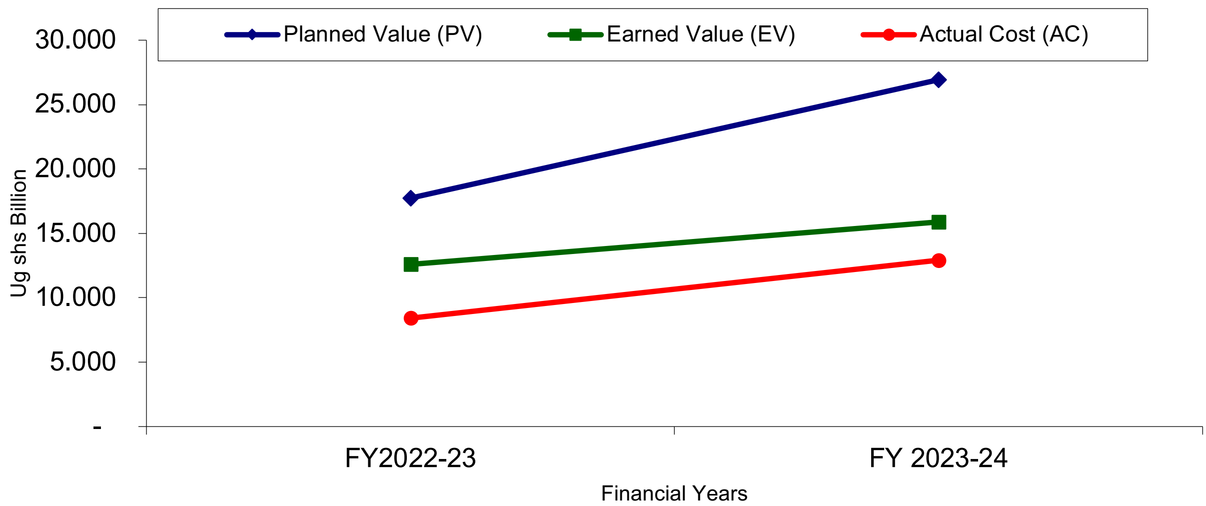
Physical performance.

Performance was fair at 50% achievement of set targets. The new casualty block was 98% complete; renovation of the hospital's old utilities was 81% complete' refurbishment of the service block was 64% complete; rehabilitation of existing wards at 81% and renovation of mortuary at 75%. The refurbishment of the staff quarters was 85% complete against the target of 100% completion, the contractor was behind schedule.

[67] US$3,481,164.95 was from the debt swap while US$ 4,835,343.27 was from the GoU

Overall, the project was behind schedule[68], and this was partly attributed to the delayed hand over of the OPD and storage kitchen which were in use by the hospital, Challenges in the transportation and delivery of some critical imported items such as sanitary fittings, main distribution panel boards, water tanks, transformer, and stabilizer due to issues of piracy in the red sea. Figure 3.3.8: shows the performance trends for the refurbishment of Busolwe general.

Figure 3.3.8: Performance of Busolwe Hospital by March 2024



Source: Author analysis based on MoH project data.

L-R: Ramp under construction on the existing wards, and compound leveling

[68] The schedule performance index of 0.59 which indicated that the project was behind schedule.

As of 30th March 2024, project had earned value[69] on account of completed works however, it scored low on timeliness (*figure 3.3.8*). The quality of work was good, attributed to the adequate capacity of contractors combined with close supervision and monitoring.

Implementation constraint

- Delayed transportation and delivery of some critical imported items affected implementation.

Conclusion

Project was behind schedule and experienced time overruns. It's critical that the MoH prevails on the contractor to double the mobilization equipment and staff to ensure timely completion of the works. The current pace of implementation was undesirable given the few months to project closure

Recommendation

i. The contractor should double the deployment of workers and equipment to ensure that the project is completed before 30th June 2024. Weekly progress meetings should be held to intensify schedule performance monitoring.
ii. The contractor should closely monitor the progress of manufacturing and shipment of the required equipment to ensure timely delivery, installation, pretesting and commissioning of the equipment.

5 U.S. Agency for International Development (USAID) support to Regional Referral Hospitals (1767)

Introduction

The USAID support to regional referral hospitals in Uganda aims to strengthen the healthcare system and contribute to better health outcomes for the population. The support comes through Government to Government (G2G) assistance to Uganda and related support through any USAID implementing partners.

The agreement was signed on 25th June 2018 to accelerate inclusive education, health and economic development through Uganda's systems. At inception the project was fully off budget support, but the funder is transiting to budget support to finance the Regional Referral Hospitals (RRH) Activities.

The project start date was 1st October 2021 and completion date is 1st October 2026.The total estimated cost for the project is US$ 39,950,941[70] as a grant from the USAID and counterpart funding from GoU[71].

The project scope involves strengthening the capacities of the RRHs to implement a comprehensive package of HIV/AIDS, TB services and a select set of reproductive, maternal,

[69] Cost performance Index of 1.23
[70] The total commitments from USAID are to support Jinja, Mbarara, Lira, Moroto, Mbale, Gulu and Kabale Regional Referral Hospitals as highlighted in the Consolidated Implementation Letter of September 2022
[71] GoU contribution is in kind, part of salaries to staff, and other interventions addressing HIV and other interventions under the project. The precise monetary contribution of GoU could not be determined.

neonatal and adolescent and child health (RMCHAH) and family planning interventions. The project is implemented in Jinja, Mbarara, Lira, Moroto, Mbale, Gulu and Kabale.

Review of the performance of this project focused on Jinja and Mbarara RRHs[72] which are currently having budget support as highlighted in the Public Investment Plan 2023/24 and approved estimates of revenue and expenditure for FY 2023/24.

Financial Performance

The total budget cost for the Mbarara and Jinja RRHs (for the three FYs) was Ug shs 6.8 bn and release was Ug shs 4.1 bn and 99% spent. Details are highlighted below in table 3.3.17.

Table 3.3.17: Financial Performance in Ug shs of U.S. Agency for International Development (USAID) support to Regional Referral Hospitals for Jinja and Mbarara RRHs by 31st May 2024.

FYs	JINJA Regional Referral Hospital			MBARARA Regional Referral Hospital		
	Budget	Release	Expenditure	Budget	Release	Expenditure
2021/22	1,278,432,714	649,865,552	628,682,095	2,053,628,857	1,184,344,335	1,184,344,335
2022/23	1,038,645,914	867,334,542	866,190,926	1,242,653,524	792,404,734	792,404,734
2023/24	620,656,099	339,947,366	339,947,366	644,968,419	283,051,829	283,051,829
Totals	**2,937,734,727**	**1,857,147,460**	**1,834,820,387**	**3,941,250,800**	**2,259,800,898**	**2,259,800,898**

Source; RRHs

Physical performance

The overall weighted physical performance of the project was good at 70% achievement of 31st March 2024. Majority of the milestones were on track except for Number of individuals who were newly enrolled on pre-exposure prophylaxis (PrEP) to prevent HIV infection in the reporting period which remained relatively low. Summary of performance of milestone, target and achievement is highlighted in Table 3.3.18.

Table 3.3.18: **Performance of U.S. Agency for International Development (USAID) support to Regional Referral Hospitals for Jinja and Mbarara RRHs by 31st May 2024.**

Milestone	Target	Achieved (%)- JINJA RRH	Achieve d (%)- Mbarara RRH
Number of children under 5 who are screened for malnutrition in outpatient department.	10,000	98.90%	100%
Number of infants born to HIV-positive women who received a first virologic HIV test (sample collected) by 2 months of age	93	202%	75%
Number of new and relapse TB cases with documented HIV status.	516	133%	100%
Number of key populations reached with individual and/or small group level HIV prevention interventions designed for the target population. This provides information on the total number of unique individuals that have	1,043	118%	75%

[72] The rest of the hospitals are scheduled for enrolment on the Budget support as well.

Milestone	Target	Achieved (%)- JINJA RRH	Achieve d (%)- Mbarara RRH
received individual-level and/or small-group level intervention(s) and helps to determine the reach of key populations.			
Number of HIV-positive women on ART screened for cervical cancer	1,193	99%	89%
Number of people receiving post-gender-based violence (GBV) clinical care based on the minimum package	457	575%	100%
Number of newly diagnosed HIV-positive persons who received testing for recent infection with a documented result during the reporting period	192	185%	89%
Number of adults and children currently receiving antiretroviral therapy (ART)	4,701	98%	75%
Number of ART patients with suppressed VL results (<1,000 copies/ml) documented in the medical or laboratory records/LIS within the reporting period	4,243	93%	33%
Number of males circumcised as part of the voluntary medical male circumcision (VMMC) for HIV prevention program within the reporting period	1,055	101%	66%
Number of pregnant women with known HIV status at first antenatal care visit (ANC) (includes those who already knew their HIV status prior to ANC)	1,875	144%	50%
Number of individuals who were newly enrolled on pre-exposure prophylaxis (PrEP) to prevent HIV infection in the reporting period.	1361	37%	44%
Percentage of drug-resistant tuberculosis (DR-TB) (rifampicin-resistant [RR]/multidrug-resistant [MDR]-	85%	118%	89%
Percentage of TB patients including Drug Sensitive and Drug Resistant cases successfully treated (cured or treatment completed) during the reporting period.	90%	103%	75%
Median Performance		**110.50%**	**75.00%**

Source: field findings

Implementation constraints

i). Delays in approvals of funds from the funders affects timely procurements and funds absorption for instance, Jinja RRH did not absorb Ug shs 30 million in FY2022/23.

ii). Lack of unique output and line-item codes for project on the IFMS yet funds are released jointly with the GoU counterpart funds. This makes tracking of funds a little bit cumbersome and could compromise accountability.

Conclusion

The performance of the project was good at 70% achievement of the planned milestones for the two and a half years. There is positive impact on adult and children enrolling at the ART clinic, ART patients having viral load suppression and accreditation of laboratory, improved laboratory services among others. The full attainment of project deliverables is affected by bureaucratic processes in funds approval process which partly affects timely procurements.

Recommendations

i). The MFPED, MoH and USAID should jointly agree on the lead times for approvals of request to ensure timely implementation of all project activities.
ii). The MFPED Accountant General should expedite the provision of unique output and line-item codes to support improved accountability and tracking of the project funds.

6 Uganda COVID-19 Response and Emergency Preparedness Project, (1768)

Introduction

The government of Uganda received support from the world bank to the tune of US$ 195.57 million to implement the Uganda COVID-19 Response and Emergency Preparedness Project (UCREPP). The project aims at enhancing the country's ability to respond to the COVID-19 pandemic and other public health emergencies. The project became effective on August 31, 2020, and it is expected to end on 31st December 2024. Initially the project was supposed to end on 31st December 2022, however, it got Additional Financing (AF) and its scope widened from three components to five components. The project data is presented in Table 3.3.19

The project was designed to benefit all the people of Uganda, specifically the suspected and confirmed COVID-19 cases, medical and emergency personnel, Port of Entry officials, medical and testing facilities, and other public health Agencies engaged in the response. The project was later expanded to include other public health emergencies and it supported response to the Sudan Ebola Fever.

Table 3.3.19: Basic Uganda COVID-19 Response and Emergency Preparedness Project

Project cost	US$ 195,500,000
Cost for Component 1; Case Detection, Confirmation, Contact Tracing, Recording and Reporting	US$ 9,370,000
Cost for Component 2: Strengthening COVID-19 Case Management and Psychosocial Support	US$ 22,950,000
Cost for Component 3: Implementation, Management and Monitoring and Evaluation	US$ 4,100,000
Cost for Component 4: Vaccination Acquisition and deployment	US$ 137,150,000
Cost for Component 5: Strengthening Continuity of Essential Health Services	US$22,000,000
Coverage	Country wide
Lead Agency	Ministry of Health (MoH)

Source: MoH, Project Documents

The project has got five components as follows: Component 1 Case Detection, Confirmation, Contact Tracing, Recording and Reporting; Component 2: Strengthening COVID-19 Case Management and Psychosocial Support; component 3 Implementation Management and Monitoring and Evaluation, Component 4: Vaccination Acquisition and Deployment; Component 5: Strengthening Continuity of Essential Health Services.

Financial Performance

Initially, the project was funded by the World Bank at US$15.2 million of which US$ 2.7 million was from the Pandemic Emergency Financing Facility (PEFF), and US$ 12.5million was credit from IDA. This was meant to be implemented under components 1, 2 and 3. In 2022, the project received Additional Financing (AF) of US$ 180.3 million from the World Bank comprising of US$ 163.4 million as IDA grant and US$ 16 million as Trust Funds from the Global Financing Facility for women children and Adolescents (GFF). With this additional financing two components were brought on board i.e. Vaccine acquisition and deployment; and Continuity of essential health services affected by the COVID-19 pandemic. The detailed project performance by component is summarized in Table 3.3.19.

Table 3.3.19: Project financial performance by component as at 31 March2024

Component	Allocation (US$)	Disbursements (US$)	Expenditure (US$)
Case Detection, Confirmation, Contact Tracing, Recording and Reporting	9,370,000	7,729,989	7,310,057
Strengthening COVID-19 Case Management and Psychosocial Support	22,950,000	10,111,998	7,144,218
Implementation, Management and Monitoring and Evaluation	4,100,000	3,497,991	4,086,932
Vaccination Acquisition and deployment	137,150,000	85,785,903	81,885,979
Strengthening Continuity of Essential Health Services	22,000,000	10,299,819	7,273,327
Total	**195,500,000**	**117,425,700**	**107,700,513**

Source: MoH Project Implementation Unit, Field findings

Most of the funds (US$80.11million) were spent on procurement of the COVID-19 vaccines through the United Nations International Children's Emergency Fund (UNICEF).
The project suffered exchange loss fluctuation to the tune of US$11,827514 across both the IDA grant and IDA credit. This was a result of the currency appreciation of US dollars against the special drawing rights[73]. The ultimate effect is that some of the planned civil works will have to be left out to accommodate the loss. The loss mainly affects the un disbursement amount.

Physical performance
Overall, the project performance was fair with 61% achievement of the set targets. It was behind schedule by 19months (37%) and it is experiencing delays with most of the planned civil works not yet achieved. The project spent more than the value achieved and this was attributed to the advance payment for civil works and on procurement of medical equipment for the laboratories. The estimated cost at completion was US$157.28 million against the budget of US$195million implying that the project was still within the budget but behind schedule.

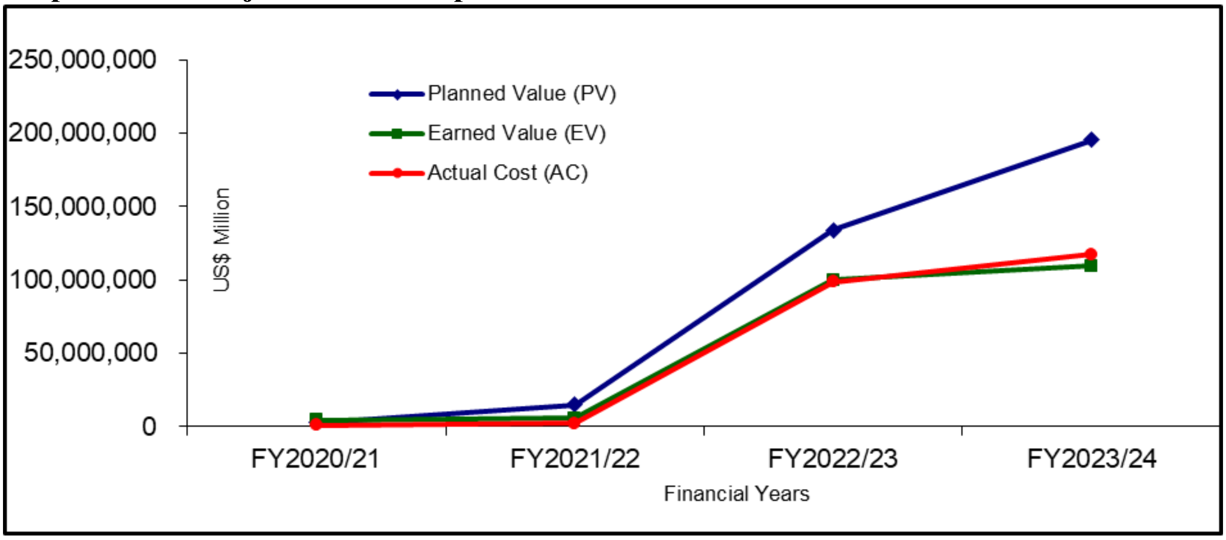
The project over budgeted by 7% of the true cost, this therefore implies that the project managers need to closely monitor and adjust in order to bring back on track financially. It may require re assessing the projects scope and timeline to ensure that project funds are effectively managed in the future.

[73] At the time of signing the agreement the USD was 1.415159 Against 1SDR. By 21st September 2023, the SDR against the USD had dropped to 1.31895.

The performance of the project has in part been affected by the delayed response by the World Bank on the request by the government of Uganda to restructure the project following declaration by the World Health Organization (WHO) of an end to the that COVID-19 pandemic which rendered some planned outputs irrelevant. The structures being constructed all have ramps enabling accessibility by the physically challenged person and the quality of civil works for the sites in advanced stages were noted to be good.

The environmental and climate change concerns were addressed by carrying out the environment and social impact assessments and all proposed mitigation measures are being followed. There was evidence of compliance to the Health Safety and Environment concerns. Figure 3.3.9 presents the overall performance trends for the project over the period of implementation

Figure 3.3.9: Performance trends of Uganda COVID-19 Response and Emergency Preparedness Project as of 30th April 2024.



Source: Author analysis based on MoH project data.

The Detailed project performance is presented here under by component.

Component 1: Case Detection, Confirmation, Contact Tracing, Recording and Reporting

This Component supports strengthening national disease surveillance capacity, including for climate-related diseases. Following AF, it was expanded to enhance interventions in refugee-host communities and settlements, which remained vulnerable given the constant threat of cross-border transmission (of COVID-19 and other diseases).

Planned outputs of the component included: Construction of biosafety laboratory at Lira and Fort Portal Regional Referral Hospitals (RRH), procurement of motorcycles for surveillance activities in Refuge Hosting districts (RHDs), Procurement, maintenance, and repair services for Thermal scanners at Points of Entry (POEs). Others are procurement polymerase chain reaction (PCR) test kits for confirmation of Public Health Emergencies (PHEs), Operational funds for the Central

Public Health Laboratory (CPHL) and National Tuberculosis Reference Laboratory (NTRL), Operational funds for seven Satellite Laboratories[74] among others.

By 30th April 2024, the component had fair performance achieving 54% of the set target. This was behind schedule given that already 83% of the project time had elapsed. A total of 220 motorcycles against the target of 200 were procured, Procurement, Thermal scanners at Points of Entry (POEs) were repaired and maintained. PCR test kits were procured, operational funds for CPHL and NTRL, Operational funds for seven Satellite laboratories were provided.

Construction of the biosafety laboratory was ongoing albeit behind schedule, major structural works at both sites had been completed. These were meant to have been completed in February 2024 but were extended to July 2024. There were notable delays in starting the construction activities for the laboratories. The projects were meant to have started in September 2022, but they began in April 2023 due to delays in having the supervising consultants on board and other site constraints.

Other project component achievements include Surveillance and contact tracing for COVID-19, Ebola outbreak and other public health emergencies. Screening of travellers at the points of entry. Operational funds were provided for seven (07) satellite Laboratories (Mulago, Mbale, Mbarara, Fort Portal, Arua, Moroto, Lacor) and eight vertical auto claves were procured and installed for Butabika NTRL, Mulago national referral hospital, Mbale RRH, Mbarara RRH and Soroti RRH.


L-R: Biosafety laboratory under construction at Fortportal RRH and Lira RRH

Component two: Strengthening case management and psychosocial support.

This component involved investing in critical care health infrastructure, procurement of equipment and medical supplies, strengthening health worker's capacity as well as psychosocial support for both health workers and patients.

Planned outputs under the project component included: (i) Management of critical patients, orientation and training of critical care specialists for short and long term training, payment of hazardous allowances to frontline health workers, procurement of personal protection equipment (PPE), procurement of motor cycles for refuge host districts and construction and remodelling of Intensive Care Units (ICU) at Arua, Hoima, Kabale, Entebbe, Mulago Mbarara and Isolation

[74] MulagoNRH, Mbale RRH, Mbarara RRH, Fort Portal RRH, Arua RRH, Moroto RRH, and Lacor RH

units (Mulago Hospital, Rwekubo HCIV, Kisoro hospital, Bwera Hospital) and procurement of 23 ICU beds.

By 30th April 2024, the project had achieved 53% of the set targets, key achievements included procurement of 23 ICU beds, procurement of PPE for health workers, and payment of hazardous allowance to frontline health workers.

The construction of operation theatres, high dependency units and isolation units were however way behind schedule. The average performance of the construction of the ICUs at Kabale, Hoima and Arua stood at 34% against the planned progress of 40%. The construction of the high dependency units and operation theatres averaged at 10% with civil works at some sites not started yet against the financial performance was 30% (Advance payments).

The project spent more than the achievements because the contractors for civil works had been paid advance which was 30% of the contract sum but had not yet executed works to the tune of the advance payment.

Throughout the component period, the project was behind schedule by 65% and more resources were being spent than the value of works. There is need to fast track civil works under this component if the planned works are to be completed within the project lifetime. The contractors should double both manpower and materials to execute the works at a faster rate without compromising the quality.

L-R: Intensive Care Unit at Hoima RRH and, procured ICU beds at Kabale RRH,

Component three: Implementation Management and Monitoring and Evaluation

This component constitutes Project Management, as well as monitoring and evaluation aspects of implementation. Achievements under the component included recruitment of staff for the project management unit; monitoring and supervision of the project activities, and support to Uganda Bureau of Statistics to conduct and disseminate the 7th Uganda Demographic and Health Survey 2022.

Other achievements have been procurement of information and communication technology (ICT) tools to facilitate data capture, analysis, and reporting; and strengthening of internet connectivity to allow real-time data reporting from the sub-national levels (including RHDs) to the central database.

The Project Implementation Unit (PIU) has continued to plan, manage, implement, and monitor interventions undertaken to ensure that the Project Development Objective (PDO) are achieved.

Component 4: **Vaccination Acquisition and Deployment**

This was concerned with the procurement and deployment of vaccines including immunization sundries to enable the country to end its protracted lockdown of the economy resulting from community-wide transmission of COVID-19. Under the component, the procurement of the vaccines was through a signed memorandum of understanding with the United Nations International Children' Emergency Fund (UNCEF). A total of 8,967,600 doses of COVID -19 were procured of which 6,907,200 doses were of Johnson and Johnson while 2,060,400 doses were for Sino pharm. These had been delivered by December 2022

Under the component, the project supported, the national wide deployment of vaccines including in refuge hosting districts with emphasis on strengthening critical areas such as vaccine delivery and immunization risk communication and community sensitization, enhancing reporting and immunization data management.

The Ministry of Health in collaboration with the National Medical Stores has been progressively managing the waste disposal of expired and used vials of COVID-19 vaccines in the different phases. The initiative aimed at retrieving accumulated vaccine waste from health facilities in line with the established waste management guidelines.

Under the component, the project was on schedule and on budget. However, there was dismal deployment of vaccines due to low uptake of the COVID-19 following the declaration by the World Health Organization of an end to the pandemic.

Component five: Strengthening Continuity of Essential Health Services

This component focuses on sustaining the continuity of health services which were disrupted by the COVID-19 pandemic due to national wide lockdowns and travel bans. This supported a wide range of activities including: the upgrade of 38 Health Facilities[75] in Refugee Settlements, RHDs

L-R: Isolation unit at Kisoro GH and High dependency Unit at Padibe HCIV Lamwo district

[75] Rukunyu General Hospital in Kamwenge district, Adjumani General hospital, Remodeling of main operating theatre at Adjumani General Hospital, construction of theatre Kigorobya HCIV in Hoima District, constructionof isolation unit and main operating theatre at Kisoro General Hospital,
Omugo HCIV, Terego District; Rhino camp HCIV, Madi Okollo District; Padibe HCIV, Lamwo District; Rwekubo HCIV, Isingiro District and Busanza HCIV in Kisoro District among others.

and non-refugee hosting districts.

Others include: Strengthening Emergency Medical Services, Improve the availability of essential health commodities, Strengthening Community Systems for Continuity of Essential Health Services, support blood collection and blood storage equipment. Improve the availability of essential health commodities, strengthen Community Systems for Continuity of Essential Health Services.

The performance of this component was poor at 29% achievement of planned targets, the project was behind schedule especially for the civil works. Most of the works in refuge settlement districts had just started. Under the component 32 ambulances were procured, the project supported blood collection drives and procurement of storage equipment and blood administration supplies for the HCIVs in RHDs and settlements. The project under the component supported strengthening of capacity to stimulate demand for health services by sensitizing the eligible population for vaccinations and delivery of comprehensive community-based health services.

Implementation Constraints

a) There was delayed implementation of planned civil works due to delays in having the supervising consultants on board. Works that were meant to start in 2022 started in 2023. There were also design changes at some sites to suit the site constraints.
b) Forex losses to the tune of over US$ 11million in September 2023 resulting into rescoping of some outputs whose activities had already started.
c) Delayed response by the world bank on the government request to restructure the grant which has made some resources idle as some planned outputs are no longer relevant for the public health emergencies.

Conclusion

The performance of project was fair over the period of its implementation. It was behind schedule by 37% and there is likely to be time overruns by the end of the project period in December 2024. The project over budgeted by 28% implying that the budgeted resources were yet to deliver the desired results over the period of implementation.

The delayed approval of the restructuring process and thereby disbursement of the funds is likely to affect the achievement of the intended objectives as some of the original planned outputs are no longer relevant and this has also resulted into forex losses.

There is an urgent need for a formal response from the World Bank on the issue of restructuring to enable decision making and implementation of outputs whose procurements have got long lead times. In the meantime, there is a need to double efforts for the implementation of all the ongoing civil works to ensure that the works are completed on time.

Recommendations

a) Due to forex losses, there is a need to further rescope the planned outputs in consultation with intended beneficiaries in order to fit within the remaining resources.
b) The contractors for civil works should double their implementation capacities without compromising on quality and lead times to ensure timely completion of planned civil works.

c) In light of the delays in civil, it is important to prioritize and accelerate these activities to ensure that the project stays on track. There is need for close coordination with stakeholders and regular monitoring of progress to address any potential bottleneck and mitigate further delays.

7 Uganda Heart Institute Infrastructure Development Project (1526)

Introduction

The Uganda Heart Institute Infrastructure Development Project is funded by the Arab Bank for Economic Development in Africa (BADEA), the Saudi Fund for Development (SFD) and the OPEC Fund for International Development OPEC Fund at a cost of US$ 73,000,000 for a period of five years.

Project commenced on 31st July 2019 to improve the number of patients receiving quality cardiovascular care at the Uganda Heart Institute and consequently reduce the number of referrals abroad. However, the financing agreements were concluded on 6th September 2023 thus, the project became effective in January 2023 with an expected completion date of 31st December 2027. Table 3.3.20 details the project basic data.

The project comprises six components namely, i) civil works and ancillaries; ii) consultancy services; iii) procurement of furniture and equipment; iv) Project Management; v) project launch workshop and vi) Auditing Project Account.

Table 3.3.20: Uganda Heart Institute Infrastructure Development Project Basic Data

Project Title		**Construction and equipping of Uganda Heart Institute Project-UHIP**	
Project Location		Plots 18-24, Naguru, Kampala	
Financing Agency and Amounts		BADEA	USD 20 million
		OPEC Fund	USD 20 million
		SFD	USD 30 million
		GoU	USD 3 million
Total Project Cost		USD 73,000,000	
Executing Agency		The Uganda Heart Institute	
Project Key dates			
Funder	**Dates of Loans Signatures**	**Dates of Loan Effectiveness**	**Project Completion Dates**
OPEC Fund	3rd January 2023	9th February 2023	31st December 2025
BADEA	23rd May 2023	26th September 2023	30th September 2027
SFD	6th September 2023	30th October 2023	31st December 2027

Source: UHI Quarterly Project Progress Report January to March 2024

The project expected outputs are; i) Environmental Impact Survey conducted, ii). consultant for civil works hired, iii). bills of quantities drawn and construction of the perimeter wall completed iv) state of the art 250 bed modern heart facility constructed at Naguru including the clinical block, research and training block and the researchers Mess, and modern medical, non- medical equipment and furniture procured and installed.

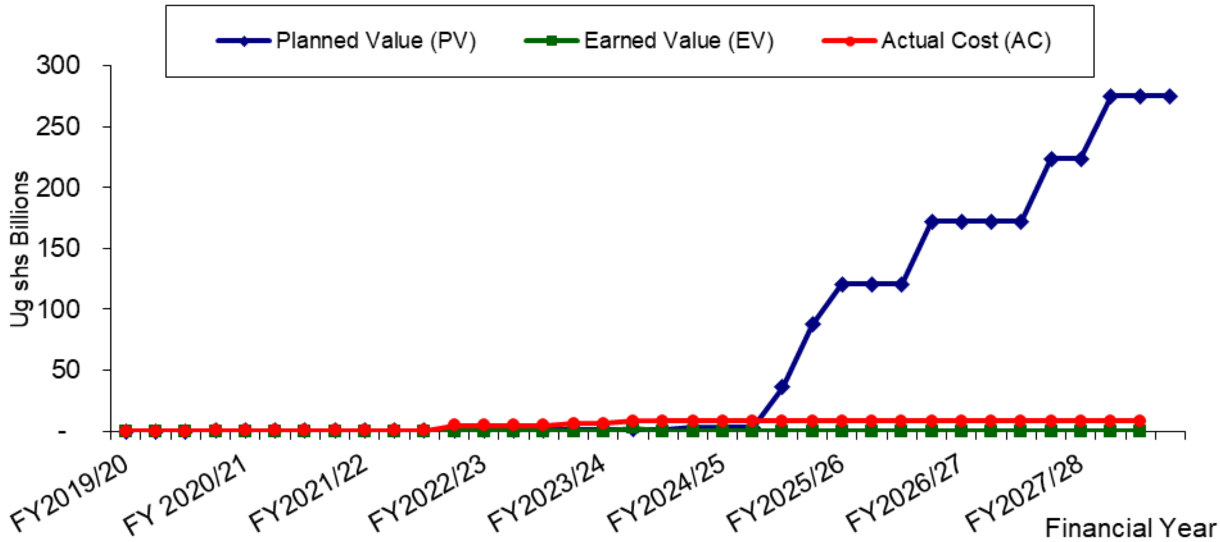
Financial Performance

As of 31st March 2024, no disbursement had been made by the financing partners towards the project. The planned counterpart funding budget is US$ 3 million (approximately Ug shs 11.1bn) of which US$ 1,633,518(Ug shs 6.16bn) has been spent cumulatively on preparatory project activities. Overall, expenditure performance was poor and this was attributed to delayed loan signing.

Physical performance

Overall physical performance was fair (50%). Environmental Impact Survey works were completed; consultant for civil works hired, bills of quantities drawn and construction of the perimeter wall was 80% complete. The performance notwithstanding, the project was behind schedule as the initial project timelines were missed due to delayed signing of the financing agreements. The project spent more funds[76] than the value of work done under Government of Uganda counterpart (*figure 3.3.10*).

Figure 3.3.10: Performance of the Uganda Heart Institute Infrastructure Development Project by March 2024



Source: Author analysis based on UHI Project data. IFMS, UHI Progress Report FY 2023/24

76 The Cost Performance Index was 0.29 indicative that the project was operating over the Budget and hence ineffective at managing costs.

Conclusion
Performance was fair (50%). However, the initial planned implementation timelines were not met and the project was behind schedule. The project experienced cost overruns under the GoU component. With the revised schedule of activities, if implemented as planned, the project will achieve its planned objectives.

Recommendation:

i). The Ministry of Health, UHI should closely monitor progress of implementation to ensure that the project objectives are met. Key attention should be on the procurement management and contract management.

8 Uganda Reproductive Maternal and Child Health Services Improvement Project (1440)

Introduction

The Government of Uganda received support from the World Bank, the Global Financing Facility (GFF), and the Swedish International Development Cooperation Agency (SIDA), to implement the Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHIP).

The total financing of the project was US$ 180 million of which US$ 30 million was a grant from the GFF, US$ 110 was a loan from the World Bank; and US$ 25 million was a grant from the Swedish Government and US$ 15 million is Additional Financing from International Development association (IDA)as replenishment for funds earlier drawn for implementation of the Contingent Emergency Response Component (CERC) for Corona Virus Disease 2019 (COVID-19.

The project objectives were; - i) Improve Quality of care at Primary Health Care (PHC) health facilities; ii) Improve Availability of human resources for health at PHC facilities; iii) Improve Availability of Essential Reproductive Maternal Neonatal Child, and Adolescent Health (RMNCAH) drugs and supplies; iv) Improve Functional and responsive referral system; and v) Improve Infrastructure and medical equipment in PHC facilities.

The project which was implemented by the Ministry of Health (MoH) began in July 2017 and was slated to end in June 2022. It was however extended to June 2023 and given an expenditure grace period up to January 2024 to complete payments for the civil works and equipment supplied.

The project scope has five components namely: 1. Results-Based Financing[77] (RBF) for Primary Health Care services; 2. Strengthen health systems to deliver Reproductive Maternal Newborn Child and Adolescent Health (RMNCAH) services; 3. Strengthen capacity to scale-up delivery of births and deaths registration (BDR) services; 4. Enhance institutional capacity to manage project

[77] Result-based financing (RBF) for healthcare is an approach where payment is directly linked to the achievement of pre-defined results. In this health workers and health facilities received payments based on the results they achieve in terms of the health predefined outs and quality of care.

supported activities; and 5. Contingent Emergency Response Component (CERC) for Corona Virus Disease 2019 (COVID-19)

Financial Performance

The total project cost was US$ 180 million of which US$ 177.79million (98.77%) was disbursed and USD 171.71(96.58%) spent by 31st March 2024. The project suffered forex losses to the tune of US$ 2.1million because of the appreciation of the US dollar against the special drawing rights. The government of Uganda counterpart funding to the project was US$956884.94 of which US$912,422.53 was released and US$843,500.30 was spent by 31st December 2024.

Most of the project expenditures US$71.531(41.7%) were made on Strengthen health systems to deliver Reproductive Maternal Newborn Child and Adolescent Health (RMNCAH) services followed by Results Based Financing for PHC services (35.9%). While least expenditures (6.3%) were made on Enhance Institutional Capacity to Manage Project Supported Activities.

Physical Performance

The overall project performance was good at 98% achievement of set outputs. Key achievements included implementation of the result-based financing in 1,426 health facilities including 1,128HCIIIs, 188HCIVs and 110 hospitals (110). Provision of scholarships to undertake short- and long-term training in various medical disciplines where 1,206(96%) of those who received scholarship completed their trainings. A total of 4,600 health workers were mentored in appropriate management of labour using a partograph; active management of the third stage of labour; management of post-partum haemorrhages, management of sepsis among others.

Construction of maternity wards, staff houses, laboratories, OPD/OPD rehabilitation was substantially complete for lots 1-5, and were at 85% complete for the sixth lot covering Northern Uganda and West Nile. The project procured equipment for the 81 health facilities that benefited from the maternity ward construction and for the UGiFT facilities that were constructed from FY 2018-19 to FY 2019/20 but had no equipment. The project supported procurement and availability of the reproductive health commodities including family planning commodities.

The project experienced schedule delays as shown by the negative schedule variance[78] and was behind schedule[79] by five months this was attributed to the civil works under lot five that remain incomplete to date.

The quality of civil works was poor at most sites (65%) that were visited under lot six. These were characterized with omissions of toilets for Persons with Disabilities, cracked floors, incomplete incinerator constructions. This phenomenon was in part, attributed to the continued

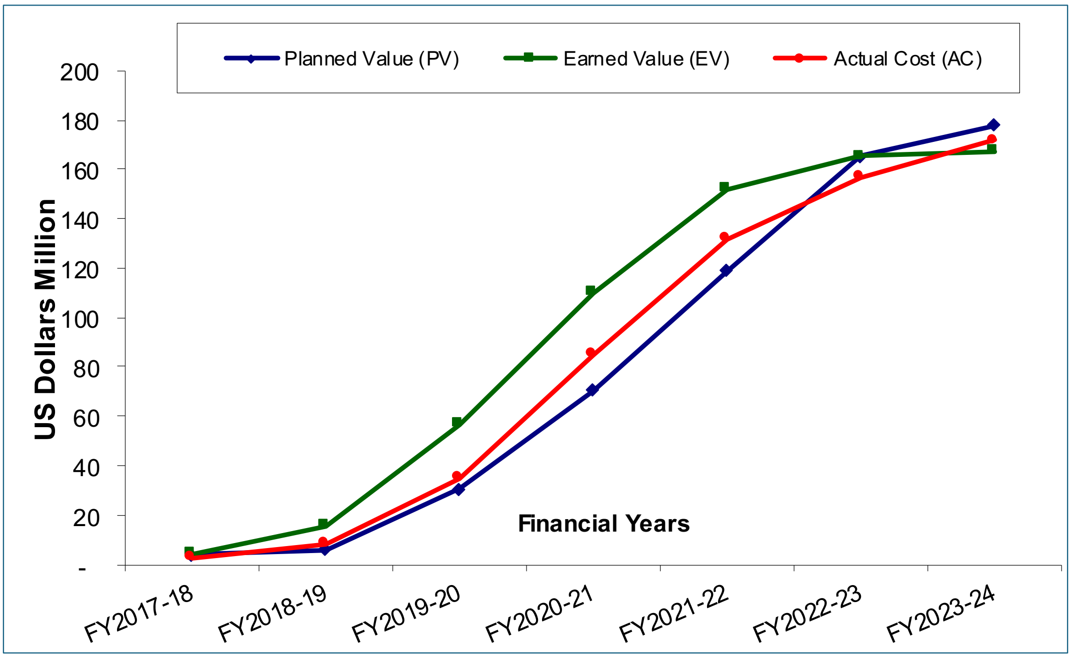
[78] Activities with US$ 10.34million had not been implemented and these related to civil works

[79] The Schedule performance index was 0.94 while the Cost performance index was 0.98

construction without a supervising consultant[80] following the expiry of the contract for the consultants at project closure date in September 2023.

The project also experienced positive cost variance on account of the unpaid supplies of medical equipment and furniture whose final payments had not been concluded by march 2023. Figure 3.3.11: presents the performance trends for the projects.

Figure 3.3.11: Performance trend of the URMCHIP project as of 31st March 2024



Source: Author analysis based on URMCHIP Project data. IFMS, MoH Progress Report FY 2023/24

[80] The MoH did not sufficiently step in to supervise, monitor and inspect the ongoing works when the contract for the supervising consultant expired.

Clockwise: Incomplete Maternity ward at Binya HCII Omoro district, busted water tank at Mudande HCIII Kasanda district, stand alone laboratory at Awoo HCII Omoro District and Broken furniture and equipment at Mudande HCIII

Detailed performance by component is presented here after**.**

Component I: Results Based Financing (RBF);

This component aimed at incentivizing the District Health Teams (DHTs), HC III and IV to expand the provision of quality and cost-effective RMNCAH services but was later expanded to include general and referral hospitals providing maternal and reproductive health services. The RBF package comprised of RMNCAH interventions at health facilities and the community level including Antenatal Care (ANC), safe delivery, comprehensive emergency obstetric care, essential newborn and postnatal care services, post-abortal care and family planning among others.

The planned outputs for the components included: selection and orientation of RBF districts and health facilities, Capacity building, training of the extended district health teams, verification of outputs and payment for the verified outputs.

A total of 1426 health facilities benefited from URMCHIP-RBF of which 1,128 were HCIII, 188 were HCIV and 110 were hospitals. By the end pf the project implementation period there was a noticeable improvement in the incentivized indicators including but not limited to: delivery under skilled care, antenatal care, post-natal family planning, timely referrals, immunization, maternal and peri-natal death surveillance and review among others.

Component II: Strengthening Health Systems to Deliver RMNCAH Services;

This component aimed at addressing the most critical health systems bottlenecks to reproductive maternal newborn child and adolescent health (RMNCAH) service delivery identified in the RMNCAH Sharpened Plan. The focus was on: Improved availability of essential drugs, improved availability of human resources for health; improved availability and functionality of medical equipment in health facilities; improved health infrastructure; and improved supervision of district health teams.

The planned outputs under the component included: Capacity building of health workers undertaken including scholarships and mentorships, RMNCAH supplies procured, maternity units (81) constructed, Digital X-rays serviced and maintained, RMNCAH equipment procured and distributed to selected health facilities.

By the end of the project period, RMNCAH medicines[81] worth US $5.768million were procured and distributed in various health facilities. A total of 1250 health workers were awarded scholarships with priority being given to the RMNCAH cadres. Of these, 1206 had completed their studies, 54 students were still on long term training[82] and six of the beneficiaries dropped out of school. Those who completed their studies especially the intensive care nurses helped to functionalize intensive care units in both public and private hospitals.

The project through MoH supported Mbarara University of Science and Technology and Makerere University to start the Masters of Clinical Pharmacy; the Masters of Emergency Medicine and the Diploma in Emergency Medicine. These cadres had been found to be in short supply in the country.

The project under the component supported clinical mentorship programmes in 730 health facilities including regional referral hospitals, general hospitals HCIV and high volume HCIII. These benefited 4600 health workers. The project supported construction of: 81 maternity wards, staff houses and OPD in some facilities while in other facilities the OPDs were renovated. Other facilities included the stand-alone laboratories, construction of incinerators and motorized boreholes.

By march 2024 works for lot one to five had been substantially completed while works for lot six were on average 85% complete. It was noted the works for lot six were progressing without consultants owing to the expiry of their contract period. This compromised the quality of civil works. In other sites like Kamudini HCIII, the contractor had abandoned site without completing the works. Failed teraazzo and other incomplete works on the OPD and staff houses were noted at Kamudini HCIII in Oyam District. At Binya HCIII, the contractor was not on site and had been away for over a month by the end of march 2024, floor cracks were noted in the staff houses while

[81] Etonogestrel 68mg Implant Implanon NXT, IUD-Copper containing device TCU380A, Ethinyl Estradiol 0.03 + Levonorgestrel 0.15mg cycles, Amoxicillin dispersible tablets 250mg, IUD insertion/removal kits, Blood Grouping Reagents, Implant insertion/removal kits, Pregnancy test kits, Misoprostol tablets among others.

[82] The two years of cCOVID-19 lock down affected the long-term trainings.

poor quality door shutters were also observed. At Awoo HCII, the workers had left site complaining of nonpayment and absence of construction materials.

In Kasanda district, the water tank had busted as a result, there was no running water in the maternity ward. The solar power installed on the OPD was on and off while the water pump was manual and difficult to use at both the OPD and staff quarters. All the solar security lights were not working.

Across the monitored facilities, a number of medical furniture and bed s were found to be broken. At Mudande HCIII a mother in labour fall off the delivery bed during labour when it got broken. Some patient screens were delivered without screws rendering them not suit for purpose, shelves were not working, among others.

Despite its completion and equipping, Kitabazi HCIII, was still operating as a HCII due to absence of the requisite personal to functionalize it as a HCIII. At Kanoni HCIII in KAzo, district, the drilled production well was not connected to the facility, the water piping works were incomplete. The delivered equipment was noted to be poor and found to be broken. The solar security lights were not working.

Component III: strengthen capacity to scale-up birth and deaths registration services

This component was concerned with strengthening institutional capacity for Civil Registration and Vital Statistics (CRVS) and scale-up birth and death registration services. Planned outputs under the component included: Development and dissemination of a national CRVS policy, strategy and communication strategy; Development of the Birth and Death Registration (BDR) protocols and manuals; and scaling up births and deaths registration across the country including procurement and securing of appropriate infrastructure, materials and systems for BDR.

The NIRA Communication Strategy was under implementation with support from the project. The analytical study on vital statistics was completed. Most of the planned activities under National Identification and registration Authority (NIRA) were concluded and the main outstanding deliverable was the development and roll out of the Birth, Death and Adoption Orders (BDAR) registration system. Under the project, the World Bank paid for what had been completed by the time of the project closure in September 2023. The NIRA was to identify funding to complete the remaining works of the BDAR system.

***Component IV:* Enhance institutional capacity to manage project supported activities**

This component was concerned with strengthening of project management and fiduciary capacity including: staff recruitment and training, safeguards, monitoring and evaluation, citizen engagement, and other project operational issues to ensure that the intended objectives are achieved in a sustainable manner.

The project addressed the skills gaps in project management and build institutional capacity of the relevant units for efficient and effective project implementation of the project. All requisite staff were recruited, project management activities were undertaken, monitoring and other support supervision activities by the MoH top management and project staff was undertaken. All environment and project social safeguards were implemented.

Component V: Contingency Emergency Response Component for COVID-19

The Ministry received US$ 15 million under the CERC for COVID-19. This component was concerned with rapid response to public health emergencies such as COVID-19 and Ebola Sudan Fever. Implementation commenced in March 2020 and closed on 31 March 2022.

The funds were used to support activities under the COVID-19 implementation plan whose key pillars includes: coordination, risk communication, mental health and psychosocial support, case management, surveillance and logistics. Specifically, the Ministry procured: Personal Protective Equipment (PPEs), COVID-19 test kits, laboratory reagents and consumables, 16 ambulances and facilitating meetings of task force committees and payment of risk allowances for over 2,500 health workers working at Points of Entry (PoE), COVID-19 isolation and treatment centers across the country.

The funds were also used to respond to the Ebola Sudan fever, that broke out in Mubende and Kasanda districts in 2022.

Implementation constraints

i). Poor contract management: the project coordination unit exhibited poor contract management for the supply of equipment. Several equipment and furniture across the country had already broken by 31st March 2024 pointing to weak/substandard deliveries.

ii). Poor planning: initially the project had planned to implement RBF in 50 districts, but it was scaled up 131 which drained the available budget and in FY 2021/22 the component was stopped with some local governments claiming having not been fully paid.

iii). Inadequate capacity of service providers: Under component two, the contractor for civil works under lot six exhibited inadequate capacity to execute the works assigned the north and west Nile districts. This resulted into time overruns

Lessons learnt:

1. Results Based Financing improves service delivery. There has been a noticeable contribution to improvement of the incentivized indicators including but not limited to delivery under skilled care, antenatal care, post-natal family planning, immunization, maternal and peri-natal death surveillance, and review among others. The incentives yield better results than general enhancement of salaries or pre-estimated results-based financing.

2. Identification of contractors with capacity combined with the presence of competent supervising consultants supports delivery of quality outputs. The maternity wards construction evidenced quality outputs in majority of facilities (90%).

3. Project delays leads financial losses arising from inflation and foreign exchange losses. The Project experienced foreign exchange losses by US$2.1million as a result of the appreciation of the US$ against the special drawing rights.

4. The financial capacity of contractors is critical in timely delivery of projects. BMK contractors experienced financial capacity constraints after the demise of its Executive Director and had strong negative impacts on the contracted facilities. These remain incomplete even upon project closure.

5. Strong project team supports achievement of project deliverables even when the project has many players. The project had many components in the different agencies which were successfully coordinated by the project team and the project steering committee.
6. Information sharing supports project success. The project beneficiaries in the districts did not know the type and quality of equipment that the suppliers were contracted to supply. Consequently, some suppliers would deliver items that did not fully meet the needs and specifications of beneficiaries

Conclusion

Overall, the project performance was good as majority (90%) of the scope was achieved with in the project lifetime. Results based financing, and mentorship programmes coupled with the staff training led to improvement in service delivery at the participating health facilities. Completion of the civil works especially under lot six remain incomplete and require four months to complete. it's critical that the contractor for lot six fully completes his obligation under the contract to ensure that the investment is not lost.

Recommendations

i). MoH should prioritize funding the completion of the pending civil works especially under lot six including the omitted infrastructure such as toilets for Persons with disabilities, incinerator among others.

3.3.3 Water projects

This section presents performance on five externally funded projects under water subsector that contributes to the Human capital development programme as follows.

1.Kampala Water-Lake Victoria Water and Sanitation Project (1193)

Introduction

The Kampala Water–Lake Victoria Water and Sanitation (KW-LVWATSAN) project is funded through a Mutual Reliance Initiative whose partners include KfW Entwicklungsbank (KfW), European Union Africa Infrastructure Trust Fund (EU-ITF), European Investment Bank (EIB), Agence Française de Développement (AFD) and Government of Uganda (GoU).

The initial project cost was Euro 222 million however this was revised to Euro 372[83] million to accommodate outstanding investments which were not initially envisaged under the KW-LVWATSAN. The loan was signed on 28th April 2011 with a planned end date of December 2019 which was revised to December 2025. The project start was January 2011, with a planned end date of February 2022 and was revised to December 2025.

The goal of KW-LVWATSAN is to ensure sustainable expansion of the water supply and sanitation systems of Kampala. Furthermore, to anchor reliable, appropriate and affordable service provision up to the year 2040 for the city's dwellers.

[83] KFW-Eur 30m,EU-Africa ITF grant;Eur 8m, AFD-Eur 225m; EIB-75m;GoU-Eur 34m;

The specific objectives of the KW-LVWATSAN project included.

(i) To address the growing water supply challenges with the aim of meeting the water demand of the rapidly increasing urban population within the Greater Kampala Metropolitan Area

(ii) To improve the socio-economic and health situation of the people living in Greater Kampala Metropolitan Area and hence further stimulate urban growth through provision of safe and reliable water supply.

(iii) To contribute to environment protection through adoption and implementation of raw water source catchment protection interventions.

(iv) To upscale pro-poor WATSAN services provision initiatives being implemented by National Water and Sewerage Corporation (NWSC)

(v) To promote efficiency in the management of water supply systems

Scope:

The project is composed of five components that were progressively re-scoped during the implementation period to complement the original outputs **(**Table **3.3.21)**.

Table: 3.3.21: **KW-LVWATSAN Original and Re-Scoped Outputs**

Project Component	KW-LVWATSAN Original Scope	KW-LVWATSAN Re-Scoped to include:
Component 1: Upgrading and rehabilitation of the Ggaba Water Treatment Complex	Full Rehabilitation of the Ggaba Water Treatment Plant (WTP) Construction of Ggaba-Namasuba Transmission Mains (10km DN700) Construction of Namasuba Reservoirs (8,000m^3)	Ggaba WTP Complex Sludge Management System
Component 2: Network Restructuring & Rehabilitation	Diagnostic Study, Modelling of the Kampala Water Supply Network Preparation of Kampala Water and Sanitation Master Plan	Network Construction Works Related to Distribution of Water from Katosi (initial 80,000m^3/day Network Construction Works Related to Distribution of Water from Katosi II (additional 80,000m^3/day) and Re-distribution of Water from Ggaba WTP i.e. Naguru, Namasuba, and Muyenga Sub-system Development and Expansion. Design and Supervision Services for the Katosi Water Distribution and Ggaba Water Re-distribution Network
Component 3: Extension of Water Supply in Informal Settlements	Preparation of Feasibility Study for the Improvement of Water and Sanitation Services for the Urban Poor Procurement of Design/ Supervision and Accompanying Measures Consultants Detailed design of the works and	Construction of 2,500 prepaid meters, and 70km water network intensification Additional Accompanying Measures, and Project Design and Supervision Services

Project Component	KW-LVWATSAN Original Scope	KW-LVWATSAN Re-Scoped to include:
	procurement of Contractor Construction of 400m³/d Nalukolongo Faecal Sludge Treatment Plant Construction of 200 sanitation stances Technical Implementation and Accompanying Measures Consultancy Services	
Component 4: Construction of New Water Treatment Plant East of Kampala and associated Network	Preparation of Feasibility study and Water Quality Monitoring for the Development of New WTP Procurement of Design and Supervision Consultants Detailed design of the works and procurement of Contractors Construction of Katosi Water Treatment Plant (80,000m³/d), Nsumba Reservoir (10,000m³), and 9Km DN1200 Pumping Main Construction of Katosi-Kampala Transmission Mains (55km DN1400 to DN700)	Construction of Katosi II Water Treatment Plant (80,000m³/d) Construction of additional storage at Nsumba Reservoir (30,000m³) Alternative Construction of 9Km DN1400 Pumping Main Additional Construction Supervision Services
Component 5: Accompanying Measures .	Procurement and Supply of Non-Revenue Water Reduction Equipment NWSC Capacity Needs Assessment Study Support to the Regionalisation Process, Asset Management and Capacity Building Technical Audits and Quarterly Reporting Preparation of Terms of Reference for PIU strengthening Refinement of the Catchment Management activities required for the protection of the Katosi Catchment	PIU Programme Management Support Additional Technical Audit Services Institutional Support and Restructuring, encompassing among others, HR enhancement, IT Systems strengthening, Long Term Water Quality Monitoring, and NRW reduction Ecosystem services restoration and source protection and management through, wetland restoration, tree planting, and related activities focusing on Katosi and Inner Murchison Bay Preparation and Operationalisation of a Memorandum of Understanding between NWSC and Mukono District Local Government for the regulation of development activities within the Katosi catchment area

Source: NWSC Project Quarterly reports, (2019-2024); Field findings

Financial Performance

The overall project budget is Euro 372 million, out of which 86% (Euro 321 million) was disbursed and 96% (Euro 308 million) absorbed by 30th April 2024 **(Table 3.3.22)**

The GoU counter-part funding registered 15% (Eur 6 million) disbursement, which the NWSC bridged through internally generated revenue sources.

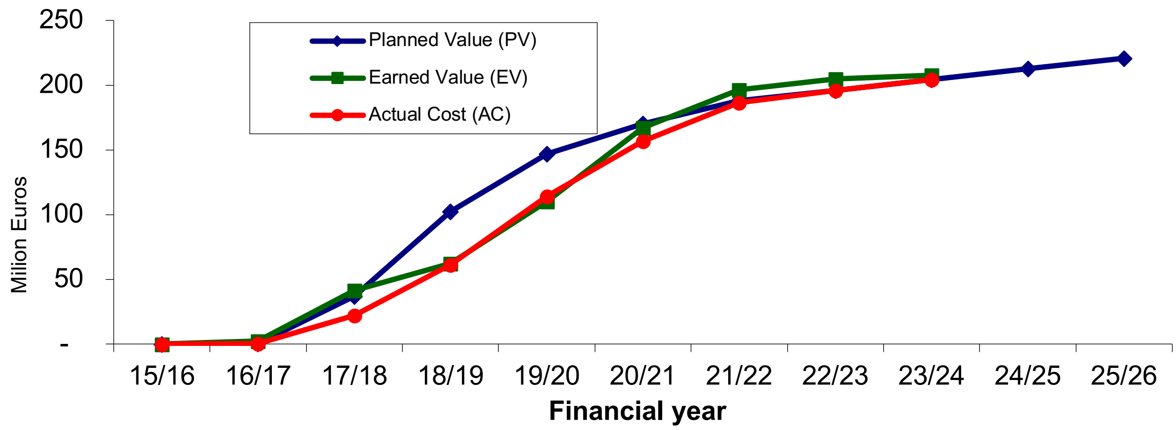
Table 3.3.22: Financial performance of KW-LVWATSAN Project by 30th April 2024

Component	Disbursed Euro	Cumulative Expenditure Euro	%ge of Disbursement Spent	Status
Component 1 Ggaba water treatment complex and minor Transmission improvement	45,920,896	45,920,896	100	Completed
Component 2: Kampala Water Network Rehabilitation, restructuring and extension	55,040,589	55,040,589	100	Re-scoped outputs completed
Component 3: Water supply and sanitation improvements in Informal Settlements	35,483,775	21,678,245	61	On going
Component 4: Development of new water treatment plant at Katosi	185,276,247	185,276,247	100	Completed
Total	321,721,507	307,915,977	96	

Source: NWSC Quarterly reports, (2019-2024 and field findings

Despite the re-scoping of the project and the limited GoU disbursement (15%) against 80%-time progress, the project was on schedule[84] and on budget[85] (Figure **3.3.12)**[86]

Figure 3.3.12: Performance Trends of KW-LV WATSAN



Source: NWSC, IFMS and PBS data

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[84] Cost variance (CV)= 3,300,472 and Cost Performance Index (CPI)=1 indicating value of works equal to cost
[85] Schedule variance (SV)= 3,300,472 and Schedule Performance Index (SPI)=1 works on schedule
[86] Financial performance for components 1 and 2 do not form part of the EVM metrics as the related scheduling were not availed.

Physical Progress

By April 2024, only component 3-Water supply and sanitation improvements in informal settlements had on going works and was at 55% progress. Components 1 and 2 were completed in December 2019 and January 2020 respectively while Component 4 was completed by end of June 2022.

Component 1: **Upgrading and rehabilitation of the Ggaba Water Treatment Complex**

The works were aimed at restoring the production capacity of the Ggaba Water Treatment plant. These were re-scoped to include treatment capacity from 150,000 cubic meters to 230,000 cubic meters per day through appropriate rehabilitation and extension activities. Construction of new reservoirs to serve water stressed communities, installation of clear water pumps, procurement of new meters and capacity development, and Non-Revenue Water Management (NRW). The works were completed and the water treatment optimization measures at Ggaba water treatment plant (WTP) was achieved. The network extensions and enhancements; NRW interventions in the Kampala network were achieved. This increased the storage capacity (construction of Namasuba reservoir) and bulk water transfer to some critical low water supply areas in the Kampala water supply area. The works commenced in 2014 and were completed in December 2019 and are functional.

Component 2: Kampala Water Network Rehabilitation, restructuring and extension.

The component is intended to improve bulk water transfer and supply within the Kampala water supply area. Consultancy services, which entailed the Network diagnostic study and master plan preparation were key outputs. The diagnostic study was completed, and it was on the basis of which the network interventions and work packages were detailed for subsequent design and work tendering. The network modelling and master planning for the Greater Kampala Water Supply Area, identified the necessary infrastructure required to optimize transmission and distribution of water in the city upon which further tendering works for densification were premised. The works commenced in 2016 and were completed in January 2020.

Component 3: Water supply and sanitation improvements in informal settlements.

The planned outputs included; Functional faecal sludge treatment plant capacity 400 cubic meter, lay 44km of water supply pipeline, Supply of 2,500 prepaid water meters, Construction of 64 sanitation facilities.

By April 2024, the planned outputs had attained 55% progress against set targets. Of the planned 44Km of the water supply pipeline 33Km (80% progress) was laid. Supply of prepaid meters was at 10%. RAP and sensitization of communities in the sites for building toilets was on going. 44 sites were handed over to the contractor, including 10 school toilets, 10 renovation toilets and 24 new public toilet sites. Of which, 6 school toilets at Kansanga PS, Police Children Primary School, Kibuli, Mbuya PS, Mutundwe Primary School, St. Paul Primary School, Nsambya, Lubiri Primary School, Mutundwe and 2 renovation toilets were completed.

Based on the achieved performance the outputs are expected to be completed by the planned end date October 2025 although with a high risk of registering cost overruns on consultancies. There were delays in land acquisition for the sanitation facilities at Namuwongo and Kamwokya.


Left: Casting of a slab for a toilet at Lubiri Secondary School-Mengo. Right: A six stance sanitation facility at Namuwongo I Market.


L-R: Setting out and concrete casting for the Sludge dumping and pre-treatment area and Casting of concrete for the side wall anaerobic ponds for Nalukolongo feacal sludge

Component 4: Development of New Water Treatment Plant at Katosi

The purpose of the Katosi Water Treatment Plant (WTP) project was to augment the drinking water supply quantity for the Kampala City and surrounding Towns by increasing the water production.

The planned outputs included construction of; 54km water pipeline from Katosi to Kampala, Booster station and reservoir at Sonde, Consultancy services for the Kampala Katosi Treatment Main (KKTM) and Construction Supervision, Construction of new water treatment plant of 240 million litre capacity and reservoirs, consultancies for the water treatment plant. The outputs were completed by the end of June 2022. A completion report and site handover was conducted.

The completion and operationalization of the Katosi Water Treatment Plant has improved the water supply situation in the formerly dry zones. The water supply to areas of Mukono, Seeta, Sonde, Namugongo, Kyaliwajala, Kira, Bulindo, Naguru, Buwate, Kasangati, Gayaza, Namanve, Bweyogere, Kirinya, and neighboring areas which previously experienced intermittent water supply are more reliably served by the Katosi system.

Implementation Constraint

Resistance of the project especially in the market areas where the sanitary facilities were being implemented caused delays in execution of works.

Conclusion

The completion of the Kampala Katosi Transmission Main (KKTM) was a key milestone that greatly improved water supply to the rapidly increasing urban population on the eastern side of Kampala. The completed components (1, 2, and 4) represent 80% of the project scope. The quality of work was good and is positively impacting the livelihoods of beneficiaries with improved access to safe water. Works on component 3 commenced though late and were at 55% (fair) progress. With full engagement of all sites these are expected to complete in time and on budget. However, the GoU counterpart funding continues to perform poorly at 15% disbursement, and the NWSC had to find alternative funding internally to bridge the gap.

Recommendations

1. The Ministry of Lands Housing and Urban Development and the KCCA should develop strategies to support a faster process for land acquisition of the project.
2. The NWSC and MWE should step up community sensitization initiatives for communities to mitigate resistance towards the project which benefits them and enhance sustainability efforts.

2.Strategic Towns Water Supply and Sanitation Project (1529)

Introduction

The Strategic Towns Water Supply and Sanitation Project (STWSSP) is financed by the African Development Bank (ADB) loan and Government of Uganda (GoU) counterpart contribution at Ug shs 267.53. The initial project period was 1st July 2019, to 30th June 2024 but this was extended to June 2025. The project objective is to support the Government of Uganda's efforts to achieve sustainable provision of safe water and hygienic sanitation for the urban population by the year 2030. More project data is provided in Table (3.3.23)

Table 3.3.23: Strategic Towns Water Supply and Sanitation Project Basic Data

Project Initial Cost	UA 48.9million[87]
ADF Loan	UA 44million (90%)
Government of Uganda Contribution	UA 4.9million (10%)
Cost variation	Ug shs 16.941bn (to be funded by GoU)
Scope Variation	Construction of Bihanga WSS in Kamwenge; Contract addendum in Kayunga-Busana water supply system; Additional Network Expansion in Kyenjojo-Katooke water supply system
Contract signing	September 2018
Loan Tenure	40 years
Loan effective date	September 2018
1st Disbursement	December 2018

Source: ***Source: Owner's compilation; Project Appraisal Report 2018; Project Quarterly Reports (FY2019/20-2023/24)***

[87] UA 1 = USD 1.42; USD 1 = Ug shs 3,598.35

The scope of works:

(i) Construction works in 10 Towns of Kyenjojo-Katooke (Kyenjojo District), Nakasongola (Nakasongola District), Kayunga-Busana (Kayunga District), Kamuli (Kamuli District), Kapchorwa (Kapchorwa District), Dokolo (Dokolo District), Bundibugyo (Bundibugyo District) and Buikwe (Buikwe District)

(ii) Improved urban sanitation and environmental management and

(iii) Sector Programme Support.

Financial Performance

By the end of March 2024, Ug shs 218.207bn had been released and spent on the project. This was good external expenditure (at 84%) but over expenditure on GoU financing (at 112%) due to expanded scope to include Kabingo WSS at a cost of Ug shs 3.9bn (GoU contribution) co-financed with Water for People Non-Governmental Organisation (NGO) not included in the original agreement. The project was operating under the budget[88] (refer to Figure 3.3.13). This was because some of the contractor's certificates worth Ug shs 34.444bn and retention money that was pending payment. The project lost time during the Covid 19 outbreak and this was associated with logistical challenges caused by the lockdowns. As a result, this affected the supply chain in terms of timing and rising cost of materials.

Physical performance

The physical progress of the project was rated good at 80% since most of the planned outputs were completed. There were six completed WSSs[89] out of the planned 10. However, the project was behind schedule[90] (Figure 3.3.13). The project forfeited construction of three faecal sludge treatment facilities and the countrywide bulk water transfer study due to worldwide supply chain challenges that caused price escalation of inputs.

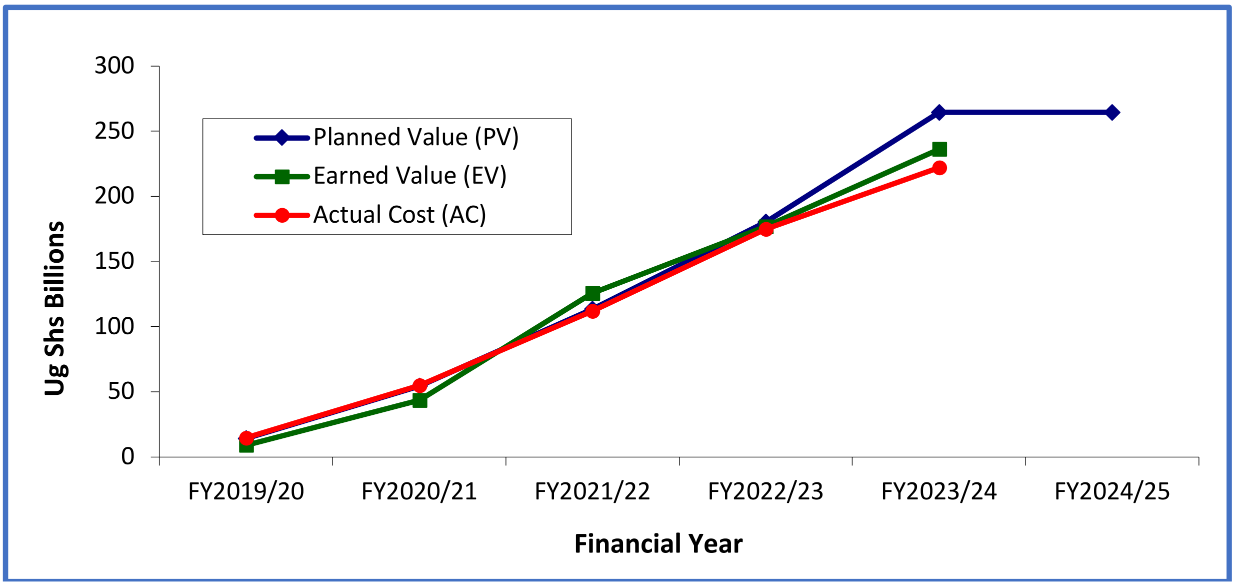
The project scope was reviewed to include other works namely; the construction of an additional town water supply system (Bihanga, Kamwenge) co-financed with Water for people and; Contract addendum in Kayunga-Busana water supply system and Network Expansion in Kyenjojo-Katooke WSS. These works were completed apart from Kyenjojo which was at 75% completion.

[88] Earned Value is=and Actual Cost is =The Earned Value (EV) =236.197 was higher than the Actual Cost (AC)= 222.107 because the project

[89] Dokolo, Nakasongola, Kayunga-Busaana, Kyenjojo-Katooke

[90] Schedule Variance (SV) =-28.389 was a negative meaning the project was behind schedule

Figure 3.3.13: Performance of Strategic Towns Water Supply and Sanitation Project



Source: Owner's compilation and Project Quarterly Reports (FY2019/20-2023/24)

The detailed achievements against the targets of the STWSS project outputs are in Table 3.3.24

Table 3.3.24: Project Achievements against Targets by 30th March 2024

Component 1: Urban Water Supply a) Detailed engineering designs for 10 towns: The planned detailed designs for 10 towns of Kayunga, Busana, Dokolo, Kyenjojo, Katooke, Nakasongola, Buikwe, Kapchorwa, Bundibugyo and Kamuli were 95% completed. b) Construction of WSS in 10 towns: The six constructed the towns (Dokolo, Nakasongola, Kayunga-Busaana, Kyenjojo-Katooke were commissioned were handed over to National Water and Sewerage Corporation (NWSC) for management and any necessary expansions. These were; Dokolo with 36.7km of transmission and 24.6 of distribution serving 35,800 users. Nakasongola had 18.96 km of transmission lines and 152.2 km distribution pipelines serving 104,256 people. Kayunga-Busana WSS with 25km of transmission and 68km of distribution pipelines currently serving 54,000 users. Kyenjojo-Katoke WSS with 29.8km of transmission lines and 156.79km of distribution pipeline serving approximately 26,300 users. The status of the other four was as follows: i) Bundibugyo WSS was 98% complete at 74% payment. The scheme will serve Bubukwaga, Busaru, Kirumya, Bukozo sub-counties, and Bundibugyo town council for a designed population of 66,419 persons for 20 years. Works completion was at 98% and the system was under test running. Major works included: Transmission mains: (1.730) Km of the planned (2.036Km); Distribution Mains: 88.433 Km of the planned 94.683Km. The umbrella organization was in place ensuring the household connections are completed. The works were affected by floods which slowed down works. ii) Buikwe WSS was at 98% completion with 76% payment status and is to serve 4 No. sub counties with a

population of 81,419 people. Works done included; Transmission mains: Pumping 7.66 km (4.697 km laid) and Gravity mains 14.1km (2.971 km laid); (No 1 Institutional Toilet and a Public Toilet). Land disagreements, rocky foundation and floods affected the project timings. iii) Kamuli WSS was 70% progress with 43% payment. The project will serve 85,354 people in Kamuli Municipality; Mbulamuti SC and Butansi SC. Transmission mains were 5km out of the planned 18km because of the hard pan foundation. For reservoir tanks 02 out of the targeted 05 were achieved waiting for delivery of steel tower. The project progress was affected by change of design, the hard rock along the transmission main; Unprecedented heavy rains; Raising water levels of the Victoria Nile and a higher water table level which affected earthworks for the Water Treatment Plant and Intake. iv) Kapchorwa WSS. The construction works were at 98 % progress with 71% payment made. It will serve the parishes of Basar parish, Kapnyikew, Kapteret, Katung, Tegeres, Kween, Kwoti, Teryet p and Kapenguria. Completed works include: 15.325km Transmission mains and 58.451 of distribution.The project suffered landslides among others.
Component 2: Improved urban sanitation and environmental management For improved Urban Sanitation and Environmental Management, the planned construction of 3 faecal sludge treatment facilities was not done due to insufficient funds; Six (6) cesspool emptiers were procured and 36 out of the planned 40 Gender-segregated and disabled-friendly public sanitation facilities were constructed including in schools/institutions. The following were achieved as planned: The training of people in appropriate urban sanitation (masonry/mechanic artisan's/waste management) was completed. A total of 850 women and youth were trained in water and sanitation services as a business. The Water and sanitation services regulation tools was developed (technical and commercial).
Component 3: Sector Program Support The Water and sanitation services regulation tools was developed (technical and commercial). The Water and sanitation services tariff regime was reviewed and tariff policy updated. Feasibility and detailed designs for climate change resilience was achieved. The Water and sanitation services tariff regime was reviewed and tariff policy updated. Uganda water and sanitation atlas was updated but a Strategy and framework for implementation of bulk water supply was not developed. Water source protection in catchments in the 8 project water sources was achieved. Annual Program Review Reports, Meetings were conducted and Project Management was at 95% achievement. Development of a strategy and framework for implementation of bulkwater supply was not achieved.

Source: Project Q3Report FY 2023/24; field findings

L-R: Pipe fitting and mechanical installations in the pumphouse for Kapchorwa WSS and Chemical mixing equipment in Bundibugyo WSS

L-R: Surface water pumps at Buikwe WSS and Rapid sand filter at Water treatment plant at Kamuli WSS

Implementation Constraint

The change in scope of works caused increase in the GoU budget by Ug s

hs 16.941 for the construction of Bihanga WSS in Kamwenge, extra works for Kayunga-Busana WSS, and network Expansion in Kyenjojo-Katooke WSS. The outstanding debt of these works is equivalent to Ug shs 13.04bn.

Lesson Learnt

Stakeholder engagement including beneficiaries is vital in project preparation to ensure their needs are captured in the project design to reduce variations and the associated costs. The changes in project scope significantly increased the GoU contribution by Ug shs 16.941bn.

Conclusion

The Strategic Towns Water Supply and Sanitation Project performance was good at 80% progress. Complete construction and commissioning of six of the planned 10 towns was achieved. The remaining towns of WSS (Buikwe, Bundibugyo, Kapchorwa) were under the defects liability whereas (Kamuli) was at 70% progress. The water tariff regime was reviewed and Water supply equipment support to Umbrella Authorities; and six cesspool emptiers procured. The project had outstanding financial obligations to clear in terms of scope variations and unpaid certificates[91]. The estimated cost of the project at completion was Ug shs 291.947bn which is a cost overrun risk that is over and above the planned cost value of Ug shs 267.53bn. The estimated duration at completion was one year thus the remaining time is enough to complete all the works.

Recommendations

1. The MWE should ensure that future projects work within the available budget and focus on fewer project areas, to improve service efficiency and avoid cost variations.
2. The MWE should maintain regular progress tracking to address any issues arising immediately so that works may be completed in the adjusted timeframe.

3.Support to Rural Water Supply and Sanitation Project (1614)

Introduction

The Support to Rural Water Supply and Sanitation Project (SRWSSP), implemented by the Ministry of Water and Environment (MWE) is funded by a loan from both the EXIM Bank of India and *Agence Française de Dévelopement* (AFD), plus GoU counterpart funding. The project start date is 1st July 2020 and the end date is 30th June 2025. The project aims at increasing access to and functionality of sustainable safe water supply, and sanitation facilities in the District Local Governments (DLGs). The objective is to develop solar powered water pumping systems in rural Sub-counties with safe water coverage of less than 50%. Additional project data is provided in Table 3.3.25.

Table 3.3.25: Basic project data

Project Code	1614
Approved Loan Amount	US$ 119 million (US$ 30 million Exim Bank of India and US$ 89 million
Counterpart funding amount	68 Billion (Bn)
Date of loan approval	8th September 2021
Date loan declared effective	01st July 2022
Closing date	30th Jun 2027

Source: MWE externally funded project progress report March 2024

Scope

The project intends to serve 20[92] districts and over 600 villages with an approximately 140,000 people. The key project planned outputs are:

i) Solar powered systems in the rural communities rehabilitated (130).

[91] Cost performance Index = 1.6 which is more than one in this case the project had outstanding debt payments to clear

[92] Kitgum, Bukedea, Kasese, Sheema, Ntoroko, Lamwo, Nakaseke, Rukungiri, Ibanda, Arua, Kokobo, Nebbi,, Agago, Alebtong, Otuke, Lira Dokolo, Zombo, Maracha, Moyo, Adjuman and Yumbe.

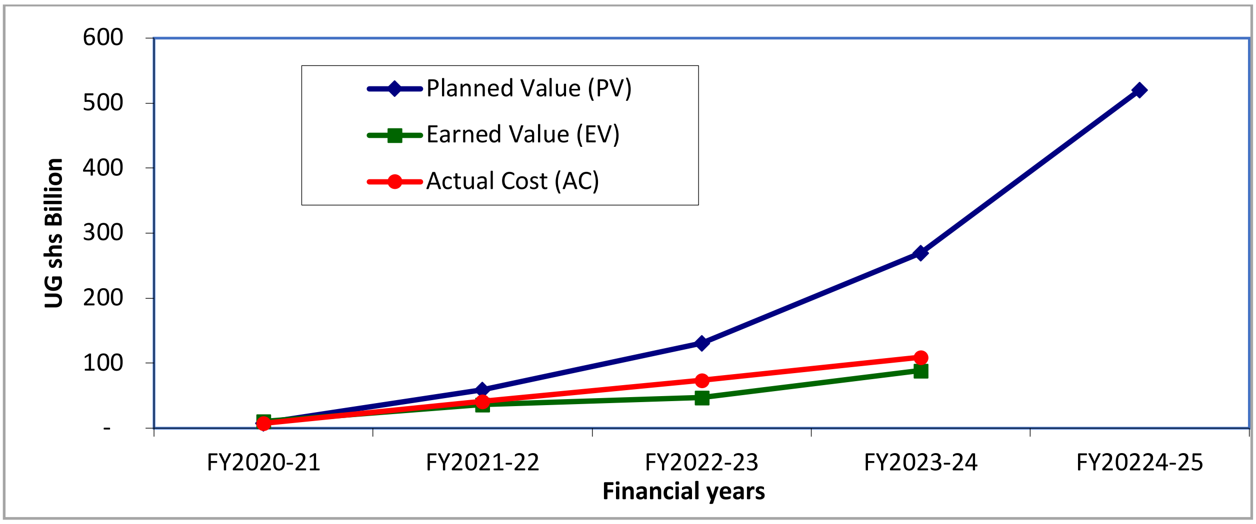
ii) New and dilapidated piped water supply system rehabilitated and/or expanded (16).
iii) High yield boreholes with solar powered systems motorized and upgraded (344).
iv) Capacity of District Local Governments (DLGs) built through the regional decentralized unit (127 districts).
v) District Local Governments monitored to ensure compliance to sector standards (127).
vi) District databases on the existing water and sanitation systems updated (127 districts).
vii) Support to Rural Water Supply and Sanitation project benchmarked and documented (2).

Financial Performance

The overall financial performance was poor with a total disbursement of Ug shs 132.09bn (25.38%) against a project budget of Ug shs 520.2bn[93]. However, of this only 11% of the loan was disbursed. The poor disbursement was attributed to the delayed submission of the performance guarantee and advance payment guarantee. A total of Ug shs 109.19bn (82.51% of the disbursed funds) was absorbed by 31st March 2024.

On the other hand, there was over expenditure on the GoU counterpart funding by 27.7% (Ug shs 18.85bn) though the overall project expenditure was still within the budget. The over expenditures were on arrears of various projects like Kabuyanda and Nyabuhikye originally not included in the budget due to poor planning. The earned value was below actual cost which points to inefficiency. The project presented a less than one cost performance index[94] meaning that the project was spending more resources for less value (Figure 3.3.14). This reflected a risk of cost overruns.

Figure 3.3.14: Performance of the Support to Rural Water and Sanitation Project by end of March 2024



Source: Author's compilation, Project progress reports and PBS reports-MWE

Physical performance

[93] Exchange rate of $1=Ug shs 3800
[94] Cost performance index of 0.81

The overall performance of the project was poor at 17% with most of the works behind schedule[95]. This was attributed to the delayed commencement of civil works that constitute a bigger percentage of the budget. Only two schemes were completed against the targeted 50 under the rehabilitation of solar powered systems in the rural communities. However, construction of 17 schemes in seven districts was at various levels while land for eighteen schemes was not yet acquired. This was against a time progress of 60%. Detailed performance of the project is in Table 3.3.26.

Table 3.3.26: Detailed performance of the Support to Rural Water Supply and Sanitation Project by 31st March 2024

Output	Target	Achieved	Remarks
Solar powered systems in the rural communities rehabilitated	50	2	Two water supply systems (WSS) were completed in Kyankwanzi (Nkandwa WSS and Kiryangongo WSS). Construction of 17 schemes in 7 districts[96] was ongoing at varying levels. Construction of 13 schemes in 5 districts[97] had not started but contracts were awarded. Works for 18 schemes in 10[98] districts had not commenced awaiting acquisition of land.
New and dilapidated piped water supply system rehabilitated and/or expanded	16	0	Funding was only secured for Isingiro WSS under the French Development Agency-AFD. The contracts for construction and support supervision of Isingiro WSS were signed after retendering. Construction had not commenced yet.
High yield boreholes with solar powered systems motorized and upgraded.	344	61	61 boreholes were assessed and will be motorized to serve the 50 schemes.
Capacity of District Local Governments built through the regional decentralized unit.	127	127	Regional Support units continuously supported the DLGs to build their capacity in areas of Engineering Design, and Policy issues, Procurement among others.
District Local Governments monitored to ensure compliance to sector standards.	127	127	This was done in all Local Governments (LGs).
District databases on the existing water and sanitation systems updated.	127	0	The Database upgrade in MWE was ongoing to allow up to date and accurate data on water, environment and sanitation.
Support to rural water supply and sanitation project benchmarked and documented.	2	0	A project mid-term review and the documentation exercise of the project were ongoing.

Source: Field findings, Project progress reports.

[95] With a schedule performance index of 0.33 which is less than one

[96] Agago-4, Yumbe-2, Amudat-3, Kasese-2, Kaabong-2, Bulisa-2, Mityana-2

[97] Sembabule-3, Bulambuli-2, Kisoro-3, Rubanda-1 and Kakumiro-4

[98] Kassanda-1, Mudende-3, Buvuma-4, Kyankwanzi-2, Namayingo-1, Rakai-1, Nakaseke-2, Buyende-2, Lyantonde-2, and Kyegegwa-1.

L-R: A Public Stand Post at Nkandwa Solar powered WSS in Kyankwanzi district. Tower erection for the water reservoir tank at Lakwa in Agago district

A pump station at Kyamusisi solar powered water supply scheme in Mityana district

Implementation constraints

i. Delayed commencement of civil works as a result of delayed acquisition of land for project components in some cases.
ii. Reducing groundwater potential that has rendered most water points non-functional.

Implementation Constraints

1. Land acquisition to house project major components sometimes takes a long time to achieve due to prolonged negotiations with beneficiaries who contest the various rates given by the Chief Government Valuer.
2. The environmental challenge posed by limited by ground water potential in some cases leading to high rate of failures of water sources.

Conclusion

The overall Support to rural water supply and sanitation project performance was poor at 17% given 60% project time lapse. The project was literally behind schedule as only two out of the planned fifty schemes were completed. More still, there was overspending on the GoU counterpart funding by 27%. This overspending was caused by payment of arrears for projects that were not incorporated in the project budget an indication of poor planning. At this trend of implementation, the project presented a time risk extension of 10 years and cost overrun of approximately Ug shs 121bn.

Recommendations

i. The MWE should continue to engage Local government in land acquisition and agree with the contractor reschedules; and optimize the workforce/ machinery to fast-track implementation in the remaining time period.

ii. The MWE should consider bulk water supply systems especially from surface water sources which is sustainable in the long run as opposed to using ground water sources.

iii. The should work task the contractor to develop realistic schedules and strictly monitor progress to avoid further delays.

4.South Western Cluster Project (1531)

Introduction

The South Western Cluster (SWC) project is implemented by the National Water and Sewerage Corporation (NWSC) and funded by a loan from the French Development Agency (AFD). The total project cost is Ug shs 529.2[99] billion (Euro 126 million) of which Ug shs 504bn (Euro 120 million) is a loan from AFD and Ug shs 70.3bn (Euro 6 million) is GoU co-financing. The project objective is to improve access to water supply and sanitation services in Mbarara, Masaka and surrounding towns. The project start date is 1st July 2019 and the end date is 30th June 2024.

Scope

The project has three (3) components namely; i) Kagera water works, ii) Mbarara water works, and iii) Masaka water works. The expected outputs of the project are:

i) A new water intake on Kagera River at Nshungyezi constructed.
ii) A new water treatment plant in Kagera and associated infrastructure constructed.
iii) Mbarara water supply expanded from 7,000 to 12,000 cubic meters per day and sanitation system rehabilitated.
iv) Masaka water supply expanded from 8,000 to 14,000 cubic meters per day and sanitation system rehabilitated.

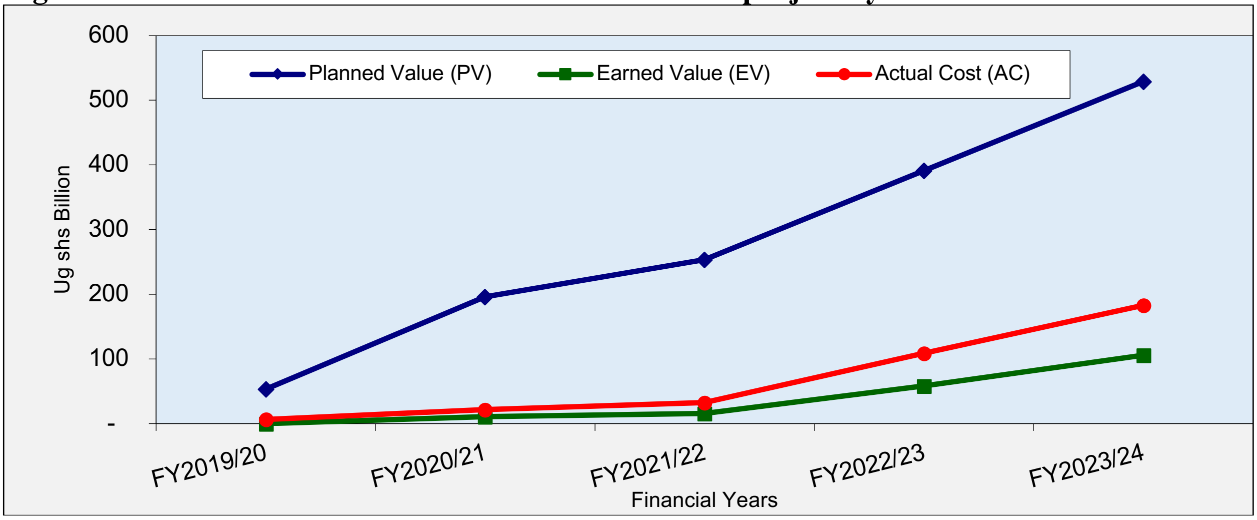
[99] Exchange rate of 1 Euro – Ug shs 4,200

Financial Performance

A total of Ug shs 327.69bn (61.9% of the total loan amount) was disbursed of which Ug shs 183.06bn (55.9% of the disbursement) was spent by 31st March 2024 against a 95%-time progress (57 months). There were no disbursements for the GoU counterpart fund during the period under review. The activities to be funded by the GoU counterpart such as compensation and Environment and Social Impact Assessment (ESIA) were undertaken by the NWSC internal revenue. This was in anticipation that the GoU will disburse its counterpart fund.

The project earned value was below the actual cost which means that the project was operating over the budget (figure 3.3.15). This is because the advance payment to the contractor for the Kagera water works had not been fully recovered in form of executed civil works.

Figure 3.3.15: Performance of South Western Cluster project by the end of March 2024



Source: ***Project documents and field findings***

Physical performance

The overall project performance was poor at 20% against time progress of 95%. This is because there were no civil works for the first three years on all the project components except feasibility studies and designs. Civil works commenced in the fourth year of the project under one component (Kagera water works) only. For the other two components (Mbarara and Masaka) works had not commenced.

The project was behind schedule (with schedule performance index[100] less than one) pointing to inefficiency (figure 3.3.15 above). This arose from delayed commencement of civil works. At that rate of implementation, the project risk time extension to complete the scope of works. Detailed performance of the three components is discussed hereunder:

Component 1-Kagera water works: The plan is to construct a new water intake on River Kagera at Nshungyezi village; and a new water treatment plant in Kagera and the associated

[100] Schedule Performance Index is 0.45

infrastructure[101]. Civil works for Kagera commenced on 1st November 2022 and progress was at 45% against 70% target by 31st March 2024. Detailed progress for the subcomponents is provided in table 3.3.27

Table 3.3.27: Progress of civil works for the Kagera water works as at 31st March 2024

Subcomponents	Target (%)	Achieved (%)
Kagera Water Treatment Plant		
1 WTP for 30 000 m³/d	70	45
1220m of 33kv power line from Kikagati	45	15
397m of drainage Flushing pipe to the river	45	0
Pipeline system		
Kabingo Pumping Station	58	36
3 Tanks (Bihunya tank – 2000m³, Kaberebere Tank – 800m³ and Kajaho tank – 450m³)	65	47
Main pipes	35	17
Secondary lines	53	47

Source: Field findings and project progress report March 2024

The access road and platform for the intake works were completed. Development of the interface between the Isingiro Rural Water Supply and Sanitation (RWSS) and the Kagera system including a comprehensive schedule of works was ongoing. Commencement of works delayed due to COVID-19-associated travel restrictions for the international consultant and the delayed procurement of contractor.

Left: Ongoing construction at the Sand filter tanks. Right: Ongoing foundation works for the administration block for Kagera water works

Component 2-Mbarara water works: The plan is to rehabilitate and expand the existing water supply and sanitation infrastructure in Mbarara Municipality and surrounding areas. The procurement for Mbarara civil works were still halted due high bid quotations that were three times higher than the budget cost for the system arising from global economic challenges. A decision to retender the works was taken and the consultant was requested to re-submit a proposal for rescoped works which fit within the available component budget. The proposed

[101] Associated infrastructure includes transmission line, reservoir tanks, and sanitation facilities.

change of scope (reduction in works) awaits approval by the French Development Agency, which had delayed.

Component 3-Masaka water works: The plan is to rehabilitate and expand the existing water supply and sanitation infrastructure in Masaka municipality and some towns along the Lukaya - Masaka highway. Tender documents for civil works were issued to qualified bidders however delays were registered due to the AFD's request for a comparative study between groundwater and surface water sources.

The study need arose from the high risk of obtaining the required volumes; the difficulty to operate and maintain a high number of boreholes spread over the component area; the impossibility to upgrade the boreholes to cover the water demand for horizon 2030 and 2040; and the land acquisition costs for the many boreholes. Subsequently a comparative study for the source of water supply for Masaka was undertaken and a resolution was reached to abstract water from Lake Victoria (a ground water source).

Implementation constraints

- Delayed commencement of civil works which affected the project progress. This was attributed to the water source reviews for Masaka water works.
- Difficulties in obtaining way leaves for pipeline routes and key sites for key installations under the Kagera water works associated with delays in clearance by Uganda National Roads Authority.

Conclusion

The project performance was poor at 20% with over 90% of the time spent and 61.9% disbursement. This points to time and resource inefficiency evidenced by the earned value of less than one[102]. The works for Masaka and Mbarara were behind schedule due to site reviews and higher bidding prices respectively. By end of March, 2024, the remaining time was less than three percent against 55.9% budget expenditure. This implied that the project requires an additional Ug shs 497.8bn at an estimated six additional years (76 months) to be completed.

Recommendations

- The NWSC should re-scope the project works to fit within the available budget and seek a project extension of at least one year to complete Kagera and Masaka water works.
- The NWSC should halt the re-tendering of works for component 2-Mbarara water works whose earlier bid amounts were far above the component budget and repackage it for another project and funder.
- The NWSC should continue engagements with key stake holder's/ Land lords and finding alternative routes and sites for the project where possible.

[102] EV=0.45

5.Water and Sanitation Development Facility North Phase II (1534)

Introduction

The Water and Sanitation Development Facility North Phase II (WSDF-N II) is funded through two grants from the Federal Republic of Germany (KfW Bank) and Government of Uganda (GoU) counterpart funding at a total project cost of Ug shs 172.73 billion (US$ 45.46m)[103]. The project started on 1st July 2019 and is expected to end on 30th June 2025. The grants became effective on 1st July 2019 and set to close on 12th November 2025.

The project objective is "To improve the socio-economic situation and the opportunities for people living in the Small Towns and Rural Growth Centers through provision of safe, adequate, reliable, sustainable and accessible water supply and promotion of improved practices of hygiene and sanitation". The attainment of this objective is envisioned to reduce pressure on existing clean water supply and sanitation facilities in the urban areas of Lango, Acholi and West Nile sub regions where the project operates. Therefore, focus to develop new water supply and sanitation facilities, including expansion of existing ones for optimal utilization.

The scope of works

i) A total of 62 piped water supply systems constructed
ii) Ten (10) Fecal Sludge Treatment Facilities constructed
iii) Twenty-four (24) piped water systems designed
iv) A total of 120 public and institutional toilets constructed.

Financial Performance

As at the end of March 2024, the grant disbursement was good at 79.53% of which 81.5% was absorbed (Table 3.3.28. However, the value[104] of work achieved was less than the expenditure[105] (Figure 3.3.16) hence indicating inefficiency in implementation[106]. However, was partly due to the increased costs of construction inputs/materials such as fuel, pipes, cement, iron bars which affected the overall cost of works as well as monitoring and supervision.

Table 3.3.28: Financial performance of the Water and Sanitation Development Facility North II Project as at 31st March 2024

Funder	Committed Funds (US$ million)	Disbursement (US$ million)	Expenditure (US$ million)	% disbursed or released	% of disbursement spent
Federal Republic of Germany through KfW (Total of two grants)	27.26	21.68	17.68	79.53	81.5
GoU	18.20	12.90	12.90	70.88	100
Total	**45.46**	**34.58**	**30.58**		

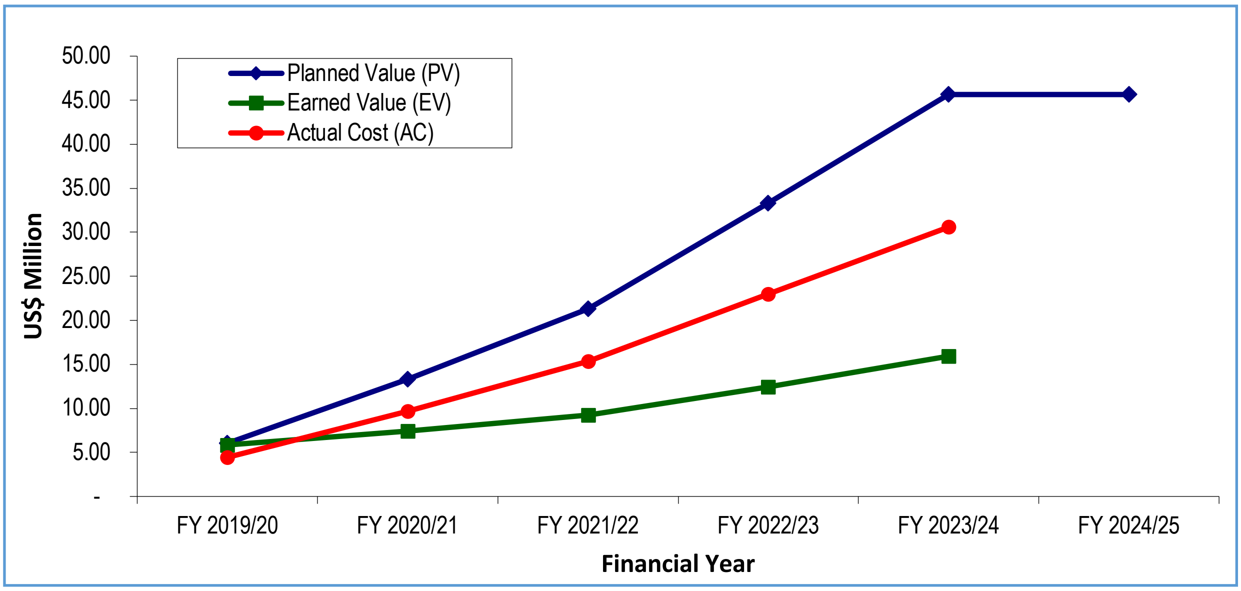
Source: ***MWE, Externally Funded Projects Report December 2023; Programme Budgeting System Progress Reports FY 2019/20 - FY 2023/24***

103 Exchange rate is US$ 1 = Ug shs 3800
104 Earned Value = US $ 15.93m
105 Actual Cost = US$ 30.58m
106 Cost Performance Index = 0.52

Physical performance

Overall, the performance of the project was poor at 41% as and behind schedule[107] (Figure 3.3.16). As of 31st March 2024, only 17 out of the planned 62 piped water schemes and three (3) Fecal Sludge Treatment Facilities (FSTFs) were completed, commissioned. These were functional and the quality of work was good thus increasing the number of people accessing safe water and sanitation. The completed facilities were handed over to either the National Water and Sewerage Corporation (NWSC) or Umbrella Water Authority (UWA) for operations and maintenance as a sustainability measure and further expansion as need be.

Figure 3.3.16: Performance trends of the Water and Sanitation Development Facility North II as at 31st March 2024



Source: Authors compilation from MWE, Externally Funded Projects Report December 2023; PBS Progress Reports FY 2019/20 – FY 2023/24

The detailed performance of the key project outputs is presented in Table 3.3.29.

Table 3.3.29: Performance of planned outputs as at 31st March 2024

Planned outputs	Achievements and Remarks
A total of 62 piped water supply systems constructed for small towns and rural growth centers	A total of 17 piped water systems were 100% completed, commissioned and functional. These were: Agago TC, Alere, Atiak, Ayilo II , Bibia/Elegu, Bidi Bidi Zone V, Kati, Moyo TC, Nyumanzi, Odramacaku, Ofua III, Okokoro, Olujobo-Tika, Omugo VI, Padibe TC, Paimol RGC, and Ranch 1. The quality of work was good. The schemes were handed over to NWSC or UWA for operation and maintenance. Seven other water systems were ongoing at various progress levels as follows: Keri-Oraba (99%), Zombo TC (93%), Parabong in Amuru (85.5%), Lacekocot (80%), Obongi TC (75.6%), Lamwo TC (72%) and Palabek-Kal

[107] Schedule Performance Index = 0.35 which is less than one an indicator of time lag

Planned outputs	Achievements and Remarks
	(31%).
A total of 10 fecal sludge treatment facilities constructed	Three feacal sludge treatment facilities were completed: Dzaipi RGC, Yumbe and Rhino Camp, and the quality of work was good.
A total of 24 designs completed for piped water schemes and sanitation facilities	Overall, designs for 19 piped water schemes were completed, 11 were at detailed design stage, while four (4) are at the prefeasibility stage.
A total of 120 public toilets constructed	A total of 32 pubic and intuitional sanitation facilities were constructed in Agago-Paimol (3), Moyo (3), Padibe (5), Odramachaku (4), Bibia Elegu (5), Atiak (2), Okokoro (3), Kati (3) and Keri-Oraba (4). These had separate stances for males, females and persons with disability.
10 piped water schemes in small towns and rural growth centers rehabilitated /improved	No rehabilitation of water schemes were undertaken. Assessment of the existing schemes to be rehabilitated revealed that the schemes would require overhaul, therefore new schemes for those towns were proposed.
Sensitization, capacity building, sanitation and hygiene promotion, environmental and water source management	The promotion of sanitation and hygiene activities were undertaken in towns where piped systems were constructed. Stakeholders such as the local governments were empowered to continue campaigns for sanitation and hygiene. Environmental and water source management measures were observed around the water sources whereby activities such as fencing , drainage,and tree planting were done around the sources for the completed schemes.

Source: MWE (WSDF N Phase II)

L: A Public Stand Post for Odramachaku WSS in Arua district; R: A public sanitation facility for Bibia-Elegu WSS in Amuru district

Implementation constraints

1. Increased costs of construction inputs/materials such as fuel, pipes, cement, iron bars which affected cost estimates resulting into increased project costs.
2. Delayed disbursement of Government of Uganda funds hindered the timely execution of planned outputs.

Conclusion

The performance of the project was poor at 41% and behind schedule due to non-achievement of the planned targets. In addition, more funds[108] were utilized for less the value of outputs achieved. Given the prevailing trend, the estimated budget at completion is US$ 88m and an additional 12 years shall be required to complete pending targets. This was an indication of poor cost and schedule efficiency. As a result, the project is unlikely to achieve all the planned outputs in the remaining time thus the need to re-scope.

Recommendations

1. The MWE and the development committee of MFPED should ensure thorough cost and time projections including tools like Gantt charts at project appraisal, taking into consideration the scope of works.
2. The MWE should consider re-scoping the project to scale down the targets and work within the available resources.

UGANDA INTERGOVERNMENTAL FISCAL TRANSFERS PROGRAMME-(UGIFT)

Background

The Uganda Inter-Governmental Fiscal Transfers (UgIFT) for Results, is a programme supported by the World Bank to operationalize the implementation of the Inter-Governmental Fiscal Transfer Reform Program (IGFT-RP) whose main objectives are to;

i) Improve the adequacy, equity and increase discretion in the financing of local service delivery;
ii) Improve Central Government performance in the oversight, management and delivery of Local Government (LG) services;
iii) Improve LG performance in the management of local service delivery; and
iv) Improve the effectiveness and efficiency of service delivery by frontline providers.

The Government of Uganda and the World Bank restructured the original UgIFT program (2018/19-2020/21), which had an overall credit allocation of US$ 200 million and covered only Education and Health sectors, to include Water and Environment, and Micro-Irrigation (Agriculture). An Additional Financing (AF) of US$ 300 million, of which US$ 60 was a grant[109], was provided and Programme end dates were also adjusted from 30th June, 2022 to 30th June, 2024.

The Programme Development Objective is "to improve the adequacy, equity and effectiveness of financing and the oversight, management and delivery of Local Government (LG) services in Education, Health, Water and Environment, and Micro-irrigation in Agriculture, including refugees and their host communities. The UgIFT program focuses on Key Result Areas, grouped

[108] Cost Variance = US$ 14.66m
[109] The program was restructured on 14th September 2020

into six (6) Disbursement Linked Indicators (DLIs)[110] whose achievement triggers the disbursement of funds (Table 3.3.30.).

Table 3.3.30 UgIFT Result Areas, Disbursement Linked Indicators and Actions

Disbursement Linked Indicators (DLIs)	Description
DLI 1: Adequacy and Equity of Recurrent Financing of Local Service Delivery	Wage Allocations, Recruitment; and Non-Wage-Recurrent Allocations; focuses on financing the incremental cost of recruiting additional health workers and teachers and Water Officers in the least staffed local governments and of staffing the new facilities, as well as the costs of transitioning staff to the LG payroll in refugee-hosting LGs. It also provides incentives for providing adequate financing for critical higher and Lower Local Government staff such as Education Inspectors and Water Officers.
DLI 2: The Adequacy and Targeting of Development Financing for Service Delivery Infrastructure and Equipment improves and is linked to Performance	Development Conditional Grants; Aims to increase the allocations to Development conditional grants to the Education, Health, Water & Environment, Micro-Scale Irrigation, and Discretionary Development Funding (i.e. DDEG grant).
DLI 3: key actions from the Local Service Delivery Improvement Matrix	Improve systems, processes and capacity for improved service delivery within and across Education, Health, Water and Environment, Micro Scale Irrigation and cross-cutting areas.
DLI 4: Central Government core functions in Oversight functions for MDAs	Strengthening Central MDAs to carry out their core functions; In the oversight of service delivery to agreed levels in specified areas, including essential guidance; performance assessment and improvement support, and routine oversight, performance information, monitoring of service delivery and construction and safeguarding requirements.
DLI 5: LG management of Service Delivery	LG management of service delivery is strengthened overall and for the weakest performing Local Governments in education, health, water & environment, and irrigation sectors and cross-cutting
DLI 6: Service delivery improvement of frontline service delivery entities, Schools, Health facilities and LLGs	Frontline service delivery assessments; the efficiency and effectiveness of LLGs and service delivery units (primary schools and health facilities) will be assessed, and the incentives provided to stimulate improvements, including provision of performance improvement support to weak performing entities; and (iii) reporting and verification procedures for these actions as well as the associated disbursements.

Source: UgIFT-Program Operations Manual (POM),2020.

Overall Financial Performance of the UgIFT Programme

By 30th April 2024, a total of US$ 324.08million had been disbursed on account of the achieved Disbursement Linked Indicators, representing 64.8% of the World Bank financing, and leaving US$ 170.52million (35.2%) undisbursed (Table 3.3.31).

[110] DLIs are performance metrics used to track the disbursement of funds based on achieving specific milestones or targets. The DLIs are designed to ensure that funds are used effectively and efficiently by tying disbursements to the achievement of predetermined goals

Table 3.3.31; Financial performance showing disbursements from the World Bank as at 30th April,2024.

Facility	Amount (US$ Millions)	Disbursed (US$ Millions)	Un-disbursed (USD Millions)	Percentage Disbursed
Original Credit	200	189.34	13.10	94.7
Additional Credit	240	105.86	127.60	44.1
Additional Grant	60	28.88	29.82	48.1
Total	**500**	**324.08**	**170.52**	**64.8**

Source: MFPED UgIFT Secretariat

The disbursements on the original credit were at 94.7%, while the Additional Credit and Additional Grant disbursements averaged 46.1%. Delays in procurements for projects and the freeze on the recruitment of staff contributed to the low disbursement rates.

Additionally, Government of Uganda fell short of the financing commitments outlined in the Medium-Term Plan by 6.62%. This was primarily due to the government's inability to fulfill its commitment of Ug shs 242.3 billion in the Financial Year 2022/23, because of fiscal constraints. Detailed performance of UgIFT Programme under the Education, Health, Water and Environment, and Micro-Irrigation (Agriculture) sectors is presented hereafter.

Education

A total of three (3) (DL1,2 &3) out of six (6) DLIs under the Education Sub-programme were monitored namely; a) Adequacy and Equity of Recurrent Financing of Local Service Delivery; b) The Adequacy and Targeting of Development Financing; and c) Key actions from the Local Service Delivery Improvement Matrix.

Financial Performance

The initial budget for the education sector was Ug shs 490.3 billion. With Additional Financing in FY 2020/21, the budget increased to Ug shs 815 billion. By April 2024, Ug shs 693.6billion (85%) was disbursed to beneficiary Local governments. The Non-Wage Recurrent grew from Ug shs 231.4bn FY 2016/17 to Ug shs 490.3 bn FY 2024/25, while the total development grant grew from Ug shs 32.5billion to Ug shs in FY 2017/18 to Ug shs 203.3 billion in FY 2024/25.

Physical performance

This section presents programme physical performance in tandem with the monitored DLIs.

a) **Adequacy and Equity of Recurrent Financing of Local Service Delivery;** the focus was to improve provision of wage allocations by funding the incremental cost of recruiting staff in the new seed schools, additional teachers and School Inspectors in the least staffed local governments; and to improve allocations of the Non-Wage Recurrent (NWR) conditional grants according to the equitable formulae.
   Good performance was registered under DLI 1 as recruitment for additional teachers and School Inspectors in the least staffed Local Governments, staffing in the new seed schools, and Non-Wage-Recurrent allocations and releases improved over the project period.

- ***Wage Allocations, Recruitment and Releases****;* a total of 7,370 staff (i.e. 1,086 non-teaching and 6,284 teaching) were recruited and deployed which improved the staffing levels. The Wage bill grew by 62%, from Ug shs 1,072.1 billion in FY 2016/17 to Ug shs 1,733.1 in FY 2024/25. Despite the increase in staffing levels, the recruitment target of the Teachers and Inspectors of schools fell short of the MTP target of 49,120 teachers and 1,310 Inspectors majorly due to inadequate wage provisions and ongoing freeze on recruitment. The staffing in Seed schools was also still below the required staffing levels.

- ***Non-Wage-Recurrent Allocations and Releases;*** Overall, the non-wage recurrent allocations increased during the program period, based on the formulae allocations. Non-wage grew by 112% from Ug shs 231.4billion FY 2016/17 to Ug shs 490.3 billion FY 2024/25. Progressive trend of the NWR allocations against the MTP targets between FY 2018/19 and 2021/2022 are shown in Table 3.3.32. The Targets were only missed for FY 2022/23 and FY 2023/24 due to fiscal constraints.

Table 3.3.32: Changes to the Primary and Secondary Education Capitation Grants 2018/19-2020/21

Grant	Achieved				Not achieved due to fiscal constraints	
UPE-Capitation Grant (Ug shs)	**FY 2018/19**	**FY 2019/20**	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**
UPE Capitation per school	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
UPE Capitation Grant per student (Regular)	10,000	12,000	17,000	20,000	23,000	24,000
UPE Capitation Grant per SNE student		N/A	18,700	22,000	25,300	26,565
USE Capitation Grant per student (Regular)	123,000	165,000	175,000	180,000	190,000	199,000
USE Capitation Grant per SNE student		N/A	192,500	198,000	209,000	219,450
UPOLET Capitation Grant per Student	240,000	264,000	270,000	285,000	300,000	315,000

Source: Author' compilation from Field Findings

b) The Adequacy and Targeting of Development Financing

The Education Sector Development grant is to fund the construction and procurement of equipment of essential education infrastructure (e.g. Secondary Schools, Technical Schools) in Lower Local Governments (Sub counties) that did not have access to secondary education, and increase the adequacy of funding for the rehabilitation of existing primary. The implementation of the deliverables under DLI 2 was divided into three phases (Table 3.3.33.)

Table 3.3.33: Phased Construction of Seed Secondary Schools, School Labs and Rehabilitation of Technical Schools

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Phase I		*Phase II*		*Phase III*		
Seed Secondary Schools	117		115		27		259
Additional School Labs					134		134
Rehabilitation of Technical Schools			13				13

Source: UgIFT-Program Operations Manual (POM),2020.

The scope for each of the 259 Seed Secondary Schools include; 2-classroom blocks, 2-unit science laboratory block, one administration block, 6 (six) teachers' houses with kitchen, five stances lined VIP latrine for boys, five stances lined VIP latrine for girls, 3 two stances lined VIP latrine for teachers' houses, 2 stances lined VIP latrine for administration block, ICT Laboratory and Library block, Rainwater harvesting system and a multi-purpose hall. Key achievements are highlighted below:

i) By April 2024, a total of 95 out of 117 Phase I Seed Secondary Schools were completed (*list attached in annex 1*) and 68 were officially commissioned. Of the 22 incomplete, 7 stalled and contractors had not been on site for over 6 months and in some Local Governments. Five of these schools had works re-tendered[111] with additional cost variations. The main reason for stalled works was limited capacity of contractors.

ii) Civil works under Phase II and III were on going in a total of 121 schools, four had stalled[112] due to weak capacity of the contractors, while 13 had not started by April 2024.[113] However, works in all these schools were behind schedule as they were expected to be completed in FY 2021/2022 and be operationalized in January 2023. Overall the project is more than 12 months behind schedule. Overall performance of the civil works averaged 40% completion with 58 schools (66%) behind schedule, only 12 schools (13.6%) were on schedule and 18 (20.4%) being ahead of schedule.

iii) Factors for loosing time included; a) procurements delays caused by the Presidential Directive that required that all civil works under Education and Health be undertaken by the UPDF Engineering brigade b) limited contractor's capacity, delays in authorizing redesigns reviews and change in BoQs, c) sites with a lot of earth works that reduced the

[111] Re-tendered works had progressed as follows: Rwentuha Seed progressed from 80% to 98%, Kebisoni Seed from 85% to 99%, Lungula Seed S.S from 85% to 95%, Mparo Seed from 70% to 90%, Kabweri Seed from 90% to 93%, while Nakwasi Seed S.S was completed (100%). On the other hand, the new contractor for Katete Seed M/s Kinombe-Nyaruzinga

[112] Four (4) sites under Phase II stalled (i.e. Nakitoma in Nakasongola, Bumanya in Kaliro, Got Apwoyo in Nwoya, Rukoni East in Ntungamo)

pace of works, c) weather challenges, d) remote and hard to reach sites with poor road networks, e) difficulties in acquiring construction materials.

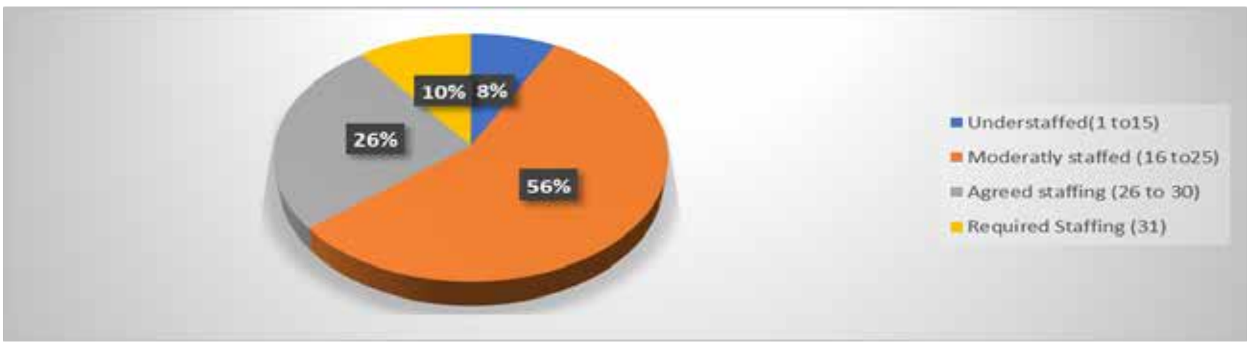
iv) The four (4) traditional schools (Butobere/Kabale, Sir. Samuel Baker/Gulu, Busoga High/Kamuli and Teso College -Aloet/Soroti) were repurposed to another project.

v) Construction of 13 (out of 27) schools under Phase III including; Burunga in Kazo, Burondo in Bundibugyo, Lwamata TC in Kiboga, Butta in Manafwa, Tororo MC/Eastern Division, Magamaga in Abim, Kyamukube TC in Bunyangabu, and Burora Kagadi had not started due to land ownership issues/encumbrance and delayed clearance by Solicitor General.

Left: Phase II Substantially complete structures at Arinyapi Seed S.S in Adjumani District; Right: substantially complete structures at Nsambya Seed S.S in Kyankwanzi District.

Operationalization/Functionality of Phase I Seed Schools: All completed Phase I seed schools were operational and receiving their capitation Grant. Enrollments were increasing across schools, 89% had access to a water source; 91% had Board of Governors constituted while the rest awaited approval by Ministry of Education and Sports; 77% had access to power while the others had challenges functionalizing the ICT Laboratory; and only 29% had Micro-irrigation demos.

Figure 3.3. 17Staffing Levels of Phase 1 Seed Schools



Source: OTIMS, 2024

Staff were recruited with majority of seed schools being moderately staffed, while 8% were understaffed. However, only 10% achieved the required staffing levels as indicated in Figure 3.3.17

Staff accommodation remains a key challenge as majority of staff were not accommodated. Whereas, there is pressing need to offer accommodation for students traveling from distant locations, the schools were negligent on hygiene standards. This negligence was evident with the poor disposal of sanitary towels and ineffective garbage management, among other issues.

Equipment, including ICT (computers/accessories), science kits and reagents were procured, delivered and installed in completed seed schools.

However, for facilities not completed, ICT equipment were temporarily stored in alternative spaces, including the Headteachers' offices and old existing storage rooms, among other locations.

ICT (computers/accessories stored in the one of the old school stores in Buwagogo Seed Secondary School in Manafwa District.

In addition, 10 schools experienced computer thefts because of inadequate security at schools including absence of fencing. ICT equipment for phase II and III schools is scheduled to be implemented in the fiscal year 2024/25, with Ushs.35.6 billion already earmarked for this purpose.

c) Key Actions from the Service Delivery Improvement Matrix (SDIM)

One of the key actions to improve service delivery was to harmonized the inspection tool, staffing structure and model for the Inspection of Primary and Secondary Schools, with integration of Teacher Effectiveness and Learner Achievement (TELA), e-inspection and other instruments that were developed and disseminated.

The TELA, is a performance management system focused on time-on-task that captures evidence-based information. The Directorate of Education Standards (DES) managed the contract, under the UgIFT project.

Key milestones on TELA Included:

i) Procured and distributed 12,009 smart mobile phones-enabled biometric devices to public Primary and Secondary Schools including Certificate Awarding Institutions; while 800 tablets were distributed to District Inspectors of Schools (DIS), associate assessors in all Local Governments.

ii) The TELA system was rolled out to 14,459 Primary and Secondary schools including Certificate Awarding Institutions.
iii) Trained all headteachers in the target institutions; 4,850 in Northern Region, 7,677 in Eastern Region, 8,346 Western Region and 7,150 in Central Region.
iv) A Call Centre at the DES-Kyambogo was established to offer technical support to the users.

Whereas the TELA improved teachers and student's attendance, with rates ranging between 85% and 90%, improvement of time on task remains a key challenge across schools particularly with science teachers. In addition, many rural schools face poor internet and electricity connectivity, and some expressed challenges buying data.

Therefore, TELA was substantially achieved as the national rollout of the system was completed. The achievements notwithstanding, non-compliance of Teachers/Tutors, majority being in Secondary schools and Certificate awarding Institutions was evident because there is no penalty to apprehend those that default.

Environment, Social, Health & Safety Safeguards

Environment and Social, Health and Safety Safeguards under UgIFT were integrated in all the Disbursement Linked Indicators. Compliance of projects to the safeguards was generally satisfactory across project sites monitored. For instance, 55% of the sites were hoarded, majority site workers had access to Personal Protective Equipment (PPE) while 34% sites had designated Environment and Safety officers present on site.

Safety and Health signage messages, especially HIV/AIDS prevention messages, were displayed in most sites. All sites visited had first aid boxes although in many sites some did not have medicines.


Un covered/unprotected water storage facility/pond at Kitojo Seed S.S-Mitooma district

Most sites had temporary pit latrines, urinals, and handwashing facilities available for both male and female workers. There were uncovered/unprotected water ponds in many sites that posed a risk both to the workers and the community. Drainage works, retaining walls, stone pitching and landscaping to control erosion were yet to be done in several sites. In some district's sites had high water tables (e.g Magambo Seed S.S in Rubirizi), while other sites were in flat low-lying areas prone to flooding (e.g Kibuuku Seed S.S and Butungana Seed S.S, Ntoroko DLG) which necessitated redesigns of the affected structures, and which increased the costs.

Most sites had grievance solving mechanisms. The most cited grievance related to delayed payments of workers, especially where contractors had cash flow challenges. Quality of food, delays in loan repayment among workers, delays in payment of goods taken on credit from community and drunkard cases were grievance issues in several sites.

Emerging Issues

i) There was increased enrollment in Seed Schools.
ii) Several Seed Schools were using some of the structures to run boarding sections for learners coming from far off distances.

Implementation Constraints

- Lack of operation and maintenance plans for infrastructure and equipment especially those completed and in use by the beneficiaries.
- Low staffing levels in Seed Secondary Schools hindering effective operationalization.
- Low capacity of some contractors to accomplish civil works with some contractors even abandoning sites.
- Weak implementation of Environment and Social Management Plans (EMSPs).

Conclusion

The overall performance of the Education component of the UgIFT program was Good with significant progress registered on DLI 1, while DLI 3 was substantially achieved. However slow progress was registered on DLI 2 which has the bulk of resources. Overall sites under Phase II and III, experienced time overruns due to delayed procurement of contractors for civil works, delays in re-voting of funds to Local Governments as several Local Governments were unable to absorb the UgIFT development funds and as per the PFMA (Amended). Unutilized funds are swept back to the consolidated fund upon expiry of the accounting year (June 30th).

Recommendation

- The World Bank and MoES should grant extension of time to the project for at least 12 months within which all contractors of Phase II and III of the TIs and all the re-tendered sites should complete the pending civils works.

Health

The UgIFT programme under health targeted to:

(i) **Ensure Adequacy and Equity of Recurrent Financing of Local Service Delivery** (Fund the recruitment of additional health workers for the Least-Staffed Local Governments to ensure that all Local Governments have at least 82 % of primary health care positions filled by FY 2022/23.; Transition 15 humanitarian partner-run health centres serving refugee and host communities spread across 12 refugee-hosting districts, all 15 facilities to be transitioned are Health Centre IIIs and, as such, will be staffed with 19 health workers each.

(ii) Ensure the Adequacy and Targeting of Development Financing for Service Delivery Infrastructure and Equipment improves and is linked to Performance (Upgrade and equip 371 Health Center IIs to IIIs in phases, i.e., 124 in FY 2018/19, 62 in FY 2019/20, 64 in FY 2020/21, 58 in FY 2021/22, and finally, 63 in FY2022/23.

(iii)Implement Key actions from the Local Service Delivery Improvement

(iv) Implement Central Government core functions in Oversight functions for MDAs
(v) Undertake Service delivery improvement of frontline service delivery entities, Health facilities and LLGs

Financial performance

The overall budget, across the three financial years 2021/22 to 2023/24, allocated to the health development grants, sub grant upgrading of health facilities was Ug shs 474.8 billion of which was all released and 87% spent. (Table 3.3.34). It should be noted that funds were absorbed after several revoting as funds were perpetually not absorbed in a single financial year partly because of late award of contracts and inadequate capacity of contractors.

Table 3.3.34: Financial performance of Health Development – HC Facility upgrades (Ug shs Billion)

FY	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Budget	39	40	133.1	120.1	102.1	40.5
Releases	39	40	133.1	120.1	102.1	40.5
Expenditure	39	40	133.1	120.1	43.2	

Source: MoH, *World Bank Missions Report (2024)*

Physical performance

The overall performance of UgIFT was fair at 69%. Performance of the UgIFT project, though initially behind schedule in the first two financial years, there was systematic improvement in performance with some projects completed, Health centres equipped, with health workers recruited and health facilities functional. Several ancillary performance measures were also undertaken. Details of performance per the disbursement linked indicator (DLIs) for the five out of the six DLIs is presented subsequently.

i). Disbursement Linked Indicator-1: Adequacy and Equity of Recurrent Financing of Local Service Delivery

a. Staffing for the 250 Upgraded Health Centres

The project further planned to fund the recruitment of additional health workers for the Least-Staffed Local Governments, as well as the additional 10[114] staff required to upgrade an HC II to HC III and staff the transitioned 15 Refugee-Serving Health Centres with 19 health workers each. Allocations in the Medium-Term Plan are meant to cover the recruitment.

The Government of Uganda in FY2021/22 provided additional wage to ensure that Local Governments fill up these above critical staff positions. Overall staffing levels remain low at 52% up from 36% in 2018. A total of 1998 staff representing 72% performance had been

[114] When the project started in 2017, MoH Guidelines required that a fully operational Health Centre III should have 19 staff; including; a Senior clinical officer, clinical Officer, Laboratory Assistant, Laboratory Technician; and Nursing Officer, Health Information Assistants, Porters and Askaris. Health centre II's were expected to have 9 staff. The requirement has since changed to 55 staff for Health centre III's.

recruited as of 31st March 2024. This leaves the current gap at 776 health workers needed to fully operationalize the upgraded health facilities. Of the 51 sites visited, average staffing levels were at 58%. However, while some sites were heavily staffed, some were missing critical staff, such as senior clinical officers e.g; Nkokonjeru Health Centre III, Buikwe.

The key constraints to the full achievement of this Disbursement Linked Indicator included Ban on recruitment, Wage enhancement of health workers that consumed the hitherto provided wage for recruitment and instances of nonfunctional District service commissions

ii). Disbursement Linked Indicator-2: The Adequacy and Targeting of Development Financing for Service Delivery Infrastructure and Equipment improves and is linked to Performance

a. Upgrade of Health Centre IIs to IIIs

The scope of the upgrade entailed; the construction of a new Maternity/General Ward; renovation of the old Out-Patient Departments (OPDs); construction of 2 twin staff houses; construction of one 4-stance VIP latrine with shower rooms for patients; a 2stance VIP-lined staff latrine; construction of a placenta pit and medical waste pit; and provisions for solar power, water supply, waste management systems, and medical equipment.

L-R: Staff house and General Maternity Ward at substantial completion in Bugweri District Local government

Between FY2018/19 and FY2023/24, a total of 371[115] Health Centres were to be upgraded from HCII to HCIII. These projects were to last for 8 months and were expected to be completed by November 2022.

[115] 124 Health Centre IIs, in FY2018/19, 62 HCs in FY2019/20, 64 HCs in FY2020/21, 58 HCs in FY2021/22 and 63 in FY2022/23.

Of the 371, 239 (64%) were completed as of March 2024, while 131 (36%) are still under construction. Of the 51 sites visited during the monitoring period, 16 (32%) were completed, 17 (34%) on schedule and 17(34%) had stalled. Despite this fair performance, several quality issues were identified at some of the sampled completed sites. These included.

(i) Faulty, non-functioning solar systems; A few health Centre's reported that the solar power was inadequate to supply the facility through the night, often stopping at midnight and only running lights. As a result, some of the power intensive equipment supplied could not be used at night due to the weak battery e.g. Kasokwe Health Centre, Kaliro district, Mocha Health Centre, Yumbe district. Bundege Health centre, Sironko

(ii) Lack of access to Water, resulting in heavy reliance on rainwater harvesting, which may not be sustainable as it is dependent on weather conditions and the adequacy of water tanks.

(iii)The doors at the entrance to the some of the health centres are installed are not the right specifications, leaving gaps at the bottom of doors which could permit other crawling creatures to access the health centre. E.g. Nkokonjeru Health Centre, Buikwe, Bundege Health centre, Sironko)

(iv)The windows in some of the delivery rooms were not opaque and health centres have had to improvise to maintain privacy for birthing mothers. (i.e. Nawampiti Health Centre III, Kaliro District)

b. Equipping of the Health Centres

As part of the operationalization of the Health centres, the project planned to equip all of the newly constructed Health Centres with cold chain equipment, laboratory and maternity equipment, and upgrading the Health Centre III drug kit. It is important to note, however, that for FY2018/19 facilities, equipment was not planned under the UgIFT Program as it was supposed to be provided under the Uganda Reproductive, Maternal and Child Health Services Improvement Project (URMCHIP).

Of the 239 completed Health Centres, 210 (88%) reported to have received equipment. Specifically, regarding the type of equipment, 219 (91%) of the completed 239 Health Centres had received the Cold Chain equipment; 210 (87%) had received maternity equipment; 183 (76%) had received laboratory equipment. Of the 51 sites visited 27 (53%), had their equipment delivered and 29% had it installed.

Although the delivery performance was good, it was observed that in some instances equipment delivered but not installed at sites due to the sites not being fully completed. Therefore, the equipment was being stored either at the district (e.g. Matuuga Health Centre III- Wakiso District) or in an available room at the health Centre. This could lead to damage from poor storage or wear and tear over time including expiries before official commencement of use. This also leaves a training gap as training was supposed to occur during the installment process.

iii). Disbursement Linked Indicator -3: Key actions from the Local Service Delivery Improvement Matrix

Overall, the MoH was on course to improve local service delivery. An overall plan to transition was developed by MOH & OPM among others. (Table 3.3.35)

Table 3.3.35: Performance of Key actions from the Local Service Delivery Improvement Matrix for health

Indicator	Progress as at 31st March 2024
All 12 Refugee hosting LGs have prepared costed and integrated refugee response and transition plans for health that are reflected in their annual budgets.	• An overall plan to transition was developed by MOH & OPM • All 12 Refugee Hosting Districts supported to develop their transition plans. • All 12 have developed their plans as addendums to the District Development Plans(DDP)
Progress has been made in refugee hosting LGs: a) at least 50% of critical health workers on the health facility structure have been transitioned; b)at least 75% of identified facilities to be transferred have been registered.	• All planed 15 health facilities transitioned and receive PHC funding • >75% Staff recruited for the 15 transitioned health facilities • Additional 20 Facilities to be transitioned FY20 24/25
Regional blood bank in Arua rehabilitated, staffed and functional.	• Blood bank construction complete • Equipment procured • Staff recruitment still ongoing
Regional blood bank in Hoima rehabilitated, staffed and functional.	• Blood bank construction complete • Equipment procured • Staff recruitment still ongoing

Source: MoH, Field findings



L-R: Blood Bank, Some of the Equipment and staff house at Hoima regional Blood Bank

iv). **Disbursement Linked Indicator -4: Central Government core functions in Oversight functions for MDAs**

The MoH was on course in relation to the DLI 4. Coordination meetings were held, performance improvement plans in place and were under implementation. (Table 3.3.36).

Table 3.3.36: Performance of DLI 4: Central Government core functions in Oversight functions for MDAs for Health sector

Indicator	• Progress
Essential guidance, preparation and dissemination	• Draft Guidelines in place • Pending dissemination •
Performance Assessment & Improvement Support	• Thematic Performance Improvement Plan(PIP) finalized under implementation • Least Performing LGs have been supported March and April, PIPs uploaded, • Report being compiled •
Provide technical support to LGs in the Procurement of Contractors/Supplier for	• Done across the country. Evaluation reports for Kasangati, Busiro North already uploaded •
Review of Budget Frame Work Papers(BFPs) and Performance Contracts to check compliance to the grant guidelines	• BFPs reviewed and LGs supported in March and April 2024 . Final Activity report is being developed
MoH conducts and produces quarterly monitoring reports of LG compliance with management of service delivery, HR, Finances, service delivery, MIS	• Reports for Quarter 1 and 2 completed Uploaded • Performance or Quarter 3 and Q4 to be reviewed
Compilation of quarterly reports from the implementation of DLIs and Central Government Oversight	• Quarterly reports developed and filed • Q1 and Q2 reports Uploaded • Q3 pending signature •
Hold sector coordination meetings at least quarterly to discuss progress in routine oversight and actions.	• Sector Coordination meetings held • Minutes to be uploaded •

Source: MoH, Field findings

v). **Disbursement Linked Indicator 6: Service delivery improvement of frontline service delivery entities, Schools, Health facilities and LLGs**

The MoH was on track to achieve the DLI6. Performance review and planning Workshops were conducted (Country wide), Data Quality Assurances and mentorships (91 Local Governments-LGs, 192 Health Facilities (HFs). The details are summarized in **table 3.3.37.**

Table 3.3.37: Performance of DLI 6: Service delivery improvement of frontline service delivery entities for Health

ACTIVITY	COMMENT
Health facility quality of care Assessment (HFQAP)	• MoH conducted HFQAP in 1675 Health Facilities (1467 HCIIIs and 208 HCIV) • Challenges with the DHISII platform contributed to loss of data for some HFs, especially patient satisfaction data. • Other HFs such as GH and some HCIIs covered with support from other partners bringing the total number of assessed facilities to 1931 health facilities.
Semi – Annual verification.	• 470 HFs sampled from 174 LGs. • Variances observed in many health facilities assessed; only 9% of the sampled HF had no significant variations between reported data and verified data • Data quality assurance and mentorship was undertaken in 91 LGs to try and address the issues identified
Other activities	• Performance review and planning Workshops (Country wide) • Data Quality Assurances and mentorships (91 LGs, 192 HFs) • Support supervision and Service Delivery monitoring • Data validation and IPF generation • Updating the Sector Grant and budget guidelines

Source: MoH, Field findings

Implementation constraints

- Delays in initiating and finalizing the procurement processes in the earlier years of implementation, which caused significant delays in the project schedule. Sites that were supposed to be completed in the first year of implementation continued into the second and (in some cases) third. e.g., for FY 2020/21 Health Centres, bid evaluation was concluded in December 2020, and awarding of contracts started in February 2021.
- The COVID-19 two pandemic that started in 2020 and ensuing lockdowns affected the flow of resources. This also caused delays in the project schedule and stalling of many sites.
- Low capacity of the contractor in terms of manpower, machinery as well as contractors managing multiple sites lead to abandonment of sites.
- Delays in re-voting unspent funds impacted the flow of resources and delayed the completion of several projects i.e for FY2020/21 and FY2021/22,

Conclusion

In conclusion, project performance was rated fair. The early years of the project were negatively impacted by procurement delays (specifically in the first year of implementation), the 2-year Covid 19 pandemic that impacted the second and third years of implementation, delays in re-voting funds and low capacity of contractors leading to site abandonments.

However, despite considerable delays in the early stages of implementation, there has been an upward trend in performance with a number of fully operational currently in use. There is therefore, an urgent need for the stalled and abandoned sites to be re-contracted and their completion prioritized for the project to get back on track.

Water and Environment

Introduction

During the restructuring of the original UgIFT in the Financial Year (FY) 2020/21, the World Bank and the Government of Uganda (GoU) provided additional financing to expand programme support to Water and Environment, which had previously been excluded. The total funding to the Water and Environment Sector Non-Wage Recurrent grant was meant to increase by 186% in nominal terms by FY 2023/24 vis-à-vis FY 2019/20 (base year) with UgIFT support. For the Water and Environment Development the increase would approximately be 200 % in nominal terms by FY 2023/24. On the other hand, Ug shs 1.9 billion (bn) was allocated to the District Local Governments (DLGs) for recruitment of Water Officers.

The UgIFT funding targeted; i) investments in water supply for public institutions, including: the newly constructed/upgraded Seed Secondary Schools and Health facilities, ii) increase in the number of sub-counties with safe water coverage, and iii) increase in the functionality of existing potable water supply sources.

Financial Performance

By FY 23/24, the Water and Environment Non-wage Grant had increased from Ug shs 5.3bn (baseline data) to 14.5bn (64.4% increment), while the Water and Environment Development Grant increased from 48.4 (baseline data) to Ug shs 87.5bn which was an 80.9% increment. This was good release performance[116].

Physical Performance of the Development Grant

By 31st March 2024, different water and sanitation systems were implemented with the UgIFT support programme to Local Government (LG) conditional grant. Starting the FY 2022/23 the District water and sanitation development conditional grant was separated between (i) the rural water and sanitation sub grant and (ii) the piped water sub grant which is specific support from UgIFT.

According to the guidelines for piped systems, LGs used the UgIFT funds for construction of high production wells, system designs and construction or extension of existing systems[117]. Construction of piped systems takes two to three years for the LG complete given the level of funding. Thus, the piped water systems were implemented in a phased manner. In some cases, where piped systems were not feasible, point water sources were implemented. Detailed achievements over the years are presented in Table 3.3.38[118].

[116] However, the expenditures could not easily be obtained
[117] The outputs implemented in FY 2021/21-21/22 cannot be attributed to UgIFT support alone
[118] The UgIFT programme did not set specific targets under Water and Environment Outputs making it difficult to assess performance. The DLGs set their own targets.

Table 3.3.38: The Water and Environment Conditional Development Grant (UgIFT) Achievements for FY 2020/21-2023/24

	Financial Year							
	FY 2020/21		FY2021/22		FY2022/23		Q3 FY2023/24	
Output	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved
Spring Protection	165	170	180	133	128	127	133	16
Deep Boreholes Drilling	1190	1116	983	842	827	835	95	22
Design of piped water systems	98	94	85	62	113	113	103	17
Construction of piped water systems	102	95	169	122	135	132	118	11
Rain Water Harvesting Tanks	155	148	132	126	85	77	117	20
Valley Tanks	13	15	12	11	4	4	5	1
Rehabilitation of Water Facilities	1649	1738	1457	1322	1159	1243	1392	319
Public Latrines in RGCs	115	114	102	69	89	89	101	15
Extension of Piped water systems	0	0	4	3	22	19	68	5
Total	**3487**	**3490**	**3124**	**2690**	**2562**	**2639**	**2132**	**426**

Source: MWE Reports FY 2020/21-2023/24 and Field Findings


Solar panels and control house, a tap stand at Kitongo solar mini system in Mityana; a Public Stand Post for Kibuye solar powered WSS Lwengo district


Hand pumped borehole for Aperikira seed school in Kaberamaido district and PSP of corner Molem PWS in Kole district

Implementation Constraint

Securing land for housing some components of the piped systems as most times land under water and sanitation projects is offered for free. However, it was becoming increasingly difficult to secure free land since compensations were made in some areas or projects.

Conclusion

The UgIFT programme has supported the District Water and Environment subprogram to increase access to safe water and sanitation services. Several outputs were achieved with the UgIFT support to the LGs inclusive of piped systems and point water sources. However, in the beginning, UgIFT programme in released money to the LGs with no specific targeted outputs until FY 2022/23 when new planning and implementation guidelines were issued. Despite the issuance of these guideline specifying implementation of piped water systems, some LGs continue to use the grant for other outputs given the lack of feasible options for piped water systems.

Recommendations

1. The MWE/DLGs should continue to sensitize the community on the importance of the projects and the need to contribute for purposes of creating the sense of ownership.
2. The MoFPED should ensure that all support programmes/projects have clear project scope and targeted outputs.

The Micro-Scale Irrigation Program

Introduction

The micro-scale irrigation programme (sub-grant) is part of the UgIFT Additional Financing costing US$50 million. The objective of the micro-scale irrigation is to support subsistence farmers to transit to commercial agriculture through purchase and use of individual irrigation equipment under a matching grant arrangement. The intervention started in FY2020/21 and is expected to end in FY2023/24. The intervention is implemented by the District Local

Governments (DLGs) under the Production and Marketing Department and supervised by the MAAIF. The intervention covers 135 DLGs and is targeting farmers with irrigable area of less than one hectare.

The program key outputs over the four-year period were: farmers and other stakeholders sensitized; farm visits conducted; 5,000 irrigation demonstration sites established; farmers trained in irrigation technology; and irrigation equipment installed.

Financial Performance

The sub-grant had a small allocation of Ug shs 5.0 billion in FY 2020/21 and was meant to increase to Ug shs 150 billion by FY 2023/24. By 31st March 2024 Ug shs 191.2 billon had released to the sub-grant representing 101.9% of the original allocation.

Physical Performance

The programme was first piloted in 40 districts[119] in FY2020/21 and rolled out in another 95 districts in FY2022/23. By 31st March 2024, a total of 480 irrigation demonstration sites ranging from 0.5-1.5 acres were established in the 135 LGs mainly at seed schools and host farmers to showcase drip, hosepipe and/or sprinkler irrigation technologies. Installation of irrigation equipment at individual farms under the matching grant arrangement were 1600 against the targeted 5000 installations. The performance of irrigation equipment installation was poor at 32% achievement of the sub-grant target against 93%-time progress.

A total of 280,000 stakeholders were reached through awareness events that targeted primarily smallholder farmers, but also the technical staff, and local leaders at LG and Lower Local Governments (LLGs). As result of the awareness events carried out 55,400 farmers expressed interest to acquire irrigation equipment and 19,000 farm visits were conducted

The monitored farmers and demonstration sites were growing horticulture crops like cabbages, tomatoes, sukuma wiki, egg plants, passion fruits and onions while others were growing perennial crops like coffee and banana. Approximately 95% of the demonstration sites monitored were functional and the host farmers were able to plant ahead of season compared to their counterparts who had not accessed irrigation technologies. This is illustrated by the examples below. The non -functionality of some of the sites were mainly due to the breakdown of equipment (pumps), destruction of irrigation equipment by hailstorms and semi-permanent water sources.

[119] Kyenjojo, Kamwenge, Ibanda, Kitagwenda, Kibaale, Mubende, Kyegegwa, Rukungiri, Ntungamo, Bushenyi, Masaka, Kalungu, Butambala, Bukomansimbi, Rakai, Luweero, Nakaseke, Lwengo, Mpigi, Sembabule, Kyotera, Wakiso, Mityana, Mukono, Buikwe, Kayunga, Iganga, Mayuge, Sironko, Kapchorwa, Mbale, Bududa, Tororo, Manafwa, Kamuli, Luuka, Jinja, Amuru, Omoro and Nwoya.

L-R: Drip irrigation demonstration site at St. Teresa SS Kungu, Kassanda district; and beneficiary farm Mr. Juma atJuparnjau Village, Omyer parish, Nebbi district

Out of 315 applicants for the irrigation equipment in Lwengo district in FY 2021/22, only 12 (3.80%) raised co-funding and systems were set up for five out of those who co-funded. Thirty additional farmers got equipment in FY 2022/23. The irrigation demonstration garden that was set up in Ndagwe subcounty in FY 2020/21 was still functional and accessed by farmers for training purpose.

UGIFT Beneficiary Mr Sendagire using the draghose irrigation system in the coffee nursery in Mbirizi village Lwengo district

There was a time lag of almost one year from the time the farmer co-funded to actual installation due to the low number of pre-qualified contractors from MAAIF serving many districts simultaneously and failure by some contractors to turn up even after winning contracts. All the installed irrigation systems in Lwengo district were functional and of good quality.

The acreage covered by the Government supported irrigation systems (2.5 acres) was noted to be too small compared to the average farm size of 5 acres and above in many parts of Uganda. One coffee farmer in Kabusirabo village had adopted and extended the system to cover 800 acres, using own resources. Apart from the theft of solar panels, farmers had no problem maintaining and sustaining the systems using proceeds from commercial coffee production.

Implementation constraints

1. High co-funding costs (25%) that eliminate willing and eligible farmers as evidenced with 2.8% outturn from expression of interest to individual installations made.
2. Lack of collateral for some farmers who wish to acquire the irrigation system using a loan from the MAAIF recommended financial institutions.

3. Delayed issuance of planning indicative figure and disbursement of micro-irrigation grant to DLGs

Conclusion

The performance of the Micro-Scale Irrigation Program was poor and it is unlikely to achieve the planned irrigation equipment installation targets for individual farmers in the remaining three months. The programme performance can be enhanced by revising the co-funding obligations for targeted farmers thus increasing the likelihood of farmers transiting from subsistence to commercial agriculture.

Recommendations

1. The MFPED and MAAIF should consider increasing the government contribution of the matching grant from 75% to 90% to enhance uptake of the irrigation equipment by the targeted beneficiaries
2. The MAAIF should consider re-scoping the project to lower the target of the irrigation schemes to fit within the remaining period of the project.

3.4 Innovation Technology Development and Transfer

The focus under this programme was on one project: 1513-National Science, Technology and Engineering Skills Enhancement Project (NSTEI-SEP).

3.4.1 National Science Technology Engineering Innovation-Skills Enhancement Project -1513

Introduction

The Government of Uganda through the Uganda National Council for Science and Technology and with support from the People's Republic of China (PRC) is implementing the National Science, Technology, Engineering and Innovation Skills Enhancement Project (NSTEI-SEP) to enhance the technological and skill base of Ugandans to participate in strategic national infrastructural projects and manufacturing industries. The (NSTEI-SEP) is a multiyear project implemented by the Uganda National Council for Science and Technology (UNCST) that started on 1st July 2019 with an initial expected completion date of 16th May 2023 which was extended to 30th June 2024.

The total budget for the NSTEI-SEP is US$99,690,098.56 of which US$ 84,736,000 (85%) is external financing (Loan from the Exim Bank of China) and US$14,954,089.56 (15%) is Government of Uganda counterpart funding.

Project Objectives

1. To enhance the technological and skill base of Ugandan graduates, craftsmen, technicians and engineers as well as instructors through the Flexible Factory Learning & Infrastructure Model using Research and Development (R&D)
2. Re-tool graduates, craftsmen, technicians and engineers and equip them to undertake various infrastructural works
3. Establish technology, innovation and business incubation facilities including work spaces and common-user facilities for scientists and innovators to help them further develop their technologies and business models

Project Scope

The project deliverables include engineering designs and project management, civil works, and supply of equipment and machinery. The civil works are hosted at two sites that is; the construction of a Technology Innovation and Business Incubation Centre (TIBIC)-Namanve, Mukono District, and the construction of the National Science, Technology, Engineering, and Innovation Centre (NSTEIC)-Rwebiteete (Kiruhura district) and establishment of Technical Services Company (TSC). The summary scope for the NISTEI-SEP project is shown in Table 3.4.1.

Table 3.4.1: Summary of Contract for the NISTEI-SEP Project

Contract Name	Establishment of National Institute of Techno-preneurship in Uganda
Project Title	Design and build of the proposed National Science Technology Engineering and Innovation Skills Enhancement Project (NISTEI-SEP)
Client	Uganda National Council for Science and Technology (UNCST)
Funder	China EXIM Bank and Government of Uganda
Project management Team	Imparqt Associates limited
Main EPC contractor	AVIC-INTL project Engineering Company
Local consultant	Oubuntu consulting limited
Overall Contract sum	US$ 99,960,098.56 (VAT exclusive)
Contract sum for design and civil works	US$ 40,059,700
Contract sum for Civil Works for NSTEIC	US$ 24,669,762.85
Date of contract signing	16th November 2016
Commencement date	17th May 2020
Completion date	16th May 2023
Project duration	Forty-eight (48) months
Defects Liability period	Twelve (12) Months
Financing closure	24th March 2024

Source: Project Performance Report March 2024

The UNCST through the project management team engaged a supervision consultant, M/s Imparqt Associates as the project manager for the civil works under the Project at both sites.

Financial performance

A total of US$81.6 million (81.8%) of the loan was disbursed and spent and Ug shs 70.68 billion (US$ 19 million) had been disbursed under the Government of Uganda counterpart funding by 30th March 2024.

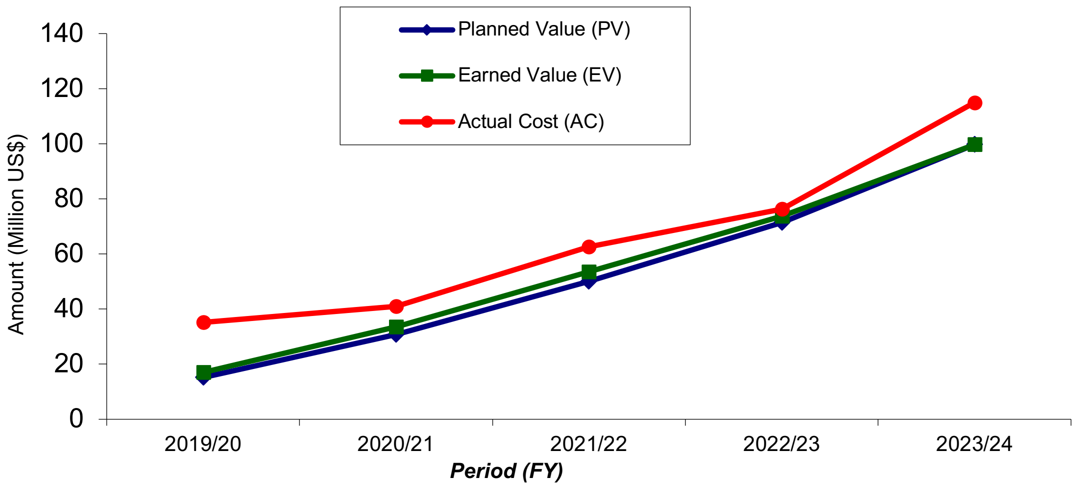
The project was substantially complete with the earned value equal to the planned value however, the actual cost was above the earned value which implies that the project was achieved above the budget. The reasons for the over expenditure were; variations in workshop equipment and the location of the TIBIC in a wetland that required additional reinforcement.

Physical Performance

The overall project physical performance was very good estimated at 98% with all the civil works at both sites completed albeit behind schedule. Figure 3.4.1 shows the trends in the performance of the project by 31st March 2024.

The supply of equipment for the Technical Service Company progressed with a total of 296 units of engineering machinery and equipment delivered of which 216 had been handed over to the client while the remaining units were still at Namanve undergoing verification by the auditors. The identified snags were listed and issued to the contractor for correction and both sites had not been handed over to the client.

Figure 3.4.1 Performance of the NSTEI-SEP by 31st March 2024



Source: UNCST

Civil works for the National Science, Technology, Engineering and Innovation Centre: The National Science, Technology and Engineering Innovation Centre (NSTEIC) is located at Rwebitete-Kiruhura District. It is being established to enhance the technological and innovative base of Ugandans through a flexible factory learning and infrastructure model. The progress of construction works at NSTEIC in Rwebitete was at 97% pending furniture supply, and addressing snags identified and tree planting. All equipment was in the country (some on site in Rwebitete while other at the TIBIC) and most of the laboratory and workshop equipment had been installed and undergoing testing.

L-R: Completed hostel block and main dining and library blocks at Rwebitete, Kiruhura District

The start-up raw materials (steel and aluminium) for trial production and skills development in machining, ii) Light ICT hardware - office equipment (printers, desktops, laptops and shredders, iii). Other machinery and equipment including furniture and fittings for offices, hostels conference hall, guest house, kitchen, library, and the villas were procured.

Civil works for the Technology Innovation and Business Incubation Centre: The Technology Innovation and Business Incubation Centre (TIBIC) is located at Kampala Industrial and Business Park-Namanve. It is to act as a platform for technology development via the Process Industry Learning Factory Model, including common user facilities and shared workspaces for scientists and innovators. The civil works for the TIBIC and equipment installation and testing in the maintenance workshop was complete (100%).

The ongoing procurements include; Smart Conference Hall (sound audio systems, smart display and video capture and assertive listening system), smart video conferencing meeting rooms (five 75” and flexible 85” interactive touch display), reception multiple display and booking pads, light ICT hardware-office equipment such as printers, desktops, laptops and shredders, office furniture and fittings for the office, conference hall, kitchen and gym, physical and virtual innovation spaces and infrastructure; natured and nucleated innovation-driven start-ups; specialised finished leather processing training workshop; and textile design workshops.

Vertical CNC machines installed in production workshop at Rwebiteete and tested

Acquisition of land for parking yard

Additionally, a five-acre piece of land was acquired in Namanve for the planned equipment parking yard in Namanve and the procurement of a contractor to construct a perimeter wall around the land was initiated.

Technical Service Company established and operationalized: The project is expected to establish a technical service company with engineering machinery and equipment for hire to enhance capacity of local and other contractors. By 30th March 2024, the third and final batch of engineering machinery, equipment and spare parts had been delivered by the contractor. All the equipment was tested and accepted by the client.

Technical Service Centre equipment at Lyantonde Parking yard

A functional equipment leasing and machinery rental program was implemented through the operationalization of the Memorandum of Understanding (MoU) between UNCST and National Enterprise Corporation (NEC) for some units of engineering machinery and equipment to generate revenue. Subsequently, thirty (30) officers of the UPDF under NEC were trained in Lyatonde as machinery and equipment operators and 110 units were hired to NEC, M/s Globe trotters and M/s Rohi for various ongoing roads and petroleum projects. The rest of the equipment remain parked at Court Yard Hotel-Lyantonde, unused.

The rented equipment generated a total of Ug shs 6.4 billion in Non Tax Revenue.

Assorted machinery delivered at TIBIC Namanve Workshop

NSTEI-SEP operationalization: A phased recruitment of 40 technical staff for the NSTIEC in Rwebitete - Kiruhuura commenced and as of 30th March 2024, a total of 25 staff (one architect, one Surveyor and 23 agricultural engineers, research and design engineers, machinists and machine operators) were recruited and trained in China on the operations of the equipment and machinery. However, the recruitment of the 15 staff for TIBIC in Namanve was halted by the Minister of STI until the final revision of the operational plan and approval by the governing council and the management committee. The recruitment of other administrative staff has not been initiated.

An Engineering Development and Innovation Centre (EDIC) website was developed and deployed. It is aimed at showcasing innovation and products, acting as a valuable resource repository, and facilitation of networking and collaboration. The integration of the EDIC website with the TIBIC business intelligent system was ongoing.

The TIBIC Digital ID App was being updated with new modules and advanced controls and security measures such as QR codes. This was aimed at improving access to digital resources and ensure seamless integration with other TIBIC systems and services. The development of the online assessment system is at prototype testing stage and an integrated project management information system was being developed on a modular basis.

A general curriculum for the NSTEIC and the operational plan and guidelines were developed while the one for TIBIC was under review.

The procurement of NSTEIC/EDC hardware infrastructure (servers, telephony system, internet fibre, wireless points); other machinery and equipment including furniture and fittings for (office, hostel, conference hall, guest house, kitchen, library, and villas); and Generators for the skilling centre was at varying levels of progress. It was reported that most of the furniture would be made internally as part of hands on training for the recruited staff.

Project Administration

In order to ensure a smooth transition from the construction (civil works) to the implementation phase for training and skills enhancement, a framework for industry-led training and capacity development programs was yet to be developed due to delays in release of GoU funds.

To operationalize the TIBIC and NSTEIC, the NSTEISEP signed MoUs between UNCST and Private Sector Foundation Uganda (PSFU); the Electricity Regulatory Authority (ERA), the Directorate of Industrial Training (DIT), and the Uganda Business and Technical Examinations Board (UBTEB). The following technology majors were considered for the skills enhancement phase: construction machinery technology, civil engineering technology, automotive technology, agricultural mechanization, industrial /mechanical technology, metallurgical technology, and electronic and electrical engineering.

The project management team is undertaking the following strategic activities toward the operationalization of the proposed project centers;

1. Preparation of Operational Plan and Guidelines for the NSTEIC in Kiruhura District.
2. Development of Operational Management Guidelines and Instruction Curriculum for the TIBIC in Mukono District.
3. Developing a Training and Instruction Curriculum for the NSTEIC.
4. Development of an Integrated Framework for Creation and Operationalization of UNCST Technical Service Company.
5. Development and Operationalization of a Framework for Recruiting and Deploying Trainers of Trainers (Facilitators and Technicians) for the Project.

Project Risks

The delayed release of GoU counterpart funding from the STI secretariat to the UNCST subvention affected the timely execution of the project and created a risks of cost overruns. For example, no resources were made available to recruit and build capacity of instructors before the project handover. In addition, the resource ceiling on counterpart funding at Ug shs 19.4bn for FY 2023/24 against the operational plan requirement of Ug shs 40bn poses a risk of delayed operationalization and loss of value.

Implementation Constraints

1. Delayed response by the contractor to rectify identified snags.
2. Delayed payment of approved certificates to the contractor by the EXIM Bank of China.
3. Lack of approved operations framework to facilitate project take off.

Lesson Learnt

Projects should be thoroughly prepared and competent staff recruited prior to date of effectiveness. The absence of technical staff in the initial stages of the project points to poor project readiness which led to passing of equipment not suited for the purpose of the facility and this required renegotiations to have the error corrected.

Conclusion

The overall performance was good (98%). The project was substantially complete and on schedule. The Cost Performance Index (CPI) depicts that the project is implemented over the planned budget with a value of US$0.867 million and has spent more money as compared to the value of work completed (Cost overrun) as indicated by the cost variance (CV) of US$-15.299 million. This was explained by some unpaid certificates and the pending defects liability period. All activities were on schedule as indicated by the schedule variance (SV) of 0.0. The project's estimated cost at completion (EAC) stands at US$ 114.988 million which is above the total planed project budget. The increased project costs were arising from the variations in workshop machinery and equipment, and under budgeted operations and maintenance costs.

The contractor was addressing the snags and undertaking final installations and testing of equipment prior to handover to the client. It should be noted that some of the project components experienced delays partly attributed to lockdowns arising from COVID-19, modifications in workshop designs at Rwebitete and variation in machinery and equipment from training to industrial (production) capacity. It was observed that delayed payment of approved certificates by the Exim Bank of China is likely to lead to cost overruns arising from contractor claims and commitment fees.

Recommendations

4. The Science Secretariat and UNCST (client) should expedite the decision-making process to ensure operationalization of the project.
5. The EXIM Bank of China should expedite the processing of payments to the contractor to enable the contractor execute tasks leading to closure of the project.
6. The GoU through MFPED should provide for operations and maintenance budget of the created facilities to achieve the intended value.

3.5 Integrated Transport Infrastructure and Services Development

Introduction

The Integrated Transport and Infrastructure Services Programme (IT IS) aims to have a seamless, safe, inclusive and sustainable multi-modal transport system. The achievement of this overall objective is majorly contributed to by the following agencies: Ministry of Works and Transport, Uganda National Roads Authority (UNRA); Uganda Road Fund (URF); Uganda Railways Corporation (URC); Civil Aviation Authority (CAA); Kampala Capital City Authority (KCCA); Ministry of Lands Housings and Urban Development (MLHUD) and Local Governments (LGs).

Implementation of the IT IS is funded both by the Government of Uganda (GoU) and Development Partners (DP). The following DP are currently engaged in the financing the IT IS programme: African Development Bank (AfDB); Islamic Development Bank (IDB); Exim Bank of China; Japanese International Cooperation Agency (JICA); International Development Association/Word Bank (IDA/WB); OPEC fund; and UK Export Finance (UKEF).

A total of 28 projects under the IT IS were reviewed; and the findings are presented below:

Overall status of Projects Implementation

The status of implementation of the projects is summarized on Table 3.5.1.

Table 3.5.1: Projects status of implementation

Status of Implementation	No. of Projects	Remark
Completed	2	Due to exits from the PIP
Completed	2	Civil works completed and in DLP
Ongoing	15	Civil works ongoing
Civil works contract signed	2	Commencement order yet to be signed
Procurement stage	2	Loan signed and effective, procurement of contractor ongoing
Procurement stage	2	loan signed but not effective yet
Preparation stage[120]	3	Loan not signed yet
Total	28	

Source: Author's compilation

Performance of the Projects

The performance was assessed in terms of the remaining loan duration against the percentage of civil works pending; and the percentage of the undisbursed loan amount. The performance of the projects is summarized in Table 3.5.2 for completed projects and those ongoing.

[120] Projects whose loans are not signed: Kisoro – Nkuruningo – Rubugiri – Muko road; Kebison – Kisizi – Muhanga; and Muko - Katuna

Table 3.5.2: Summary of Projects Performance

Project Code/ Name	Creditor name	% loan duration remaining	% duration of civil works contract left	% of Un disbursed loan	% of civil works pending
1040:Kapchorwa-Suam-Kitale Project	ADB	4.1	-7.5	1% AfDB and 24% ADF	1.2
1278: Kampala Jinja Expressway Project	ADB	50	100	99.85	100
1284: Development of Bukasa Port (Phase 1)	AKA and COMMER Z BANK	13	0	40.3	87.5
1313: North-Eastern Road Corridor Asset management Project	IDA	25	33.8	24.2	68.96
1319: Kampala Flyover Construction and Road Upgrading Project	JICA	2	0	58.95	62
1322: Upgrading of Muyembe-Nakapiripirit Road	IDB	15	2.5	32.94	45.86
1402: Rwenkunye-Apac-Lira Road (Lot 1)	IDB	22	16.67	53	60
1402 Rwenkunye-Apac-Lira Road(Lot 2)	IDB		5.9		46.9
1404: Busega-Mpigi Express Highway	ADB & ADF	19.74	6.9	33	63.78
1456: Multinational Lake Victoria Maritime Communications and Transport Project	AfDB	20.5	11.3	58.29	65
1490: Luwero Butalangu Road	BADEA and OFID	25 BADEA,13 OFID	95.9	80.17	97.17
1253: Kampala City Roads Rehabilitation Projects	ADB	18	98	87.74	2
1373: Entebbe Airport Rehabilitation Phase 1	EXIM Bank	8.7	3.22	8.7	6.9
1489:Development of Kabaale Airport	UKEF	18.5	1.17	2.39	1

Project Code/ Name	Creditor name	% loan duration remaining	% duration of civil works contract left	% of Un disbursed loan	% of civil works pending
1259: Kampala Institutional and Infrastructure Development Project - 2	IDA	0	0	9.76	0
1657: Moyo - Yumbe - Koboko road project	IDA	37.3	-	96.18	100
1794: Namagumba - Budadiri - Nalugugu road project	ADB	83.8		0	100
0265: Atiak-Moyo-Afoji: Atiak – Laropi	EU	24.2	8.3	16.78	11
1281: Tirinyi-Pallisa-Kumi/Kamonkoli Road Project	ISD	10.1	0	6.41	0
1311:Rukungiri-Kihihi-Ishasha/Kanungu Road	ADB	7.8	0	3.23	30

Source: Author's compilation

The performance per project is presented hereafter.

3.5.1 Atiak-Moyo-Afoji: Atiak – Laropi (66km) – Lot 1 (0265)

Introduction

The upgrading of the Atiak – Laropi Road is part of the bigger Development Initiative for Northern Uganda (DINU) Programme that is funded by the European Union (85%) and GoU (15%). The total project cost for civil works was estimated at Ug shs 242.137 billion.

The objective of the projects is to provide an adequate and suitable road link between Atiak, Adjumani Moyo and the Sudan border for efficient and effective transport services. The project scope of works consists of upgrading the existing 66km from gravel road to paved standard and upgrading of 4km of selected Adjumani town roads. A summary of the project information is presented in Table 3.5.3

Table 3.5.3: Summary of Atiak – Laropi Road Project details and performance as of 31st March 2024

Funding Agency	Government of Uganda (15%) European Development Fund/European Union Delegation (85%)
Loan amount	US$ 50.732 million
Date of Effectiveness	13th January 2020
Original Date of Closure	5th August 2025
Original Contract Price	Ug shs 242,137,248,444 inclusive of 18% VAT
Contract Period	30 months
Revised contract Period	50.78 months
Contract Start Date	1st June 2020
Original Contract End Date	30th November 2022
Revised Contract End Date	5th August 2024
Contract Time Elapsed	46 months (as of 31st March 2024) equivalent to 153.3%
Status of land acquisition	A total of 1,262` PAPs amounting to Ug shs 62,084,033,056 were valued; 1,185 PAPs (93.9%) were paid a total of Ug shs 13,322,973,729.

Source: Author's compilation, Project documents

Financial Performance

The overall cumulative budget of the project by the end of March 2024 was Ug shs 236.331 billion of which Ug shs 212.6143 billion (90.0%) was released and Ug shs 192.112 billion (90.4%) expended.

By the end of March 2024, the cumulative financial performance of the civil works was at 89.0% against a plan of 100%. The project was performing below the planned budget due to the slow progress of work as shown in Figure 3.5.3.

The project however experienced delayed payments to the contractor which constrained the contractor's cash flow. These delays have attracted claims in the form of interest on delayed payments amounting to Ug shs. 4,049,384,042 and EUR 1,721,814. Additionally, the contractor submitted 7 claims due to the various delay events, with a cost implication of EUR 7,965,381. These were still under review by the consultant, resulting in a dispute that has progressed to arbitration.

Physical Performance

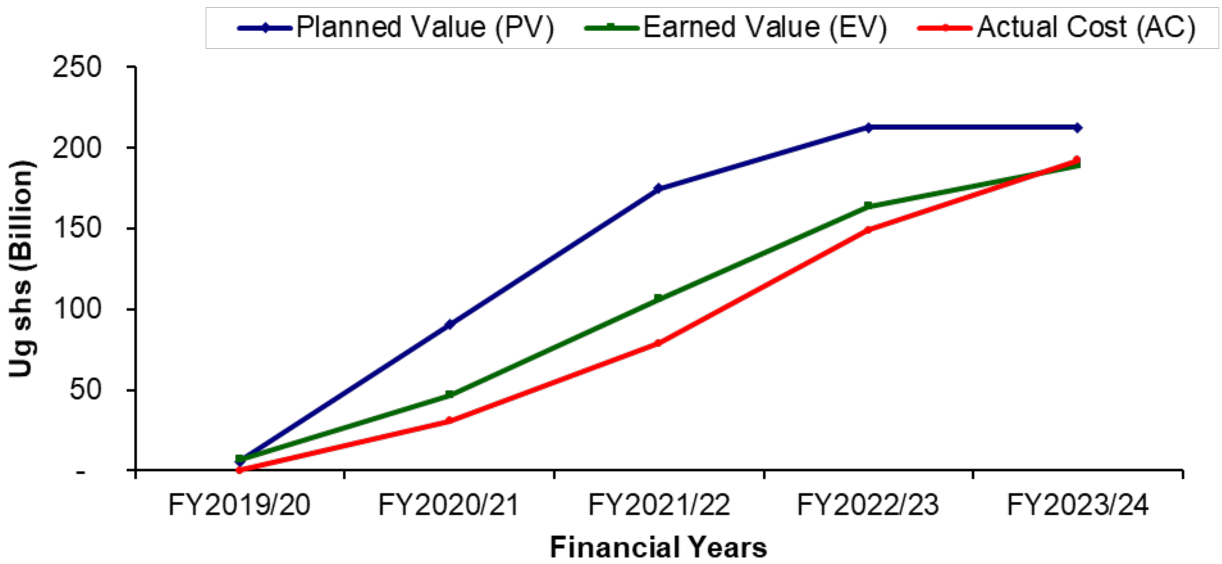
Overall, the physical performance of the Atiak – Laropi road project was good. The cumulative physical progress achieved by the end of March 2024 was 89% against a plan of 100% and a time-lapse of 90.6% based on the revised programme[121]. This slippage in performance was attributed to an increase in the scope of work and the slow pace of the contractor. At this level of performance, the project will require a time extension of 7 months[122] to complete the planned activities.

The achieved progress across the various project items was: asphalt concrete surfacing at 73.7%, earthworks and pavement layers of gravel at 92.8%, drainage works at 76.1%, bridge structures at 100%, and ancillary road works at 12.5%.

A total of 1,185 PAPs (93.8%) were paid Ug shs 13,322,973,729 out of 1,262 PAPs with a total approved evaluated value of Ug shs 14,864,724,151.

[121] The project schedule variance was Ug shs -48.434 billion and the SPI was 0.77
[122] The Project Estimated Schedule at Completion is 57 months, and SPI is 0.8

Figure 3.5.1: Performance of Atiak – Laropi Road Project as of 31st March 2024



Source: Author's compilation, Project Monthly Progress Reports

Completed road section of Atiak-Laropi Road Project

Installation of rumble strip in Adjumani Town along Atiak – Laropi Road

Project Implementation Constraints

1. Increases in the scope of works due to problematic soil conditions
2. Disputes between the contractor and the employer over costs have resulted in the scaling down of work by the contractor.

Conclusion

The performance of the project was good at 89%. However, the achieved physical progress was below the planned by 11%. With the current performance, the project would require an additional 7 months to fully achieve the project scope. The value of executed works is commensurate with project expenditure and within the project budget.

Recommendation

The UNRA should expedite the resolution of the dispute with the contractor to enable optimal execution of works.

3.5.2 Multinational Kapchorwa-Suam-Kitale and Eldoret Bypass Road Project (1040)

Introduction

The project is multinational between the Governments of Uganda and Kenya. The Kapchorwa-Suam-Kitale Road Project is intended to facilitate the movement of goods and services and to boost trade between Uganda and Kenya. The total project cost was originally estimated at Ug shs 331,359 billion. The African Development Bank, the African Development Fund, and the Government of Uganda (GoU) provided financing for the project.

The project's objectives include improving access and connectivity between Uganda and Kenya, stimulating economic activity in the eastern parts of Uganda and the western part of Kenya, and easing traffic congestion along the Northern Corridor and within Eldoret Town.

The road project starts at Kapchorwa town and through Bukwo to Suam Border with Kenya (77km). In addition, the project involved the construction of a One Stop Border Post (OSBP) at Suam, the upgrading of a 10.5km road to the High-Altitude Training Centre (HATC), the construction of 10 pedestrian footbridges in collaboration with Bridges to Prosperity (B2P), and the refurbishment of Kaproron Post Crash Centre. A summary of the project information is presented in Table 3.5.4

Table 3.5.4: Summary of Kapchorwa-Suam Road Project details and performance as of 31st March 2024

Loan amount	US$ 109.4 million
Loan Signature Date	19th January 2018
Date of Effectiveness	24th May 2018
Original Date of Closure	30th June 2024
Funding Agency	Government of Uganda African Development Bank (AfDB) African Development Fund (ADF)
Disbursement performance	99% (AfDB) and 76% (ADF)
Original Contract Price	Ug shs 268,461,095,349 inclusive of 18% VAT
Revised Contract Price	Ug shs 365,448,503,575 inclusive of 18% VAT
Contract Period	36 months
Revised contract Period	61 months
Contract Start Date	1st October 2018
Original Contract End Date	30th September 2021
Revised Contract End Date	12th November 2023
Contract Time Elapsed	66 months (as of 31st March 2024) equivalent to 108%
Status of land acquisition	A total of 4,987` PAPs amounting to Ug shs: 62,084,033,056 were assessed; 4,646 PAPs (93%) were paid a total of Ug shs 50,652,670,214.

Source: Author's compilation, Project documents

Financial Performance

The overall cumulative budget of the project by the end of March 2024 was Ug shs 365.448bn of which 87% was external financing and 13% GoU counterpart funding. A total of shs 416.771bn (114.0%) was released and Ug shs 308.553bn (84.4%) was expended. By the end of March 2024, the cumulative financial performance of the civil works contract was at 96.2% against a plan of 100%. The expenditure of the project was within the planned budget and commensurate with the value of the work done (Figure 3.5.2).

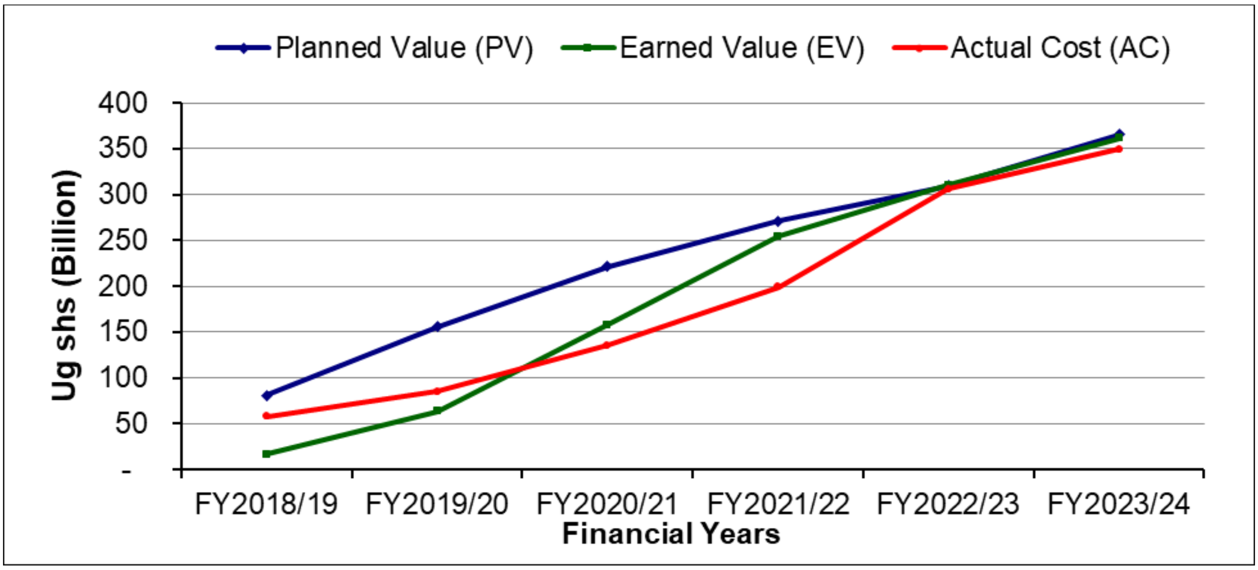
Physical Performance

The physical performance of the project was very good. The overall cumulative physical progress achieved by 31st March was 98.8% against a plan of 100%. The Contractor achieved substantial completion of a section of the main carriageway from km 0+000 to km 73+000 including a 10.5 km road to the HATC and handed over to the Employer on 31st October 2023. Ancillary works including road markings, installation of guardrails, speed humps, kerbs, and road signs had commenced.

Additionally, the progress on the OSBP was 98%, while the refurbishment of the Kaproron Post-Crash Centre was 90%. B2P completed 10 footbridges in difficult-to-reach areas including Kapkwomboloi, Ruwanda, Lulwo, Tuyobei, Tabagon, Banyal, Posha, Korya, Ariowet, and Chemuron.

The quality of the completed works was good; lighting and pedestrian walkways were provided in urban centres along the project corridor, in addition to safe pedestrian crossing zones.

Figure 3.5.2: Performance of Kapchorwa-Suam Road project as of 31st March 2024



Source: Author's compilation, project document

The project's progress was mainly affected by delays due to land acquisition, increased scope of works, heavy rains and COVID-19. These delay events led extension of the project from the initial end date of 30th September 2021 to 12th November 2023. Therefore, the project has experienced a time overrun of 2.5 years (83%).

A completed section of the Kapchorwa-Suam Road in Buko Town, featuring pedestrian walkways and street lighting on both sides.

One Stop Border Post constructed at Suam

Implementation constraint

Delayed land acquisition which affected the contractor's progress. By the end of March 2024, the land acquisition was at 94.07%.

Lessons learnt

i. Inadequate feasibility studies and scoping result in a significant increase in the scope of work and project cost overruns.

ii. Delayed acquisition of the right of way is the main contributor to project delays and claims.

Conclusion

The physical performance of the project was very good at 98%. The project was substantially completed and is under the Defects Liability Period (DLP), with a few snags that were being addressed by the contractor.

3.5.3 Kampala City Roads Rehabilitation Project (1253)

Introduction

The Government of Uganda (GoU) received US$ 288 million to be financed by the African Bank Group (ADB: US$ 224 million (77.8%) and ADF: US$ 51 million (17.7%)), Global Environmental Fund (GEF): US$ 2 million (0.7%) and GoU: US$ 11 million (3.8%) towards the cost of the Kampala City Roads Rehabilitation Project (KCRRP). The loan effectiveness date was 7th July 2021 with the original end date of 31st December 2024 that was revised to 31st December 2027. The original project implementation period was 42 months (3.5 years) and was revised to 78 months (6.5 years). The project is designed to ease congestion in the city of Kampala; support institutional and sector reforms for efficient urban mobility; reduce carbon emissions per capita; mitigate floods and improve resilience of the city

The development objective of the project is to accelerate Uganda's competitiveness by shoring up productivity gains from infrastructure development in Kampala and integrating the growth spillovers via efficient transportation networks to the rest of the country.

The KCRRP scope entails:

(i) Improvement of 69.70km[123] of roads, complete with associated drainage works of 5km, improvement to 22 traffic junctions, 134km of NMT facilities of sidewalks and cycling tracks, commercial vehicles parking places, parking areas/stands, storm water channels, and installation of 1,600 energy efficient streetlights, and tree planting;

(ii) Provision of scheduled eco-bus services with supporting infrastructure (bus depot, dedicated lanes, bus stops, fare collection system);

(iii) Social infrastructure; thirty (30) public toilets and six (6) markets along project roads for women vendors;

(iv) Women and Youth skills and entrepreneurship development; and

(v) Institutional strengthening of KCCA to manage and maintain the expanded road network.

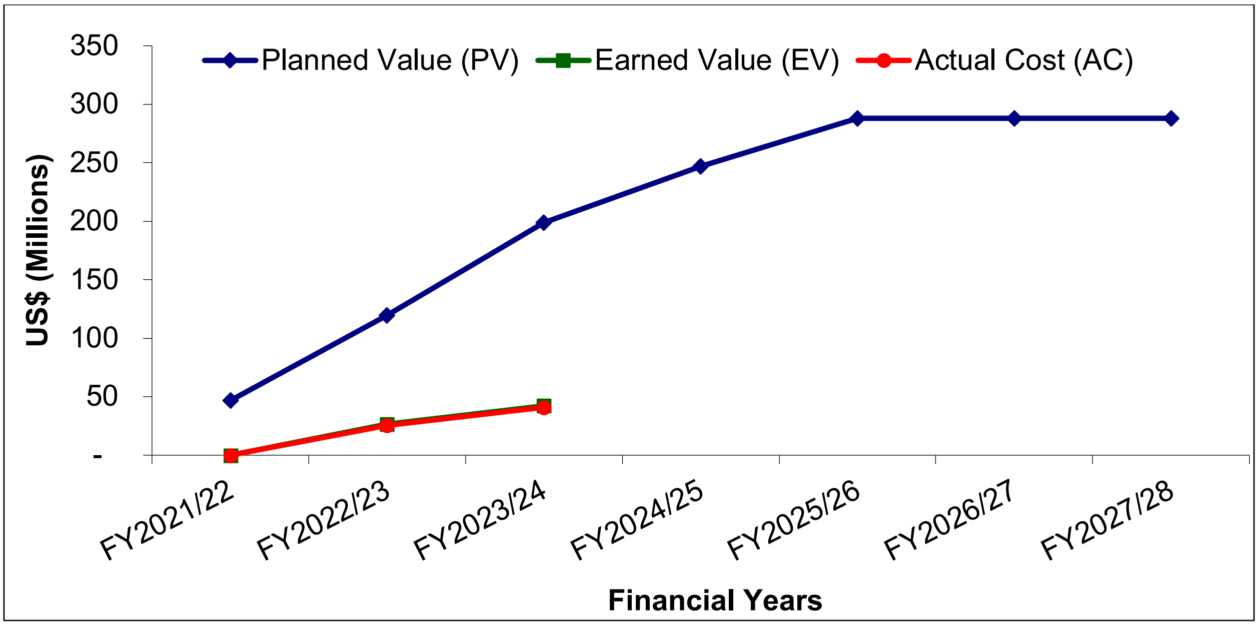
(vi) Compensation and resettlement.

Financial Performance

The financial progress of the project as at the end of March 2024 was 14.2%, that is US$ 40,968,041.71 from the ADB and ADF loan had been released and expended on the project, out of the total project cost of US$ 288,000,000. The GoU counterpart funding and the grant had no releases yet. The funders however gave a notice of suspending disbursement if certain conditions were not fulfilled by 1st February 2024 especially the GoU counterpart funding for Resettlement Action Plan (RAP). The performance of the project is presented in Figure 3.5.3.

Figure 3.5.3: Performance of the Kampala City Roads Rehabilitation Project as of end of March 2024

[123] Lot 1: Wamala Road (4.4km), Luwafu (2.43km), Kabega Road (0.95km), Muteesa I Road (2.02km), Old Mubende (2.10km), Lubaga Road/ Nabunya Road/ Canon Apollo Kivebulaya Road (0.3km), Bulange Junction (0.3km), Kayemba Road (1.3km); Lot 2: Old Port Bell Road/ Spring Road (3.46km), Port Bell Road (6.55km); Lot 3: Eighth Street-Namuwongo Rd (2.73km), Fifth Street (0.80km), Sixth Street (1.95km), Sir Apollo Kaggwa (3.3km), Seventh Street (1.86km), Muzito Road (2.1km), Ssuna Road 1 (4.16km), Ssuna Road 2 (2.58km), Ggaba Road/ Muyenga Road Junction (Kabalagala) – 0.42km; Lot 4: Kasubi - Northern Bypass Road (2.4km); Queen's Way (1.5km); Salaama – Munyonyo Road (8.1km), Kyebando Ring 2 (1.8km), Kisaasi Road 2 (2.14km); Lot 5: Mugema Road (3.44km), Masiro Road (2.1km), Sentema Road 1 (4.1km), Sentema Road 2 (6.1km), Nsambya Rd / Hanlon Rd Junction (0.52km)



Source: Project progress reports

Physical performance

The overall physical performance of the project was poor. The performance of the project was affected by low preparedness at commencement which affected procurement for the service providers especially for the civil works and implementation of the RAP; and delays in approvals by other statutory agencies such as National Environmental Management Authority (NEMA), Chief Government Valuer (CGV) and Solicitor General (SG).

The physical progress of the project was estimated at 15% as at the end of March 2024. All the five (5) civil work roads contracts; and 11 out of 12 contracts for supply of goods had been cleared by the SG. The KCCA was engaging the relevant stakeholders such as the Ministry of Finance Planning and Economic Development (MFPED), the CGV and NEMA to expedite the necessary approvals. Indeed, the CGV had granted approvals of the valuation reports for both Package 1 and 2. NEMA had also issued the Certificate of Approval for the new scope Environmental, Social and Impact Assessment (ESIA) in January 2024.

It was agreed between the ADB and the MFPED that the funds budgeted for the procurement of the 50 Eco buses should be re-allocated to the financing of additional roads amounting to 15.67kms. The process of seeking a "No Objection" for the procurements for the additional roads is still ongoing. This was after KCCA received guidance to suspend the procurement of eco buses due to plans to manufacture eco buses locally in order to support the Build Uganda Buy Uganda initiative.

The process of compensating PAPs whose properties are severely affected by the road works was progressing well, with averagely 86% of the Right of Way (RoW) already acquired. Principally, consent agreements were being entered into with Project Affected Persons (PAPs) since there are no funds earmarked for compensation. Out of the 3,704 PAPs identified along the project roads, 3,183 had signed the consent agreements. The RAP implementation was ongoing based on the designs and design reviews.

Box culvert works along the Old Port Bell/Spring road in Nakawa Division

A completed section of Kabega Road in Makindye Division

Ongoing box culvert works along Wamala road in Rubaga Division

Ongoing works of the subbase along Ssuuna Road in Makindye Ssabagabo Municipality

Implementation constraints

i) Delays in clearance of draft contracts by the Solicitor General.

ii) Delay in acquisition of the Right of Way due to delayed approval of Valuation Reports by the Office of the Chief Government Valuer (CGV).

iii) Delayed release of funding for compensation of PAPs and acquisition of land for Bus Depots and Lorry Parks.

iv) Delays in relocation of utility services especially for water, power, telecom and Uganda police infrastructures.

Conclusion

The project performance was poor due to the slow progress of works being implemented. The KCCA was closely monitoring all the service providers especially the road contractors to ensure compliance of the social and environmental safeguards and to minimize delays.

Recommendation

The KCCA should prioritise the acquisition of the RoW and relocation of utilities to avoid implementation delays of civil works.

3.5.4 Kampala Institutional and Infrastructure Development Project-2 (1259)

Introduction

The Kampala Capital City Authority is implementing the second phase of the Kampala Institutional and Infrastructure Development Project-2 (KIIDP 2) following completion of KIIDP 1. The total KIIDP 2 project financing was US$183.75 million over a five (5) year period (FY2014/15 – FY 2018/19). The project was funded by the International Development Agency (IDA) contributing US$175 million (equivalent) IDA and GoU counterpart funding of US$ 8.75 million equivalents. The credit became effective on 16th May 2015. It was envisaged that the completion date would be 31st December, 2019 however, the project was granted four (4) extensions in a phased manner by 41 months up to 31st May, 2023.

The Project Development Objective (PDO) was "enhanced infrastructure and institutional capacity of KCCA to improve urban mobility in Kampala." The project had two (2) components that included:

i) **Component 1: City-wide road infrastructure and associated investments (US$173.75 million**: IDA - US$165 million; GoU – US$8.75 million). This component aimed at enhancing the quality of roads' infrastructure in Kampala City for improved city mobility. It focused mainly on the construction and rehabilitation of the existing roads network and associated infrastructure (drainage, street lights, walkways, street furniture, landscaping, etc.) in the five divisions of the Kampala City.

ii) **Component 2: Institutional and Systems Development Support (US$10 million).** The component intended to strengthen the capacity of KCCA as an autonomous corporate body to deliver on its statutory mandates. This was to be achieved by strengthening the capacity of KCCA for investment planning and prioritization, design, supervision, coordination, implementation, and operation and maintenance (O&M) of existing and new infrastructure. It was also to be supported by improvements in revenue collection to support future investments and ensure maintenance of infrastructure and services.

The scope of works under the two components involved: construction of 85kms of paved city roads; design of 160kms of road with pro-poor footpaths, bridges and walk ways; signalization of 31 of junctions all aimed at increasing the condition of the paved roads in good and fair condition as a share of total classified roads from 300km to 385km and increasing the public satisfaction with roads and drainage from 29% to 50%. Other project targets were to: increase the KCCA own source revenue from US$ 22.28 to US$ 51.54; increase the amount allocated for O&M plans implementation from US$0.00 to US$ 1.66; increase in the number of clients serviced via the SMS from 0.00 to 386,522.

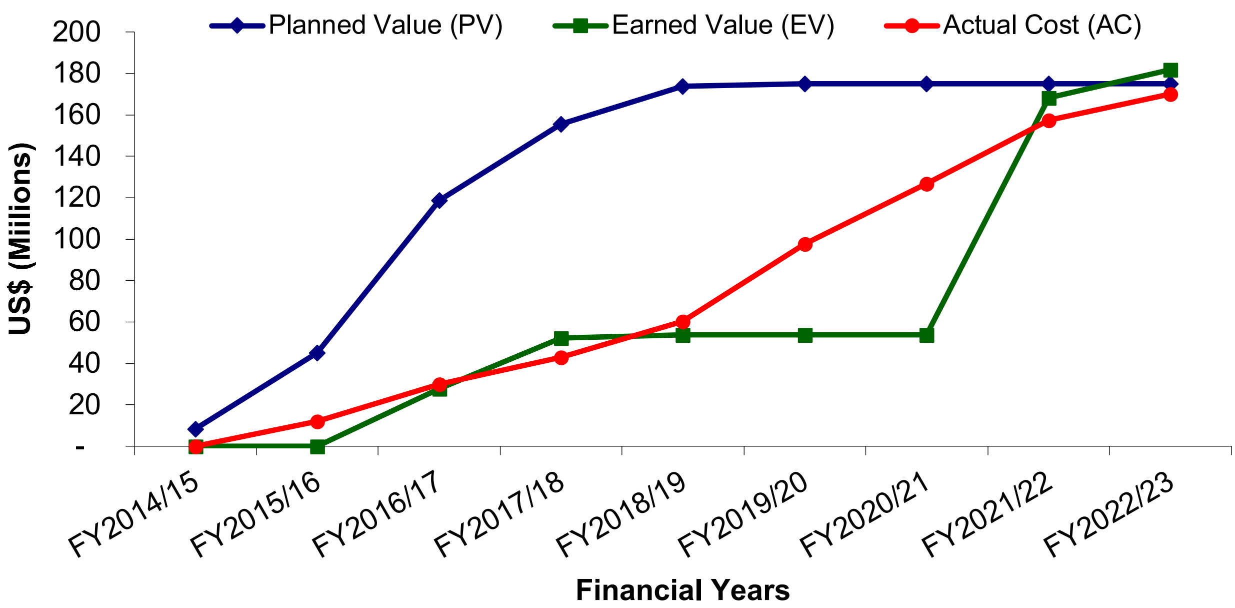
Other activities included: city addressing; design and improvement of drainage channels; implementing of the environmental conservation measures; design and construction of a traffic control centre; develop a comprehensive asset register; update the drainage master plan; prepare the multi-modal transport master plan; and carry out a computer aided mass valuation of properties.

Financial Performance

The total disbursement as at 31st March 2024, from both IDA and GoU was US$ 170,788,096 (92.95% of total project cost). Disbursement from IDA was at 90.24% with US$$157,920,000 of the funds sent to KIIDP2 accounts. A total of US$ 17,082,904.45 (9.76%) was undisbursed due to loss in exchange rate transactions (that is from SDR to US$ to Ug shs). A total of US$ 12,871,000 (147.1%) was disbursed by GoU for funding of RAP implementation.

Cumulative utilization of the funds was at 99.5% (US$ 169,963,875). The funds were spent on infrastructural development, institutional strengthening and RAP implementation. RAP expenditure totaled to US$ 12,593,875 (7.4%) while US$ 142,076,654 (83.6%) was spent on Infrastructure and US$ 15,293,346 (9%) spent on Institutional development.

Figure 3.5.4: Performance of the Kampala Institution and Infrastructure Development Project -2 as of end of March 2024



Source: Project documents

Physical performance

The project was completed in May 2023 and had a good performance of 98%. No significant changes were made in the design and scope of the project. Twenty-Nine (29) junctions were signalized (93.5%); 29 roads covering 88.3km (103.8% of target) were improved with walkways, street lighting and landscaping; 169.805km of roads were designed; two (2) drainage channels worth 5.08km (Lubigi primary-1.6km and Nakamiro secondary-3.28km, Kiwunya drainage-

0.2km) were improved; mass valuation of 338,208 properties was conducted returning Ug shs 90.11 billion worth of property rates to KCCA; city addressing was conducted with over 373,826

houses assigned property numbers and 12,555 house plates installed; 7,246 roads were named and 3,437 road signage installed.

KCCA-KIIDP 2: A completed section of Bulabira-Ring road in Kira Municipality KCCA-KIIDP 2: Nakamiro Channel in Kawempe Division

The central business district sub surface drainage and Nakivubo channel designs were prepared; the Kampala Drainage Master Plan which is guiding drainage works in GKMA was updated; the Multi Modal Transport Master Plan for Kampala which is guiding traffic management and road improvements was prepared; the Traffic Control Centre Building awaiting construction was designed.

The SMS platform, which is being used for communication with KCCA clients with over 29,832,542 SMS sent to 4,201,105 clients, was upgraded; the CAM/CAMV system, a system which uses a computer to value properties for property rates on a yearly basis, was designed; 62 staff were trained in Project Management Professional (PMP) and 50 staff were trained in other courses; two (2) customer satisfaction surveys and one midterm evaluation were conducted and reports prepared; stakeholder engagement and communication conducted; implementation support of RAP was done; equipment for environmental audits was procured and six audits conducted; tablets to aid in data collection for CAM/CAMV and laptops and IT equipment were procured.

Conclusion

The project had a good performance of 98%. It significantly contributed to the development objective of improved infrastructure and associated investments. A total of 88.3km of road infrastructure and 29 junctions were improved around the city and in the city neighborhoods. These have improved mobility, accessibility, connectivity and enhanced traffic flow with in the project corridors. New catchment areas to economic development and new economic activities along the project road corridors were opened up. This included the emergence of new buildings and the development such as retail shops which in turn has enhanced the socioeconomic standards of the residents in Kampala city.

The continuous flooding in the areas of Bwaise and Kawaala whenever it rained (which was a result of the incomplete Lubigi primary drainage channel and small and unimproved Nakamiro secondary channel) reduced after the improvement of Nakamiro drainage and widening and completion of the construction of Lubigi primary drainage channel. This has improved on the health and wellbeing of the people in Bwaise and neighborhood areas with business booming in the area. There has also been improvement in the air quality levels due to the reduced dust on the upgraded roads like the Lweza-Bunamwaya-Kabuusu and Mambule roads, and trees planted along the improved corridor.

Lessons Learnt

i. Voluntary provision of the right of way has the potential to significantly scale down the RAP costs and upscale project investments through re-investment of savings- in major components. All efforts must be taken to maximize on this approach early in project implementation.

ii. Protracted procurement and approval processes negatively affect project efficiency. They highly undermine project progress. It is urgent to fast-track the procurement process by rolling out innovations such as concurrent re-evaluations for batched projects in order to realize specific requirements in time.

iii. Building capacity of KCCA staff to progressively manage key specialized functions implemented by experts is a future necessity to ensure that KCCA minimizes the need for costly staff procurements but also to expand the local resource pool of expertise in key specialized areas for deployment across projects and functions. KCCA must fast-track relevant trainings and mentorships in this regard.

3.5.5 Kampala-Jinja Expressway Project (1278)

Introduction

The Kampala- Jinja Expressway (77km) is part of the Northern Corridor Route (NCR), which starts from Mombasa to Burundi. The corridor is of strategic importance by connecting landlocked countries in the Great Lakes region to the sea at the port of Mombasa. Kampala-Jinja road is one of the busiest roads in Uganda with average daily traffic of over 25,000 vehicles per day on sections closer to Kampala City. The road links Jinja with the Greater Kampala Metropolitan Area (GKMA).

The transport system along Kampala-Jinja road section in the GKMA is highly inefficient resulting in high transport costs (vehicle operating and travel time costs) which is injurious to the growth of the national economy. The Kampala - Jinja Expressway (KJE) is expected to reduce the journey time and transport operating costs.

The GoU represented by UNRA is seeking to partner with the private sector to Design, Build, Finance, Operate and Transfer a limited access 97km tolled expressway under a Public Private Partnership (PPP) arrangement. The project comprises the following components: 77km of the Kampala-Jinja mainline expressway with a design speed of up to 120kph; and 20km Kampala Southern Bypass (Urban Expressway) with a design speed of up to 100kph.

The total project cost (TPC) was estimated at US $ 1.4 billion and the project was expected to start on 1st January 2014 and close on 30th June 2023. The project is funded by the GoU (US $ 600 million - 42.86% planned through Public Private Partnership) and the African Development Bank who provided a loan of US$ 229.5 million (24% of the TPC as signed on 16th March 2021 with an effectiveness date of 5th July 2021 and expiry date of 30th June 2027 for Phase 1 (Kampala-Namagunga -35km). Thus the current project objectives are: to develop the first section (35km) of the Kampala-Jinja Expressway from (Kampala-Namagunga -35km); and to develop the Kampala-Southern Bypass (18km).

Financial performance

The financial performance of the project was poor. A total of US$ 343,983.5 (0.15% of the loan) was disbursed by the bank as of 31st March 2024. The GoU counterpart funding approved budget was Ug shs 3.44 billion of which Ug shs 3.36 million (97.67%) was expended by the end of March 2024. The funds were expended on procurement and RAP processes.

Physical Performance

The project performance was poor as the works had not commenced with no contract signed yet. The project was behind schedule by two (2) years. This was due to poor preparation, lengthy negotiations between the donors and the GoU and protracted procurement processes.

Conclusion

The performance of the Kampala-Jinja Expressway road project was poor. Civil works had not yet been tendered out. The project was behind schedule by two years. This was attributed to poor planning that led to lengthy negotiations with the funders and the GoU. Hence, the project was unlikely to meet its loan time frame.

Recommendations

The UNRA should expedite the procurement of the contract for the civil works.

3.5.6 Upgrading of Tirinyi-Pallisa-Kumi/Kamonkoli Road Project (1281)

Introduction

Through the Uganda National Roads Authority (UNRA), the Government of Uganda (GoU) upgraded the Tirinyi-Pallisa-Kumi/Kamonkoli Road (111.25 km) from gravel to bituminous standard. The estimated cost of the project was US$162.45 million. The project financing was provided by a loan from the Islamic Development Bank amounting to US$120.0 million (73.9% of the project cost) and the GoU counterpart financing of US$42.45 million (26.1% of the project cost).

The project objective is to facilitate the marketing of agricultural produce by providing an all-weather paved road. The project aims to enhance road transportation and trade facilitation along the project corridor, thereby enhancing transport services and agricultural productivity.

The project's scope includes upgrading the existing 2-lane earthen/gravel roadway to two 3.65-metre-wide traffic lanes of Class II paved standard. The project was implemented in two lots: Lot 1: Tirinyi –Pallisa-Kumi (67 km) and Lot 2: Pallisa-Kamonkoli (44 km). Table 3.5.5 presents a summary of the project information.

Table 3.5.5: Summary Tirinyi-Pallisa-Kumi/Kamonkoli Road Project details as of 31st March 2024

Funding Agency	Islamic Development Bank (73.9%) GoU (26.1%)
Loan signature date	24th June 2014
Date of loan effectiveness	11th April 2018
Date of closure	30th November 2024
Loan amount	US$ 120.00 million
Loan disbursement performance	93.6%
Lot 1: Tirinyi –Pallisa-Kumi (67 km)	
Original Contract Price	Ug shs 274,124,619,957
Contract Start Date	15th March 2018
Original Contract End Date	13th March 2021
Revised Contract End Date	15th October 2021
Lot 2: Pallisa-Kamonkoli (44 km).	
Original Contract Price	Ug shs 205,513,281,332.62
Contract Start Date	15th June 2018
Contract End Date	14th June 2021
Revised Contract End Date	30th September 2021

Source: Author's compilation, Project documents

Financial Performance

The project's overall financial progress by the end of March 2024 was very good. The loan disbursement to the project was US$112,309,516 (93.6%) while the GoU expenditure on the project was Ug shs 168.045 billion.

Physical Performance

The physical performance of the project was very good, at 100%. The construction activities of the project achieved substantial completion on 15th October 2021 and 18th August 2021, for Lot 1 and Lot 2, respectively. The entire road section of 111.25 km) was handed over to UNRA and is under use by the general public. The project Right of Way (RoW) on both lots was acquired to 100%.

Pallisa-Kamonkoli road at km 0+000 in Kamonkoli

A bridge at 58+700 along Pallisa-Kumi road

Lessons Learnt

Delayed acquisition of the RoW is the main delay factor to project implementation and it should be addressed prior to project commencement for future projects.

Conclusion

The project construction activities of Lot 1 and Lot 2 were completed and handed over to UNRA for maintenance. The project RoW for the entire project has been fully acquired. The project should therefore exit the Public Investment Plan (PIP).

3.5.7 Development of the New Bukasa Port Project (1284)

Introduction

Government of Uganda through Ministry of Works and Transport plans to construct a modern high capacity Port at Bukasa on the shores of Lake Victoria, as a flagship Infrastructure Project in line with the third National Development Plan, the National Transport Master Plan and the Uganda Vision 2040. The funders of the project are: European Export and Trade Bank (42.48%), Commerz bank (42.48%) and GoU (15.04%). The loan was signed on 24th April 2016, became effective on 27th September 2016 and the closure date is 15th May 2025.

The Port will be linked by trio-modal transport modes (water, rail and road). It will form part of the Central Corridor i.e. Bukasa-Mwanza-Musoma-Tanga-Dar-es-salaam, link Kisumu via Lake Victoria and Mombasa by rail.

Bukasa Port will be constructed on 400 hectare and will handle International Cargo transported by trio-modal (Ship-Rail-Road), act as a gateway for International traffic along the Central and Northern Corridors to facilitate trade. The Port will serve as a logistics centre for assembling, storage and re-distribution of imports and exports

The main objective of developing Bukasa Port is to address the Country's rapidly growing traffic demands using the Central Corridor on Lake Victoria to Kenya and Tanzania, thereby reducing over-dependence on the Northern Corridor through improved mobility of traffic and cargo. This will promote regional integration and trade; transport corridor competition; reduce traffic on Northern Corridor, reduce road maintenance costs, cost of doing business and hence increase socio-economic development.

The scope of the project is structured into three phases:

Phase 1: Preparation Phase, that covers: construction of a 6km Kinawataka-Bukasa Road, preparation of master plan, preliminary design, resettlement action plan (RAP), Environmental and Social Impact Assessment (ESIA), swamp removal and reclamation work, ship simulation study, 3D model and animation and training. This Phase was originally planned to commence in June 2016 for three years but was revised for a completion of March 2024.

Phase 2: Construction of Bukasa Port to capacity of 2.3 million tons per year, construction of shipyard and floating dock. This Phase was expected to commence in November 2019 for three years but was revised to be completed by June 2025.

Phase 3: Future extension of the Port to capacity of 5.2 million tons per year and to maximum peak of 7.5 million tons per year. This Phase is expected to be completed by 2030.

The estimated cost of project implementation for phase 1 and 2 is € 350 million (Equivalent to Ug shs 1,400 billion). Phase 1 was estimated to cost €50 million while phase 2 would cost €300 million The Project is currently funded for only Phase 1.

Financial Performance

Phase 1 of the project has utilised €29,869,297.64 (59.7%) of its total estimated cost of €50million. By end of March 2024, the project had an approved budget of Ug shs 487.998bn of which 7% was GoU counterpart and 93% the external component. Overall, Ug shs 153.736bn (28%) was released and Ug shs 136.760bn expended.

The approved budget for the GoU counterpart funding was Ug shs 33.309bn of which Ug shs 80.996Bn was released and Ug shs 80.279bn (214% of budget) was expended. The project has therefore over spent on the GoU counterpart funding.

Despite the over spending on the GoU counterpart funding, the overall expenditure of the project was within budget.

Physical Performance

The overall weighted performance of the project was poor estimated at 12.5% for phases 1 and 2. The project was therefore behind schedule. This was no account of the slow implementation of phase 1 works; and the non-performance of phase 2 which has not commenced as scheduled.

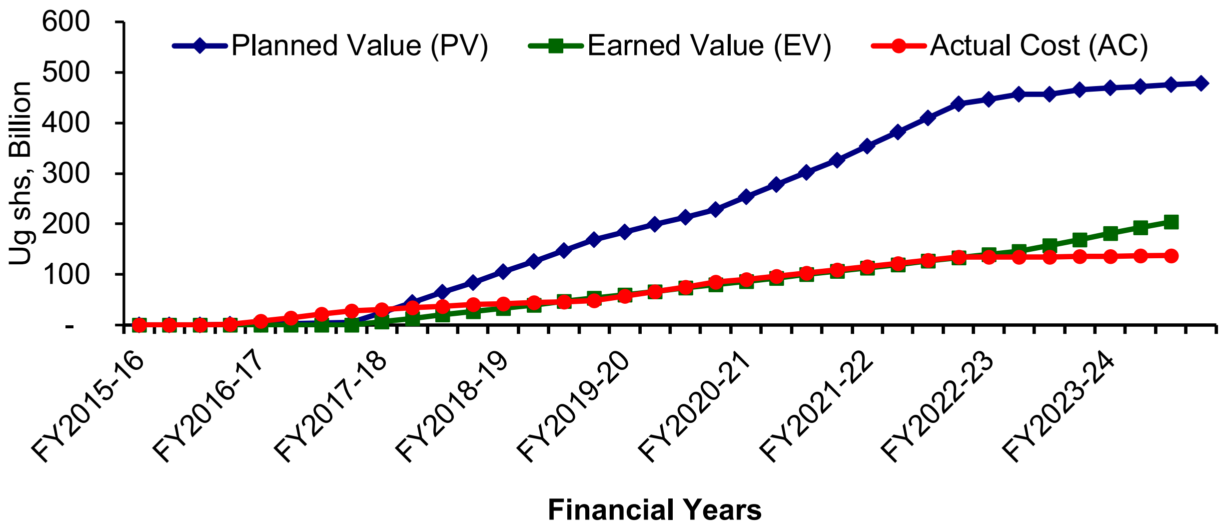
The physical progress of phase 1 was estimated at 90%. The construction of the Kinawataka-Bukasa access road, preparation of Port Master Plan, Port Preliminary Design, Geotechnical Survey, Hydrographic Survey, Topographical Survey, Bathymetric Survey, Hydrosedimmental Survey, Sub Bottom Profiling, Satellite Imagery, Resettlement Action Plan (RAP), Environmental and Social Impact Assessment, Ship simulation study, 3D Model and animation and Training were completed.

A total of 1,538 PAPs (91.7%) out of the 1,676 verified and approved were compensated. The pending works for this phase were swamp reclamation works for which procurement of the contractor was ongoing; and compensation of the remaining 138 PAPs.

Works for phase 2 have not commenced due to delayed finalisation of phase 1 works.

Figure 3.5.5 shows the performance of the project.

Figure 3.5.5: Performance of the Development of the New Bukasa Port Project as of 31st March 2024



Source: PBS and author's compilation

The implementation of phase 1 works of the project would require an additional 14 months for it to be completed; implying that commencement of phase 2 would be delayed.

Implementation constraints

i. Resistance of PAPs to move out of the project area to allow preparation of Phase 1 to commence as scheduled. The PAPs initially did not accept the Project because they wanted to be fully paid for land and developments thereon yet the land belongs to National Forestry Authority. This delayed the commencement of the Project for more than a year.

ii. Expensive bids from Belgian firms which were above the engineering estimate for swamp removal and reclamation works as per loan terms. This led to two failed procurements attempts which have delayed finalisation of phase 1.

Conclusion

The performance of the Development of the New Bukasa Port was poor and behind schedule. Only implementation of phase 1 was in progress at 90% and would require an additional 14 months to be completed. The project lost time due to resistance from the PAPs and failed procurement attempts for the swamp reclamation works. It is therefore evident that the subsequent phases of the project cannot be completed within the remaining loan duration.

The project over spent (241%) on the GoU counterpart funding although the overall expenditure was within budget.

Recommendation

i. The MoWT should expedite the compensation of the pending PAPs to avoid stoppage of works by the property owners;
ii. The MoWT/MFPED should negotiate for part of phase 2 funds to be front loaded to cater for the expensive swamp reclamation works.
iii. The MoWT should package phase 2 and 3 as independent projects since they cannot be implemented within the current loan duration.

3.5.8 Kampala Flyover Construction and Road Upgrading Project (1319)

Introduction

The Kampala Flyover Construction and Road Upgrading Project is part of the measures for improvement of traffic flow within the Greater Kampala Metropolitan Area (GKMA) funded by Japan International Corporation Agency (JICA). The project loan was approved on the 3rd September 2015, signed on the 11th September 2015, became effective on 26th February, 2016 with a closing date of 31st August 2023 which has been revised twice to 26th February 2024 and now 26th February 2027. The total estimated project cost is US$ 380 million. However, the loan has been phased into two with the amount availed so far for Phase 1 being US$181.72 million (60.75% of project cost) of which US$ 100 million is meant for Phase 2.

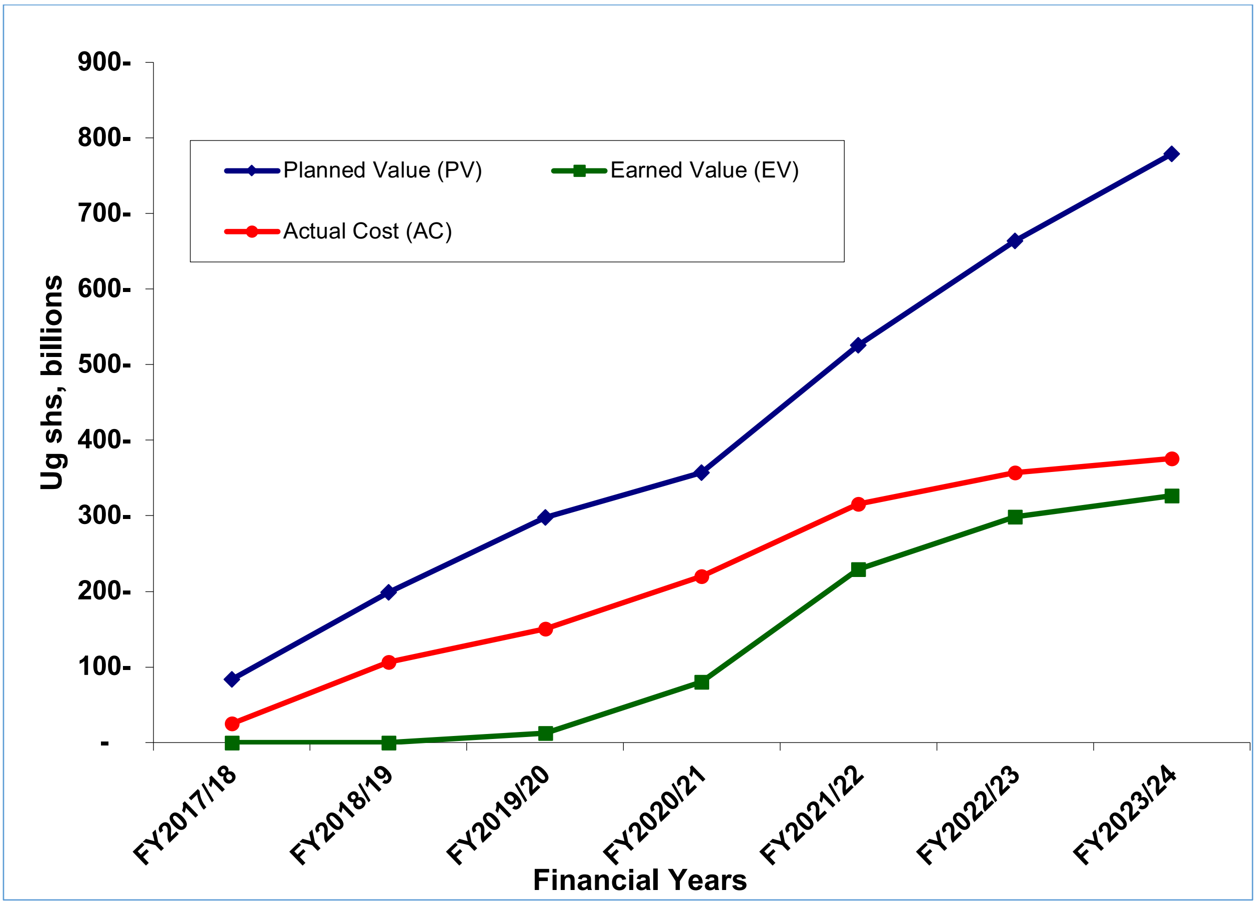
The project implementation was divided into three (3) packages implemented in two lots namely: Lot 1 (Packages 1 - Clock Tower Flyover and Package 2 - Nsambya Road) and Lot 2 (Package 3 - Kitgum House Flyover). The design of Package 3 required significant modifications to harmonize with the railway viaduct for the SGR (Standard Gauge Railway) project. Consequently, UNRA proceeded with procurement of the contractor for Packages 1and 2 under Lot 1 at a cost of US$ 81.72 million (44.97% of Phase 1 Loan) that had no impacts from SGR under the Phase 1 of the loan.

The major works of the Lot 1 of the project consists of the construction of bridges, road improvement, road widening, signalization of roundabouts, and underpass construction. It involves: Clock Tower Flyover (584m including a bridge of 366m), 2-Lane; Shoprite Pedestrian Bridge (92m); Clock Tower Pedestrian Bridge (229m); Kibuli Pedestrian Bridge (40m); Nsambya Underpass (360 m including and open cut box culvert of 132m), 4-Lane; New Clock Tower Square; Road Widening/Improvements (3,190m); and Junction Improvements (Shoprite, Clock Tower, Nsambya, Hospital and New Kibuli).

Financial Performance

The disbursement performance of the Phase 1 loan was 41.05% against the original loan lifetime of 101.1% as at the end of March 2024. The financial progress of the Lot 1 works including advance payment up to the end of March 2024 was 75.15% against a planned 100%. The estimate cost of Lot 2 is US$ 300 million of which US$ 100 million (33.3%) is available under the first phase of the loan. An additional US$ 200 million (66.6%) will be required under the second phase.

Figure 3.5.6: Performance of the Kampala Flyover Construction and Road Upgrading Project as of end of March 2024



Source: Author's compilation based on Monthly progress reports (FY 17/2018 to 2023/24)

Physical performance

The overall performance of the project was poor at 38% due to the delayed commencement of Lot 2 civil works. However, as at the end of March 2024, the cumulative physical progress on Lot 1 was 93.19% against a planned 100 and time progress of 113%. Significant progress had been made in the construction of roadworks for the project and carriageway paving was noticeably complete. The Clock Tower Flyover Bridge Works; Nsambya Underpass works; all the three (3) pedestrian bridges (Kibuli, Clock Tower and Shoprite); and construction works of all box culverts within the project area had been completed. The construction of Clock Tower monument had been noticeably done with the contractor working on touch up works and the platform around the monument. The construction of ancillary works such as road marking, road signage installation and landscaping were ongoing.

Following the full opening to traffic of the project at the end of December 2023, the traffic jams have significantly reduced at the Nsambya and Clock Tower junctions. However, near-miss accidents have been recorded at Clock Tower Junction due to the delayed installation of traffic signals by the contractor to control traffic. The project team has provided temporary measures, such as flag persons, until the installation of traffic signals is done.

The JICA has delayed the dispatch of the appraisal mission for Lot 2 which affecting the advanced procurement for Lot 2. Therefore, the commencement of Lot 2 continues to be delayed and the exact additional amount required to complete Lot 2 works may not be known until contractor has been procured.

The pedestrain bridge, widened junction and structure and Clock Tower Monument

Part of the Clock Tower Flyover Structure

The improved Nsambya junction and underpass

Ongoing pedestrian walkway paving works at Nsambya Junction

Implementation constraints

i) The contractor's persistently slow progress has been a significant concern during the execution of project works, despite repeated warnings, notices, and reminders from both the engineer and the employer. The contractor requested an extension up to 31st August 2023, however, by this proposed extended completion date, the contractor had achieved only 81.60% progress for Lot 1.

ii) The delayed commencement of Lot 2 works for which has 55% of the Phase 1 loan amount is earmarked is significantly contributing to the poor performance of the loan.

Conclusion

The performance of the project was poor at an estimated 38% much as the Lot 1 project progress had advanced to 93.19%. The poor performance was attributed to the delayed commencement of the Lot 2 civil works which negatively affected the performance of the loan resulting in the low disbursement performance (41.05%). However, the loan closure date was extended from February 2024 to February 2027. The implementation of Lot 1 contract had delayed with a time progress of 113%. Time was lost majorly due to delayed relocation of utilities which affected the project's pace of works.

Recommendations

The MFPED should engage the JICA to dispatch the appraisal mission for Lot 2 so as establish the exact the additional amount for Lot 2 works and enable the conclusion of the procurement of the Lot 2 contractor.

3.5.9 Upgrading of Muyembe – Nakapiripirit road Project (1322)

Introduction

The upgrading of Muyembe-Nakapiripirit road (92km) from gravel to paved road was intended to foster socio-economic integration between Karamoja and the rest of the country by facilitating the movement of people and goods. The total project cost was estimated at Ug shs 411.805billion[124]. A summary of the project information is in Table 3.5.6

Table 3.5.6: Summary of Muyembe–Nakapiripirit Road Project information as at 31st March 2024

Date signed	2nd October 2019
Effectiveness date	2nd October 2019
Original Closure	30th October 2021
New closure date	7th February 2025
Loan amount	US$ 110 million
Loan duration	65 months
Loan disbursement performance	67.06%
Funding Agency	Islamic Development Bank
Original Contract Price	Civil Works Contract: Ug shs 399,958,528,511 Supervision Contract: Ug shs 8,561,483,499 & USD 890,500
Contract Period	36 months
Revised Contract Period	50 months
Contract Start Date	30th March 2020
Contract End Date	30th March 2023
Revised contract End Date	08th May 2024
Contract Time Elapsed	48months (97.5%)
Loan duration elapsed	55 months (85%)

Source: Field Findings

[124] Exchange rate of 1USD = Ug shs 3690 was used

Financial Performance

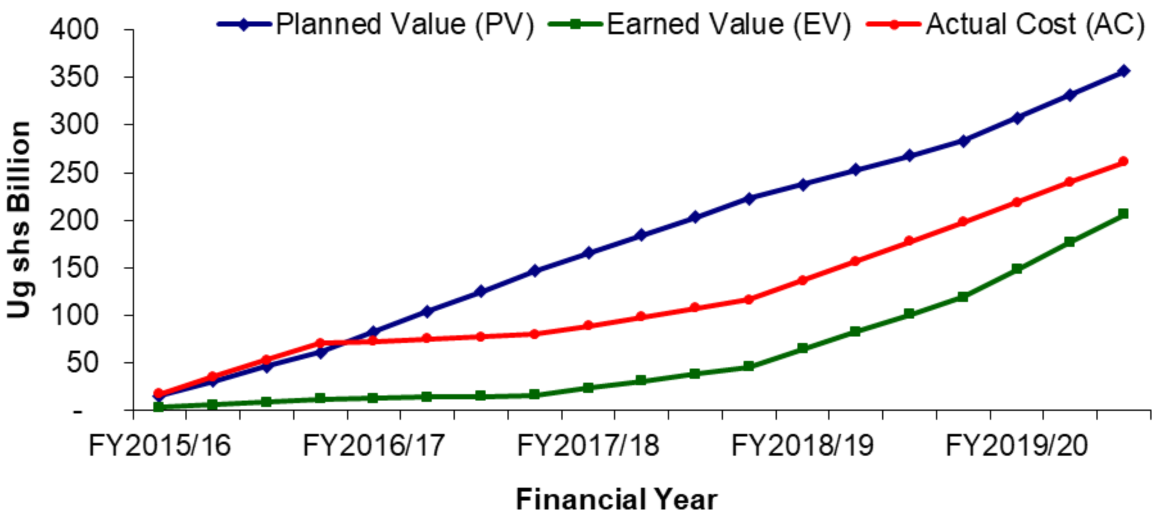
The project planned budget was Ug shs 380,845,798,651 for the FYs 2019/20- 2023/24. On average 97% was external financing and 3% GoU. Overall Ug shs 283,907,220,140 (75%) of the funds were released. The percentage release was 94% for GoU and 74% for the external financing. Cumulatively, the project absorbed Ug shs 261 billion (91.9% of release and 68.5% of the budget). The absorption of external financing was low considering the level of undisbursed funds (32.94%) against the remaining duration loan of 15% (10 months) to the drawing limit date of 31st December 2024. Therefore, the financial performance of the project was rated fair.

The spending over time was with the project budget at completion although not commensurate to the works achieved (**Figure 3.5.6).** The estimated completion cost of the project as at end of March 2024 was Ug shs 483bn hence a cost overrun of Ug shs 72bn if progress is not paced up.

Physical Performance

The civil works for this project were ongoing although the project was behind schedule. The cumulative physical performance of the civil works contract was estimated at 54.14% against a time lapse of 97.3% for the loan. The project had achieved an equivalent of 63.36km of road works and completed major structures such as bridges and box culverts. The quality of the works was good. Figure 3.5.7 shows the performance of the project as at end of March 2024.

Figure 3.5.7: Performance of the Muyembe-Nakapiripirit road project as of end of March 2024



Source: PBS and field findings

The project lost a total of 20 months majorly due to delays in acquisition of the right of way, shortage of suitable materials within the project area, and poor planning by the contractor.

Muyembe- Nakapiripiriti Road Project: L-R: Completed six-cell box culvert along, Ongoing construction of a four-cell box culvert

Implementation constraints

i) The project performance was affected by delays in Right of Way acquisition arising from inadequate budget allocation for this component of the project.

ii) Shortage of suitable and the right quantities of gravel and rock sources within the project area affected progress of earthworks and commencement of pavement layers.

Conclusion

The performance of the project was rated fair. The physical progress was at 54.14% against a loan duration of 97.3%. The loan disbursement performance was low in comparison to the time lapse. The project was therefore behind schedule and would require a time extension of 18 months up to 30th October 2025.The project spending was above the value of the works achieved with an estimated completion cost of Ug shs 483Bn. The anticipated cost overrun was therefore Ug shs 17Bn. There is therefore need for immediate intervention to restore the project to its normal course and budget.

Recommendations

The UNRA should fast track completion of the remaining works within the remaining loan duration.

3.510 Entebbe Airport Rehabilitation Phase 1 Project (1373)

Introduction

The Upgrading and Expansion of Entebbe International Airport is a design and build project funded by the Export – Import Bank of China (EXIM) with a loan amount of CNY 1,260,000,000 (US$ 200,000,000). The loan was signed on 31st March, 2015 and became effective on 17th December, 2015 with a closure date of 5th December 2022 that has been revised to 7th February, 2025. The project objective is to promote service excellence at Entebbe International Airport through provision of competitive infrastructure and facilities.

The project is intended to: provide adequate infrastructure and facilities at Entebbe International Airport to accommodate current and future traffic; upgrade facilities and infrastructure to modern systems for more efficient operations; provide convenient and relaxing facilities for airport users; and provide a bedrock for increased numerical and non-numerical revenues for the airport.

The original scope of works entailed: construction of the new cargo centre; construction of the new passenger terminal building; strengthening of runway 17/35 and associated taxiways (A1, A2, A3 and A4); strengthening and expansion of Apron 1; expansion of Taxiway A (renamed B); strengthening of Apron 4; rehabilitation of Apron 2; strengthening of runway 12/30 and associated taxiways (J1, J2, J3 and H1); expansion of the water supply system (domestic and fire) and associated facilities; and the exploration design.

The additional scope included: construction of a guard house; construction of a temporary cargo commercial centre; construction of a police post and canine unit; construction of new cold rooms and remodelling of rooms at the cargo centre; construction of an additional low voltage switch room; construction of shades for waiting trucks; construction of a new electrical sub-station; and procurement of an additional 400kva generator and construction of the reinforced concrete base.

A summary of the project data as of end of March 2024 is presented in Table 3.5.7

Table 3.5.7: Summary of the project details as at 31st March 2024

Works Contract Price	Civil Works Contract: US$ 200,000,000 Revised to US$ 199,990,415
Contract Start Date	10th May 2016
Contract Period	1,825 days (5 years)
Original completion Date	9th May 2021
Revised Contract Period	2403 days
Revised contract End Date	5th July 2024[125]
Contract Time Elapsed	96.78%
Supervision amount	US 11,000,000,000 (paid by UCCA from internally generated sources)

Source: Author's Compilation and Performance Reports

Financial Performance

The loan disbursement was good at US$ 182,596,176.55 (91.3%) as at the end of April 2024. The project was executed on budget (Figure 3.5.7). However, financial challenges such as price adjustment and the financial gaps in the exchange rate are likely to affect the final contract price.

[125] This extension has to be actuated by a signed Contract **Addendum 4** which was not yet signed by the end of March 2024.

Price adjustment was pending due to the changes of price indices systems by China Economic Monitoring and Analysis Centre (CEMAC) to Hongkong systems. Harmonization was yet to be handled by the MFPED while the financial gaps was a result of the deviation between the contract currency (US$) and the payment currency (Chinese Yuan). This had caused a difference of US$ 13 million. As a result, the contract budget was being exhausted before finalisation of the works.

The cumulative financial progress of the project was at 87.55%. There were delays in the payments of the contractor's IPCS which was attributed to non-approval of addendum No.4, approval of the NEMA certificate and a disputed land ownership of the project site. The delayed payments had accumulated interest estimated at US$ 1,679,980.95 by the end of March 2024. However, no interest had been yet paid.

Physical performance

The performance of the project was good. By the end of March 2024, the overall physical progress of the airport works was at 89.01% against a planned progress of 95.58% and time progress of 96.78%. Out of the 11 scoped components, six had been completed and handed over to the UCAA. The detailed progress of the different project components is summarised in Table 3.5.6. The project was behind schedule by 6 months[126]. This was mainly attributed to the design changes in the cargo centre (1st extension to 5th December 2022); the COVID-19 pandemic effects; delays in finalisation of cargo building changes; and procurement delays of long lead items.

Table 3.5.8: Detailed progress of the different project components as at 31st March 2024

S/N	Item Activity Breakdown	Weighted Planned Progress (%)	Weighted Actual Progress (%)	Physical Progress (%)
1	1 General Item	4.63	4.63	100.0
2	2 New Cargo Centre Complex	21.03	21.03	100.0
3	New Passenger Terminal Complex	31.32	18.64	59.5
4	Strengthening of Runway 17/35 and Its Associated Taxiways	9.87	9.87	100.0
5	Strengthening and Expansion of Apron 1	11.28	10.64	94.3
6	Rehabilitation of Apron 2	2.78	2.77	99.6
7	Strengthening of Apron 4	3.78	3.78	100.0
8	Strengthening of Runway 12/30 and Its Associated Taxiways	6.23	6.23	100.0
9	On-Site Water Supply System, Fire Water System and Its Associated Facilities	0.81	0.81	100.0
10	Exploration and Design	6.5	6.27	96.5
11	Changes in Cargo Building	1.75	1.75	100.0
Overall		**99.98**	**86.42**	**89.01**

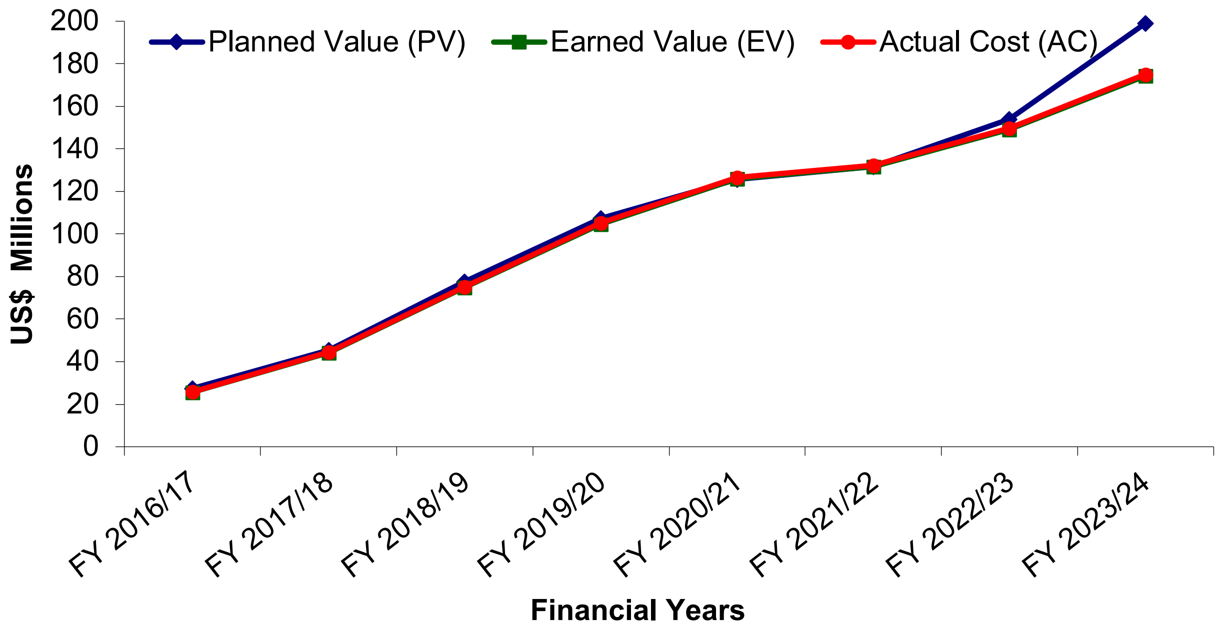
Source: Monthly progress Report, March 2024

[126] Basing on the SPI of 0.88

Completed Cargo Building that was in use at Entebbe International Airport

New Passenger Terminal Building that was still under construction

Figure 3.5.8: Performance of the Entebbe International Airport as at March 2024



Source: Monthly progress Reports from FY 2016/17 to March 2024

Implementation constraints

i) Delays in payment to the service providers had disrupted the works progress. For example, the supervision consultant suspended works from 01st November 2023 to 15th January, 2024 over delayed payment.
ii) The delay to approve price index from the CEMAC to the Hong Kong system.

Conclusion

The project performance was good as the project was within budget and efficient in utilization of resources however, it was behind schedule. Its completion was being threatened by the untimely payment of the service providers, approval of addendum No.4 and the funding gap risk. The estimated Cost at Completion was US$ 214,428,623.75 and required an extra six (6) months to complete the works.

Recommendations

i) The MoWT and MFPED should reconcile the change of price indices from the CEMAC to the Hong Kong system and the funding gap such that the project works are within a definite final project cost.

ii) The MoWT should expedite the addendum No.04 approval to substantiate the new extension date.

3.5.11 Upgrading of Rwenkunye-Apac-Lira-Acholibur Road Project (1402)

Introduction

The Government of the Republic of Uganda identified the need to upgrade the Rwenkunye-Apac-Lira-Acholibur Road 250 km from gravel to paved standard to provide an adequate and suitable road link between the districts of Kiryandongo, Apac, Lira and Pader. However, due to the inadequate resource envelope, the available funding could only handle a total of 191km between Renkunye–Puranga.

The total financing for the project was estimated at Ug shs 760.00 billion, which is entirely provided by a loan from the Islamic Development Bank. The Government of Uganda provides financing for land acquisition of the project corridor.

The project objective is to promote equal access to social and economic development opportunities. The project aims to enhance road transportation and trade facilitation along the project corridor, thereby enhancing transport services and agricultural productivity by connecting remote and disadvantaged districts to the main road network.

The project's scope includes upgrading the road from gravel to a Class II standard paved road with an asphalt concrete carriageway. The project is implemented in two lots: Lot 1: Rwenkunye-Apac Road (90.9 km) and Lot 2: Apac-Lira-Puranga Road (100.1 km). A summary of the project information is presented in Table 3.5.9.

Table 3.5.9: Summary of Rwenkunye-Apac-Lira-Acholibur Road Project details and performance as of 31st March 2024

Funding Agency	Islamic Development Bank (100%)
Loan signature date	12th March 2020
Date of loan effectiveness	30th April 2020
Date of closure	1st May 2025
Loan amount	US$ 200.8 million
Loan disbursement performance	47%
Lot 1: Rwenkunye-Apac Road (90.9 km)	
Original Contract Price	Ug shs 337,526,153,350
Contract Period	The original contract period was 3 years (36 months). The contract period has been revised to 42 months
Contract Start Date	07th December 2020

Original Contract End Date	07th December 2023
Revised Contract End Date	6th June 2024
Contract Time Elapsed	40 months (as of 31st March 2024) equivalent to 83.33 %
Land acquisition	The number of PAPs paid was 1,264 out of 1,467 PAPs valued
Lot 2: Apac-Lira-Puranga Road (100.1 km).	
Original Contract Price	Ug shs 416,337,936,348.42
Contract Period	The original contract period was 3 years (1094 days). The contract period has been revised to 3.5 years (1278 days)
Contract Start Date	14th December 2020
Contract End Date	14th December 2023
Revised Contract End Date	15th June 2024
Contract Time Elapsed	1203 days/ 40 months (as of 31st March 2024) equivalent to 94.1%
Land acquisition	The number of PAPs paid was 3,199 out of 3,793 PAPs valued

Source: Author's compilation, Project documents

Financial Performance

The overall cumulative budget of the project by the end of March 2024 was Ug shs Ug shs 753.864 of which Ug shs 387.183billion (51.4%) was released and Ug shs 336.457billion (86.9%) expended. The cumulative loan disbursement was at 47.03% (US$ 98,772,211). The land acquisition budget under the GoU funding was estimated at Ug shs 103.468 billion, of which Ug shs 45.635 billion was paid.

By the end of March 2024, the financial progress of the civil works for Lot 1 was at 40.6% against a plan of 83.9%, while that of Lot 2 was at 55.8% against a plan of 83.9%. Both contracts were performing below the planned budgets due to the slow progress of works as shown in Figure 3.5.8.

Physical Performance

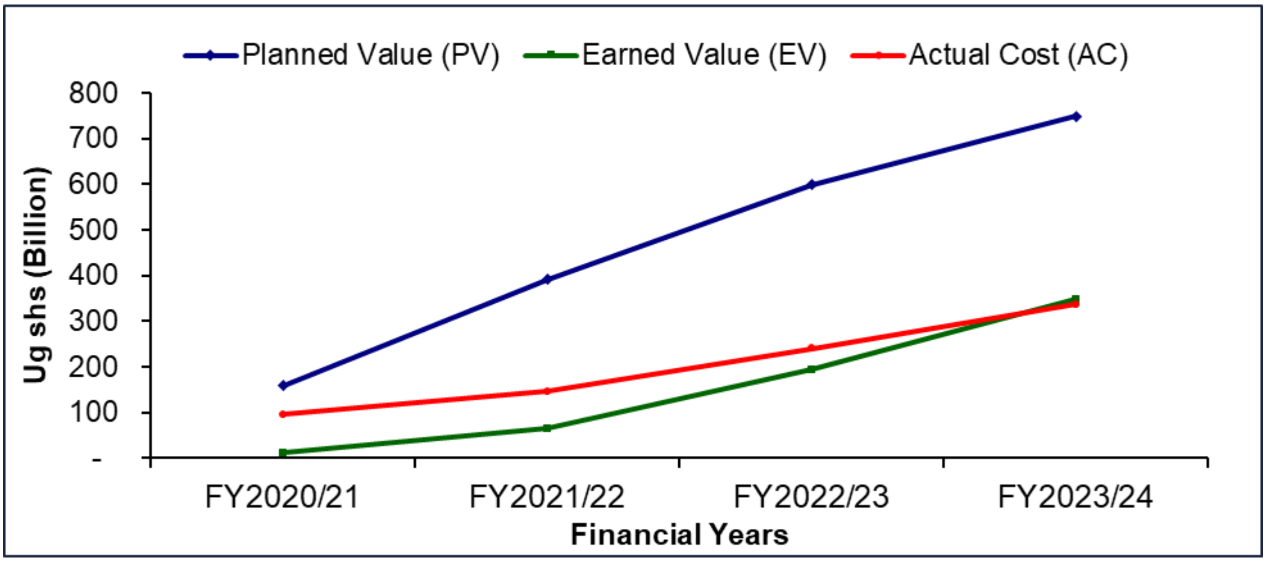
Overall, the performance of the Rwenkunye-Apac-Lira-Puranga Road project was fair[127], with both lots underperforming. Lot 1 and Lot 2 achieved an average physical progress of 46.5% against a planned of 82.0% and a time-lapse of 88.7%. The detailed physical performance for both lots by the end of March 2024 was as follows:

Lot 1: The cumulative physical progress achieved was 40.0% against a plan of 71.1%, representing a slippage of 31.0%. Along the 90.1km road section under Lot 1, the contractor had achieved 28.1km of asphalt concrete surfacing (44.7%), 30.42km of subbase (48.4%), 31.4km of base coarse (49.9%), 4.9km of swamp treatment (77.8%), 25 box culverts (51.0%), and 63 pipe culverts (53.9%). The quality of work executed was satisfactory.

Lots 2: The cumulative physical progress achieved by the end of March 2024 was 53.1% against a plan of 92.9%, hence a slippage of 36.8%. Out of the 100.1km road section under Lot 2, the contractor had achieved 35.5km of asphalt concrete surfacing (37.2%), 37.1km of base coarse (36.1%), 39.9km of subbase (39.9%), 13.0km of swamp treatment (72.4%), 67 box culverts (64.4%), and 31 pipe culverts (33.3%).

[127] The project had a schedule variance of -405.468 billion and a SPI of 0.48

Figure 3.5.9: Performance of Rwenkunye-Apac-Lira-Puranga Road Project as at 31st March 2024



Source: Author's compilation, project documents

The project's slow progress was primarily due to a delay in accessing the right of way and a delayed design review. The acquisition of the right of way was at 52.3% of the road length. These delays led to contractors' claims for time extensions, which were still under review by the end of March 2024. In the interim, the project has been extended by six months, with Lot 1 and Lot 2 completion dates revised to 6th June 2024 and 15th June 2024, respectively. However, given the current level of efficiency, the project is anticipated to have a time overrun of 46 months[128] (3.8 years), resulting in a completion date of 15th April 2028.

A tarmacked section of Rwenkunye – Apac Road

Construction of box culvert long Apac -Lira road section

[128] The Project Estimated Schedule at Completion is 88 months

Project Implementation Constraints

i) The project performance was affected by delays in Right of Way acquisition arising from inadequate budget allocation for this component to the project.

ii) Heavy rains that disrupt the execution of project activities.

iii) Increased scope of works following design review, including quantities of swamp treatment, bituminous layers, and drainage structures. This is likely to increase the contract price to Ug shs 352.690 billion for Lot 1 and Ug shs 484.605 billion for Lot 2, resulting in a combined estimated cost overrun of 11.1%.

Conclusion

The performance of the project was fair at 56.7%. The implementation of the civil works on both Lots was behind schedule, which could lead to a time overrun of 3.8 years. This would push the project end date to 15th April 2028 against a loan withdrawal limit of 1st May 2025. The value of the civil works accomplished was commensurate with the expenditures; nonetheless, the projected increase in the scope of works will likely result in a cost overrun of Ug shs 83.432 billion. Therefore, the project's duration and budget do not align with the loan disbursement terms.

Recommendations

The UNRA should prioritize payment of PAPs along the project corridor to enable uninterrupted execution of construction works by the contractors

The MoPED should renegotiate the loan disbursement period to ensure uninterrupted funding throughout the project duration

3.5.12 Development of Kabaale International Airport Project (1489)

Introduction

Following the discovery of Oil in commercial quantities with reserves in excess of 3.5 billion barrels in the Albertine Graben, the Government of Uganda agreed to produce and refine oil in the country, with the oil refinery to be built in Hoima. Given the bulky nature of the refinery machinery, it was proposed that an airport be built near the refinery to ease and quicken their transportation. For this purpose, the GoU launched the construction of Kabaale International Airport, located in Kabaale Parish, Buseruka sub-county, Hoima District 45 km away from Hoima Municipality.

The new airport is expected to facilitate mobilization of equipment for construction of a refinery and assist in the development of agriculture and tourism in Uganda's Western region. The initial total project cost was Euro 309,100,259.49 (Ug shs 1,416.8 billion). This was broken down into: construction price of Euro 264,077,144.48 (85.43%); employer's engineer – supervision of Euro 4,000,000 (1.29%); finance administration fees of €5,409,940.36 (1.75%); United Kingdom Export Finance (UKEF) finance charges of Euro 35,203,674.65 (11.39%); facility agent fees of Euro 409,500 (0.13%).

The GoU secured a loan facility for the project from the UKEF of Euro 270,000,000 (85% of the total project cost) that was signed on 17th December 2017. The loan became effective on 1st October 2018 and was to expire on 7th December 2023 however, the date was revised to 30th June 2025 (7.5years). The 15% (Euros 40,000,000) of the project cost was to be met by the GoU.

The Kabaale International Airport project was designed to support the operation of large cargo and passenger aircraft, with: a runway of 3500m in length and 45m in width; a parking apron of 81,500 m^2; a taxiway; a cargo terminal of 3,240 m^2; a rescue and firefighting facility; a category 1 airfield ground lighting system; a navigational aids system; a mobile control tower; and roads and parking facilities.

Other key aspects of the project were: ground support equipment area of 5,000m^2; landside road system and parking; employee housing comprising of six 3-bedroom units for airport management staff and fifteen 2-bedroom units for airport operations staff and short-term specialists; road diversion and general connection to the road system; and environmental and social safeguard monitoring and implementation.

Financial performance

The financial performance of the project was good. The loan disbursement performance was at 97.61% as at the end of April 2024. The total project cost had been revised been revised by 10.87% from €309.1million to €342.7 million with the additional €33 million to be met by the GoU. A total of €269,352,289.77 (78.6% of the project revised cost) had been absorbed by 30th April 2024. The GoU had only disbursed Euros 5.544 million (13.9% of its new total obligation of €72.7 million. A total of € 262,281,440.85 was approved for payment to the contractor of which €261,504,482.03 (99.7%) had been paid. The project was likely to be completed within the revised project cost. The civil works contract price had been revised by 12.5% from €264.077 million to €297.077 million mainly due to the variation of prices risks. Figure 3.5.10 presents the performance of the project over the years.

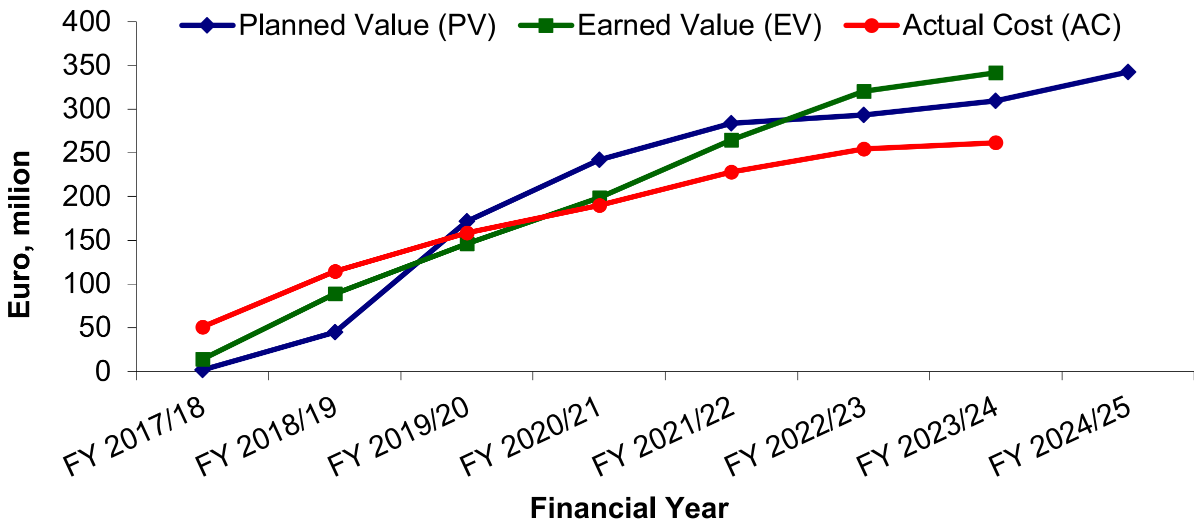
Physical performance

The performance of the project was good at 99%. The cumulative progress physical progress attained was 99.75% against a planned progress of 99.98% and a time progress of 98.83%, resulting in physical slippage of 0.23% by the end of April 2024. The structural works on the facilities were at substantial completion and the works were visually satisfactory. Ongoing works were finishes. Although the project had had several time extensions, the works were envisaged to be completed on the new contract date. The actual cost was lower than the planned cost because of the pending certificates to be paid.

Cargo Terminal at Kabaale International Airport

The radar system at the Kabaale International Airport

Figure 3.5.10: Performance of the Kabaale International Airport as at April 2024



Source: Authors compilation and Project Quarterly progress reports FY 2017/18 to FY 2023/24 and PBS

Implementation Challenge

The project experienced cost overruns amounting to €33 million on the civil works contract (12.2%) to be paid by the GoU.

Conclusion

The performance of the project was good despite the slight lapse in schedule. Despite the good performance, the project suffered a cost overrun estimated at €33 million.

Recommendation

Since the project is likely to be completed within the loan duration, the MoWT should ensure execution of the snags within the DLP and exit the project from the PIP.

Lessons learnt
Variation of price for future projects should be closely monitored by the MFPED and implementing agencies to avoid excessive cost overruns.

3.5.13 Luwero-Butalangu Road Project (1490)

Introduction

The existing Luwero-Butalangu (29.72km) is a Class C gravel road in Luwero and Nakaseke Districts. It serves as a direct link between the Luwero and Nakaseke districts, contributing significantly to their economic advancement. Additionally, the road's enhancement will bolster regional administrative and social services while reducing vehicle operating costs. The project objective is to increase the access to modern facilities and work opportunities in Nakaseke/Luwero Districts by upgrading the existing Luwero-Butalangu (29.72km) gravel road to a Class II paved road.
The total project cost was estimated at US$ 40 million. This was to be funded by the GoU (US$ 15.5 million), Arab Bank for Economic Development in Africa-BADEA (13.0 million) and OPEC Fund for Economic Development (OFID) (US$ 11.5 million). However, the funding arrangement changed as shown in Table 3.5.8. The project started on 1st July 2017 and was to be completed on 30th June 2024. However, the procurement process for civil works was halted in 2017 after the bank advised UNRA to procure the consultancy services consultant who would update the design and tender documents for the civil works contract.

Table 3.5.10: Summary of the Luwero-Butalangu (29.72km) project details as at 31st March 2024

Loans signature dates	19th February 2017 (BADEA) 23rd March 2017 (OFID)	
Loan Effectiveness dates	31st August 2017 (BADEA) 7th February 2019 (OFID)	
Loan Closure dates	Original 31st December 2020 (BADEA) 31st December 2023 (OFID)	Revised 1st June 2026 (BADEA) 31st December 2024 (OFID)
Loan amount	US$ 23,000,000 (Ug shs 89,246,900,000) where: US$ 11,500,000 (OFID), US$ 11,500,000 (BADEA)	

Source: Monthly Progress Report, March 2024

Financial Performance

The financial performance of the project was poor as US$ 6.3 million[129] (13.47% of the planned expenditure) was absorbed by 31st March 2024. This was mainly attributed to the delayed procurement of service providers and poor progress of works. The loan disbursement was at 15.13% (US$ 3,480,656.12) while the GoU expenditure was at US$ 2.9 million (20% of the counterpart funding).

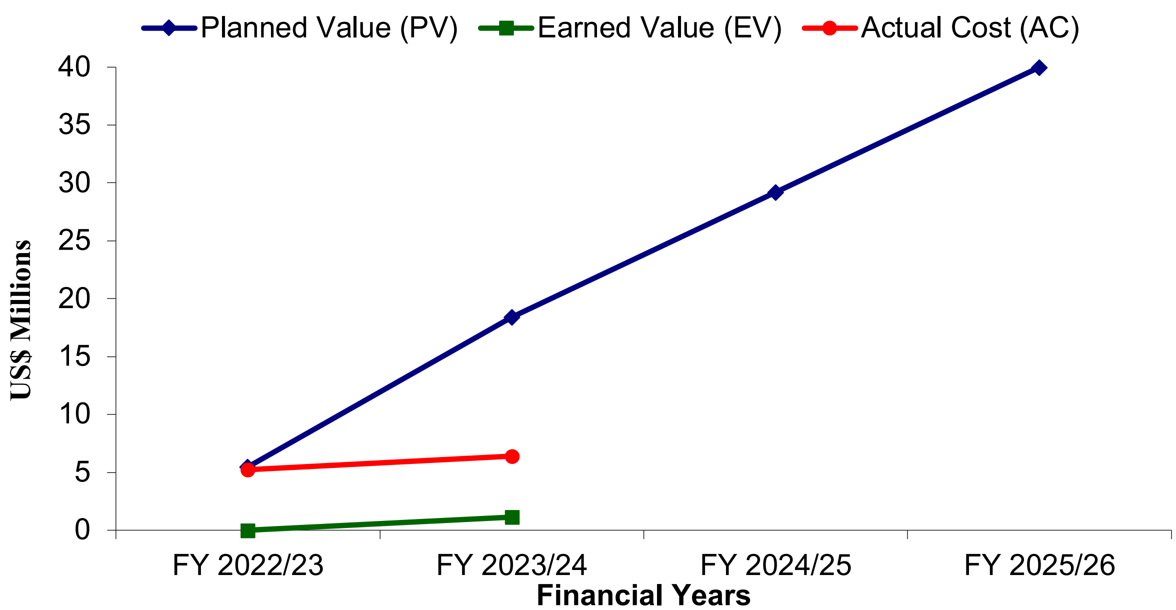
[129] Since FY 2017/18

The cumulative financial progress of the civil works was at 12.72% against the planned 49.07% by 31st March 2024 at a time progress of 41.7%. The contractor's payments were however experiencing delays. This had affected timely mobilization of resources by the contractor. However, the project was operating over the budget[130] (Figure 3.5.11) due to the advance payment to the contractor that was yet to be recovered.

Physical performance

The performance of the project was poor at 7.13%. The services and civil works commenced on 1st June 2023 and are scheduled to end on 1st June 2025, a period of 24 months. The cumulative physical progress of the civil works was 2.83% against a planned of 39.65% by 31st March 2024. Additionally, the cumulative progress of the supervision consultant's work was at 25.42% against a plan of 46.35% while the Project Implementation Unit support had not yet started. Hence, the civil works was behind schedule by nine months but the project was behind schedule by 5 years. This was mainly attributed to the delayed procurement of service providers and delayed acquisition of the right of way (62.26% of the land had been acquired). This was escalated by the delayed payments of the service providers.

Figure 3.5.11: Performance of Luwero-Butalangu project as at 31st March 2023



Source: IFMS Data, Monthly Progress Report- December 2023 and March 2024

[130] CPI of 0.18

Swamp treatment works on Luwero-Butalangu road

Earth works on Luwero-Butalangu road

Implementation constraints

i) Delayed procurement of the civil works contract.
ii) Delayed start of the Project Implementation Unit support.

Conclusion

The project performance was poor at 7.13%. The physical progress of works was at 2.83% at a time progress of 41.7%. The project was behind schedule by nine (9) months and over budget due to unrecovered advance payment. Hence, the project needs urgent action to revise the schedule for improved productivity. The estimated cost at completion is projected to US$ 42 million.

Recommendations

i) The UNRA should prioritize and expedite the acquisition of the project Right of Way such that the contractor has full access to site.

ii) The MFPED and the development partners should expedite the payment of service providers.

iii) The UNRA should prompt the contractor to expedite productivity to counteract the lost time.

3.5.14 Moyo - Yumbe - Koboko Road Project (1657)

Introduction

The Koboko-Yumbe-Moyo Road is a 105km gravel road situated in the West Nile region bordering the Democratic Republic of Congo (DRC) and the Republic of Southern Sudan (RSS) and connects the district headquarters of Koboko, Yumbe and Moyo districts. The project road provides access to a number of refugee settlements including Imvepi, Bidibidi, Lobule and Palorinya settlements. In addition to being an important link in the response to the refugee situation, the project road also facilitates cross border trade between Uganda, DRC, RSS and the Central African Republic and is an alternative route to access the town of Moyo which is separated from the rest of the country by the River Nile.

The project aims to upgrade the 105km road from gravel to bitumen. The project is fully funded by the World Bank with a grant of US$ 130.80 million (approximately Ug shs 482.259 billion) that became effective on 20th April 2021 with a closure date of 31st December 2025. The GoU's responsibility was to ensure availability of the road corridor including land acquisition and resettlement of the Project Affected Persons (PAPs).

Financial performance

The financial performance of the project was poor as a total of US$ 5.0 million (3.82%) of the grant had been disbursed by the World Bank by 31st March 2024. The was attributed to the delayed commencement of the civil works that had not yet started.

Physical Performance

The project performance was poor (0%) as the works had not yet commenced. Only project preparatory activities of procurement of the different service providers and specialists had been done. The civil works contract was signed on 25th March 2024, and the commencement was yet to be issued at 82.0% of the loan duration by the end of March 2024. Similarly, the contract for the supervision services was awarded on 21st March 2024. The project was behind schedule by three years. This was mainly attributed to delayed procurement where the lowest bidder was dropped by the UNRA evaluation committee over unjustifiable underpriced rates and alleged corruption during procurement. This resulted in awarding the works contract to the second lowest bidder after conducting investigations.

It was observed that there were delays to be further experienced on the project when the civil works commence due to non-acquisition of the project right of way.

Implementation Constraints

1) Delays in procurement of the service providers and related arbitrations that delayed civil works commencement.
2) Unavailability of adequate counterpart funds to cover the RAP process.
3) Retrofitting of additional activities during the review of project documents from the World Bank.

Conclusion

The project performance was poor as the civil works had not yet commenced by the end of March 2024 at 82.0% of the loan duration due to delays in procurement of the civil works contract. However, the procurement of the project service providers and specialists had been concluded. The commencement order for the civil works was yet to be issued by the UNRA. Only 3.82% of the grant had been disbursed by World Bank. The project was behind schedule by three (3) years and was at a risk of experiencing further delays at when the civil works commence due to delayed acquisition of the project right of way.

Recommendations

The MFPED and UNRA prioritize the acquisition of the project Right of Way/corridor to avoid further delays on the project.

3.5.15 The North Eastern Road Corridor Asset Management Project (1313)

Introduction

The government of Uganda introduced the Output and Performance-based Road Maintenance Contracts (OPRC) to the Uganda road sector through the World Bank funding for periodic maintenance of the North-Eastern Road-Corridor Project. The Project is aimed at reducing transport cost, enhancing road safety, and improving and preserving the road assets sustainably along the Tororo-Kamdini road corridor.The total financing of NERAMP was estimated at US$255 million with IDA supporting 95.6% (US$243.8m) while Government of Uganda was to finance the 4.4% (US$11.2m) of the project cost.

The project has two components:

Component 1: Road Rehabilitation, Operations and Maintenance of Tororo-Mbale-Soroti-Lira-Kamdini Road (340km); and consultancy services for supervising the OPRC. The contract to undertake the works on this project was structured into two Lots 1 & 2 with the same contractor. Lot 1 is Tororo – Mbale – Soroti (150.8km) section; Lot 2 is the Soroti – Dokolo – Lira – Kamdini (189.4km). This component was estimated to cost USD 241 million

Component 2: Institutional support to UNRA with focus on technical assistance on designing, awarding, and managing OPRC contracts estimated to cost USD 14 million. A summary of the project details is presented in Table 3.5.11.

Table 3.5.11: Summary of Northern Eastern Road Corridor Asset Management Project details and performance as of end of March 2024

Loan Signature Date	16th February 2015
Date of Effectiveness	16th June 2015
Original Date of Closure	31st October 2024
Revised Date of Closure	12th February 2027
Loan Amount	USD255.08 million
Disbursement performance	48.95%
Funding Agency	The World Bank/ Government of Uganda
Lot 1: Tororo – Mbale – Soroti (150.8km)	
Original Contract Price	Ug shs 290,976,512,298.25 incl. of VAT (approximately USD 78.70 million)
Revised Contract Price	Ug shs 668,050,519,798.34 excl. of VAT (approximately USD 180.7 million)
Contract Period	8.5 years (102 months)
Contract Start Date	13th August 2018
Contract End Date	12th February 2027
Contract Time Elapsed	68.5 months (as of March 2024) equivalent to 66.2%
Physical Progress	Major civil works suspended, only routine maintenance estimated at 15% progress.
Lot 2: Soroti – Dokolo – Lira - Kamdini	
Original Contract Price	Ug shs 331,623,758,818.88 incl. of VAT (approximately USD 89.70 million)
Revised Contract Price	Ug shs 543,858,406,581.18 excl. of VAT (approximately USD 147.10 million)
Contract Period	8.5 years (102 months)
Contract Start Date	13th August 2018
Contract End Date	12th February 2027
Contract Time Elapsed	68.5 months (as of March 2024) equivalent to 66.2%
Physical Progress	47% against a time progress of 66.2%

Source: Field Finding

Financial Performance

By the end of March 2024, the total approved budget of the project was Ug shs Ug shs 903.725 bn of which 97.7% was external financing and 2.3% GoU counterpart funding. A total of Ug shs 552.505bn(61.1%) was released and Ug shs 374.684 bn(67.8%) expended. The expenditure of the project under the civil works component was not commensurate to the value of the work done (Figure 3.5.11); and thus by completion time; the estimated cost would be Ug shs 1207bn (USD 316.466 million)[131] and higher than the loan amount for this component. This shows a cost overrun of USD 75.466 million (Ug shs 287.827bn). Therefore, the current loan provisions for the civil works would not be enough to finance the works to completion.

Physical Performance

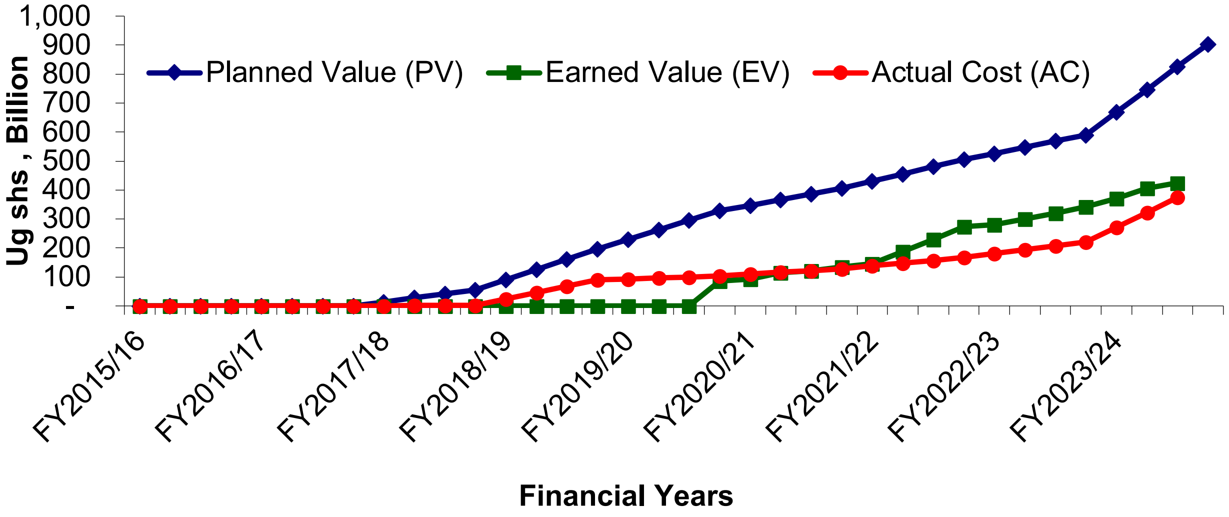
The overall physical progress of the project was estimated at 31.04% against a time progress of 66.2% and a remaining loan duration of 25%. Major civil works for Lot 1 were suspended and thus the Lot lost almost four years without any progress registered till FY2023/24. The contractor has therefore concentrated on routine maintenance works to keep the road in a motorable state. The progress was estimated at 15%.

Rehabilitation works were ongoing on the Lira – Kamdini road section of Lot 2. The Lot's cumulative achieved physical progress was 47%. This translates into 30.1km of asphalt concrete surfacing, 34.8km of the base layer and 36.63km of sub-base works on the 66.52km of the Lira – Kamdini road section achieved. The quality of works executed was satisfactory.

The reasons for the slow progress of works were: suspension of the works due to non-compliance of social and environmental requirements of the World Bank; poor performance of the contractor; and the 2.5 years (35 months) delay in finalization of the design after commencement of the contract due to increased scope of the project. Figure 3.5.11 shows the performance of the project over time.

[131] At an Exchange Rate of 1 USD = Ug shs 3814

Figure 3.5.12: Performance of the North Eastern Road Asset Management Project as at end of March 2024



Source: PBS reports and field findings

The physical progress of the NERAMP was therefore behind schedule and thus at this pace of implementation the remaining percentage of works would require 70 months (3 years and 9 months) to be completed. This would take the project end date to 30th December 2029 hence an extension of 2.9 years (35 months) from the original contract date.

The revision of the contract end date to 30th December 2029, would require a loan duration extension of over 5 years which is not sustainable.

Under the Institutional Support to the UNRA, the following were achieved: Training of 123 UNRA staff in OPRC contract awareness, financial management, management of Environmental and Social safeguards, and Procurement; and procurement of four (4) out of seven (7) individual consultants for Technical Assistance to the UNRA.

Rehabilitated section of Lira-Kamudini with new asphalt surfacing

Implementation Constraints

i) Delay in procurement equivalent to three years between 27th July 2015 to 27th June 2018 due to non-timely issuance of no objections by the World Bank.

ii) Suspension of the works by the World Bank due to non-compliance of the social and environmental requirements by the contractor leading to loss of about three years.

iii) Delay in finalizing the design review and issuance of final designs by the UNRA which took a total of 23 months instead of the planned six months.

iv) Increased scope of works from the earlier planned periodic maintenance to rehabilitation/reconstruction.

Lessons

The Output and Performance-based Road Maintenance Contracts (OPRC) implementation approach is supposed to promote efficiency, and effectiveness. It also helps to preserve the road asset by protecting it from deterioration since the contractor bears the risk of poor quality works and in case of defects will intervene on a timely manner. However, this is not being achieved majorly due the time lost as a result of re-scoping the project. Therefore, in order to effectively implement this approach, there is need for proper scoping of the project before procurement.

Conclusion

The performance of the project was poor (31.04%) against a time progress of 66.2%. The implementation of the civil works on both Lots was behind schedule. The project's loan disbursement was 48.95% within a loan duration of 75%. The project therefore was not on track and would experience time and cost overruns estimated at 2.9 years (35 months) and Ug shs 287.827 billion respectively at completion. With the current performance, if full project scope were to be achieved the end date of the project would be 14th February 2027.

Recommendation

The UNRA should rescope the project and work within the current loan duration and amount provisions for the progressing Lot 2: Dokolo - Lira – Kamdini section. Lot 1 and the extra works on Lot 2 should be re-packaged into a project for funding by the Government of Uganda through the UNRA.

3.5.16 Busega – Mpigi Expressway Project (1404)

Introduction

The Kampala-Mpigi Expressway is part of the Northern Corridor, leading from the port of Mombasa in Kenya to Uganda, Burundi, the eastern regions of the Democratic Republic of Congo (DRC), and Rwanda; it also carries some traffic from/to Western Tanzania. The existing road from Kibuye roundabout to Mpigi town has diminished capacity to carry existing traffic volumes resulting into high travel times, vehicle operating costs and high rate of accidents.

The scope of the project involved construction of a dual carriage express way (26.905km) with limited access, 21.3km of link roads, construction of 13 bridges, box culverts and installation of culverts and four (4) toll plazas. The total project cost was estimated at Ug shs 547.543 billion. A summary the project information is presented in Table 3.5.12.

Table 3.5.12: Summary of Busge-Mpgi Project Details as of end of March 2024

Date signed	29th December 2016
Effective date	14th February 2017
Original Closure	31st December 2020
New closure date	31st December 2025
Loan amount	USD 188 million
Cumulative disbursement of the loan as at end of March 2024	67%
Loan duration elapsed	181.1%
Funding Agency	*Africa Development Bank (AfDB), Africa Development Fund (ADF) and Government of Uganda (GOU)*
Original Contract Price	Ug shs 547,543,072,124 including VAT
Revised Contract Price	Not yet determined but anticipated
Contract Period	Initial: 30 Months (917 days) Revised : 44 Months (1345 days)
Contract Start Date	22nd November 2019
Construction End Date	Original- 27th May 2022 Revised- 29th July 2023
Contract Time Elapsed	52Months (as of 31st March 2024) equivalent to 93.1%

Source: Field findings

Financial Performance

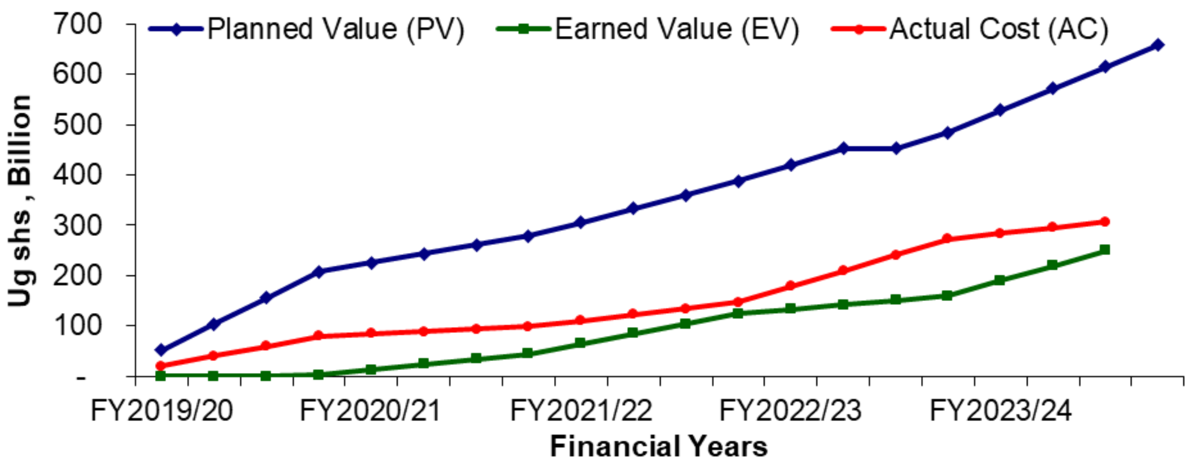
By March 2024, the total approved budget of the project was Ug shs 690,623,158,354 of which Ug shs 408,069,068,717 (59%) was released and Ug shs 306,934,599,172 (75%) expended. The budget for the counterpart funding was Ug shs 8,584,119,844 of which Ug shs 9,335,867,696 (109%) was released and Ug shs 9,055,858,392 (96% of release and 105% of budget) was expended. The project has therefore over spent on the GoU component majorly on acquisition of the RoW and project management. However, the overall project expenditures were still within budget (Figure 3.5.12) but not commensurate to the work achieved.
The estimated cost of completion of the project as at end of March 2024, was Ug shs 848 billion. Therefore, the project has a very high risk for cost overruns with a variance at completion of Ug shs 301bn.

Physical performance

The physical progress was at 36.22 % against a target of 43.59% and time progress of 93.1% as at end of March 2024. The project was therefore behind schedule and would require an extra 35 months to be completed. The loss in time was majorly attributed to poor planning and monitoring of the project which led to delay in finalizing the design review; inadequate financial disbursements for right of way acquisition; and procurement delays.

The project achieved: construction of bridge structures on the main road and earth works; land acquisition of around 94% is complete in the section from km 21+000 – km 35+605 and 66% from km 8+700 – km 21+000 where access had been granted to the contractor. A total of 26.905 km (100%) of the expressway section had been formally handed over despite several number of obstructions available in the right of way. The performance of the project is in Figure 3.5.13.

Figure 3.5.13: Performance of the Busega – Mpigi Expressway Road project as at end of March 2024



Source: PBS reports 2019/20 – 2023/24 and Field findings

Completed abutments for a bridge interchange at km 28+00 along Busega- Mpigi Express Road Project

Busega -Mpigi Express: Ongoing bridge construction at km 25+500

Implementation constraints

The performance of the project was affected by:

i) Poor planning which led to delay in finalizing the design review and thus approval by the UNRA

ii) Delayed project procurement due to numerous whistle-blowers and administrative reviews throughout the procurement process which delayed project commencement by 34 months. Whereas the loan was declared effective on 14 February 2017, the Project commenced 22 November 2019.

iii) Increased scope of work due to realignment of the road.

iv) Inadequate disbursement of the RoW compensation budgets over the years.

Conclusion

The performance of the project was poor (36.22%) against a time lapse of 93.1%. The loan disbursement to the project was 67% within a duration of 80.26%. The project was therefore behind schedule on both physical performance and load disbursement. The loss in time was estimated as 35 months and hence implying the project would end on 14th February 2027 outside the current loan end date.

The project over spent on the GoU counterpart funding (105%) however, the overall expenditure was still within budget although not commensurate to the work achieved. The estimated cost at completion of the project as at end of March 2024 was Ug shs 848 Bn and thus a high risk of cost overrun. The project therefore needs to be restored to the normal path for duration and cost by minimizing any further delays.

Recommendation

The UNRA should renegotiate for an extension of the loan duration to enable completion of the works

3.5.17 Multinational Lake Victoria Maritime Comm. & Transport Project (1456)

Introduction

The Multinational Lake Victoria Maritime Communication and Transport Project (MLVMC&T) is an intervention by EAC to reduce maritime accidents, save lives, improve security and bring efficient and affordable communications to the Lake Victoria communities. The principal objective of this project is to contribute to broad-based poverty alleviation and improvement of livelihoods of people through increased investment in maritime transport and fishing on Lake Victoria. The project is funded by the African Development Bank; the European Union – Africa Infrastructure Fund (EU – AIF) and Government of Uganda. The estimated total project cost was USD 36,583,822. The proposed financing from ADF amounted to USD 25,014,522 (68.4%). The European Union –Africa Infrastructure Fund (EU-AIF) was expected to contribute USD 4,770,000 (13%) and participating countries'[132] contributions will amount to approximately USD 6,799,300 (18.6%).

Specifically, it seeks to address maritime transportation and navigation safety through the provision of safe and efficient transport links; and to the safe conduct of fishing activities that are essential to achieving the goals of poverty reduction and sustainable development.

The targeted project area is the Lake Victoria Basin (LVBC) shared by Kenya, Uganda, Tanzania, Rwanda and Burundi. The project is implemented by the MoWT and is expected to be executed over a period of four years.

[132] Participating countries are: Uganda, Kenya and Tanzania

The project has three components:

Component 1: Establishment of a Maritime Communications system for safety on Lake Victoria;

Component 2: Maritime Transport for Lake Victoria Study; and

Component 3: Project Management and Capacity Building

In Uganda, the estimate project cost is UA 12,851,696 (US $18,120,891.36)[133]

Table 3.5.13 shows a summary of the project information for the MLVMC&T as of end of March 2024.

Table 3.5.13: Multinational Lake Victoria Maritime Communication and Transport Project details as of end of March 2024.

Loan signature & effectiveness date	19th January 2018
Original loan closure date	30th April 2021
New loan closure date	31st December 2024
Planned project start date	1st July 2017
Project start date	30th April 2018
Project end date	30th June 2023; revised to 31st December 2024
Estimated project cost	UA 11,819,929.6
Loan amount	USD 14.71 million
GoU counterpart funding	USD 2.2 m
Funding agency	African Development Bank and Government of Uganda
Disbursement performance	41.71%

Source: Author's compilation

Financial Performance

The overall financial performance of the project was poor. By the end of March 2024, the project had an approved budget of Ug shs 141,787,167,041 of which Ug shs 24,226,836,080 (17%) was released and Ug shs 16,243,092,586 (67.2%) expended. The project implementation was within budget although not commensurate to the value of the works done.

The loan disbursement to the project was estimated at 41.71% and thus an undisbursed loan amount of 58.29%; against a loan duration of 3%.

Physical performance

The overall performance of the project was estimated at 35% progress against a remaining loan duration of 3%. The project was therefore behind schedule. The implementation of the civil works under this project was ongoing while procurement of some of the project components were yet to be finalized (Table 3.5.12). The poor performance of the project was attributed to poor contract management evidenced by the late procurements; and inadequate financial disbursements. The performance of the project is presented in Figure 3.5.14.

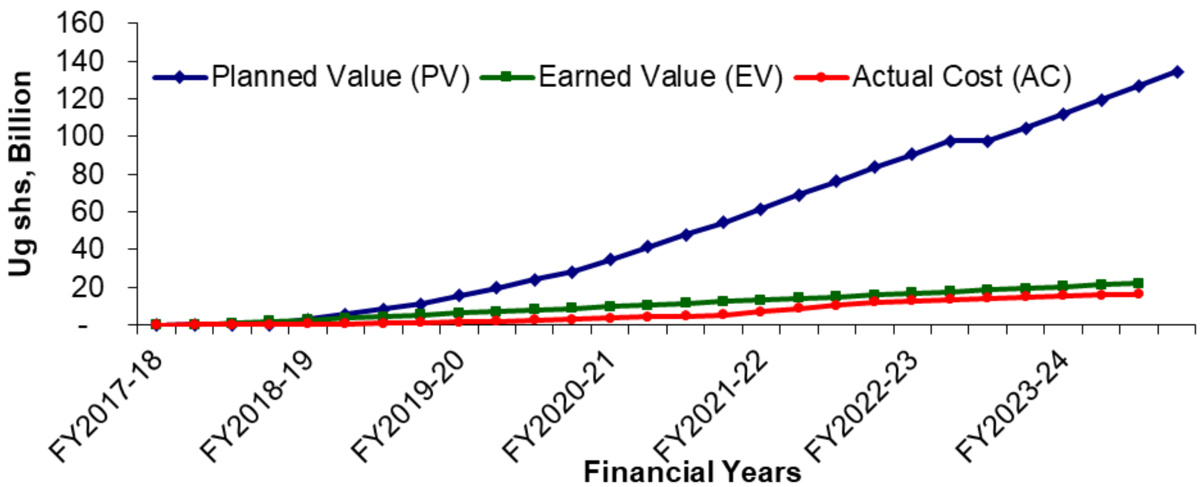
[133] 1 UA = US $ 1.41

Table 3.5.14: Achievements of the Multinational Lake Victoria Maritime Communication and Transport Project by end of March 2024

Component	Target	Status
1.) Establishment of a Maritime communications system for safety on Lake Victoria	Two Maritime Rescue Coordination Centre's (MRCC) at Entebbe and Mwanza constructed	Progress was estimated at 25%. Construction works for the Maritime Coordination Centre commenced Bidding process for procurement of contractor for the development of the MRCC-Entebbe was at evaluation. Evaluation report was submitted to contracts committee. Performance was poor.
	5 No. Search and Rescue Centres & Women Fish drying sheds constructed:	Construction works of 5 no. SAR Centres and women fish drying sheds at Masese and Kaazi; and Panyimur,Kaiso and Zengebe landing sites was ongoing and works were at 46.4% and 25% respectively. Contract for supply of nine (9) SAR boats was signed.
2.) Maritime Transport for Victoria Study	Development of East African Maritime Transport Strategy	No progress. Partner States opted to review all existing documentation and prepare draft strategy
	Preparation of I. Victoria Transport Development Strategy	
3.) Project Management, and Capacity Building	Project Implementation Unit;	The project implementation unit was established
	TA and users' capacity building	1 no. capacity building training program conducted

Source: MoWT and Field finding

Figure 3.5.14: Performance of the Multinational Lake Victoria Maritime Communication and Transport Project as of end of March 2024.



Source: PBS and Field findings

With the current standings, the project would require an additional 35 months to be completed hence bringing the completion date to 12th June 2027.

Implementation Constraints

i) Poor contract management manifested through late procurements for both the civil works and the Search and Rescue boats leading to low absorption of the project financing.

ii) The project activities are scheduled to end by 31st December 2024 which is the same date for the loan closure. If these were completed within the remaining time, the ongoing works and those under procurement would not have funding for the defects liability project.

Conclusion

The performance of the Multinational Lake Victoria Maritime Communication and Transport Project was poor (35%). The rate of implementation of the project activities was slow leading to poor (41.7%) absorption of the loan within 97% loan duration. Therefore, there is no likelihood that implementation of the pending outputs would be completed within the remaining loan duration till 31st December 2024.The project therefore is largely behind schedule and would require an additional 36months up to 12th June 2027 for it to be completed.

Recommendations

i) The MoWT should focus on completion of activities where procurement of service providers has been completed; and enhance the pace of implementation before the loan end date.

ii) The MFPED and MoWT should renegotiate for an extension of the duration to ensure completion of the project outputs and achievement of the objectives.

3.5.18 Namagumba - Budadidiri - Nalugugu Road Project (1794)

Introduction

The Government of Uganda through the Uganda National Roads Authority (UNRA) is upgrading the Namagumba - Budadidiri - Nalugugu Road (39km) from gravel to bituminous standard. The project is estimated to cost Ug shs 296.450 billion and is funded by a loan from the African Development Bank and GoU.

The objectives of the project are: (i) to improve accessibility in Eastern Uganda to spur diversification of economic opportunities, thereby facilitating a transition from subsistence farming to cash-cropping and entrepreneurship, and, (ii) to reduce the physical burden of transport on the community, particularly for women in the area, to widen the participation of women and youth in gainful employment.

The project's main components include the construction of the Namagumba-Budadiri-Nalugugu (37km) road, the implementation of cobblestone technology to construct 60 km of feeder roads with support from MELTC, the construction of footbridges by Bridges to Prosperity (B2P), and construction supervision services including design and feasibility studies of new road projects.

A summary of the project information is presented in Table 3.5.15

Table 3.5.15: Summary Namagumba - Budadidiri - Nalugugu Road Project details and performance as of 31st March 2024

Funding Agency	African Development Bank Government of Uganda
Loan amount	US$ 71.000 million
Loan Signature Date	31st May 2023
Date of Loan Effectiveness	11th July 2023
Original Date of Closure	31st December 2027
Disbursement performance	0.0%
Original Contract Price	Ug shs 296.450 billion
Date of contract signature	20th December 2023

Source: Author's compilation, Project documents

Financial Performance

The project's overall financial progress by the end of March 2024 was 0.0%. There was no disbursement of external or GoU funds for the project.

Physical Performance

By the end of March 2024, the project had not achieved any physical progress. The delay in starting civil works was due to the delayed procurement of the supervision consultant. The valuation for PAPs along the entire road has been completed.

Project Implementation Constraints

i. Delays in the procurement of the civil works supervision consultant have led to delayed commencement of civil works.

ii. The procurement of contractors for the construction of the 60 km of cobblestone feeder roads was hindered by the delayed approval of specifications by the Ministry of Works and Transport (MoWT)

Conclusion

The civil works for the project were three months behind schedule. Given that 18% of the loan disbursement period has passed, failure to hasten the implementation of civil works is likely to result in project delays.

Recommendations

i. The UNRA should expedite the procurement of the supervision consultant.

ii. The MoWT should expedite approval of the specifications for the cobblestone construction of the 60km feeder roads so that the procurement of contractors commences.

3.5.19 Upgrading Rukungiri-Kihihi-Ishasha/Kanungu Road (1311)

Introduction

The Road Sector Support Project V (RSSP V) was formulated to facilitate the upgrading from gravel to bitumen standard of Rukungiri-Kihihi-Ishasha/Kanungu (78.5km) and Bumbobi-

Lwakhakha (44.5km) roads including: capacity enhancement; consulting services for technical and financial audits; compensation and resettlement.

The RSSP V is co-financed by the African Development Fund (85.11%) and the Government of Uganda (14.89%). The total project cost is UA 82.25 million (USD 126.27 million which is made up of UA 70.00million (USD 107.46 million) ADF contribution and UA 12.25 million (USD 18.81 million) as GoU counterpart financing. The loan was signed on 3rd February 2015 and became effective on 20th April 2015 with an original closure date of 31st December 2020 that was first revised to 31st December 2022 and finally to 31st December 2024.

The project objective was to improve road access to socio-economic facilities and quality of transport service levels in the southwestern and eastern parts of Uganda by upgrading the Rukungiri-Kihihi-Ishasha (Lot 1) and Bumbobi-Lwakhakha (Lot 2) roads from gravel to bitumen standard. These interventions were expected to contribute to improved standard of living of the beneficiaries; provide support to the tourism industry; and promote regional integration and cross border trade with Democratic Republic of Congo and Kenya.

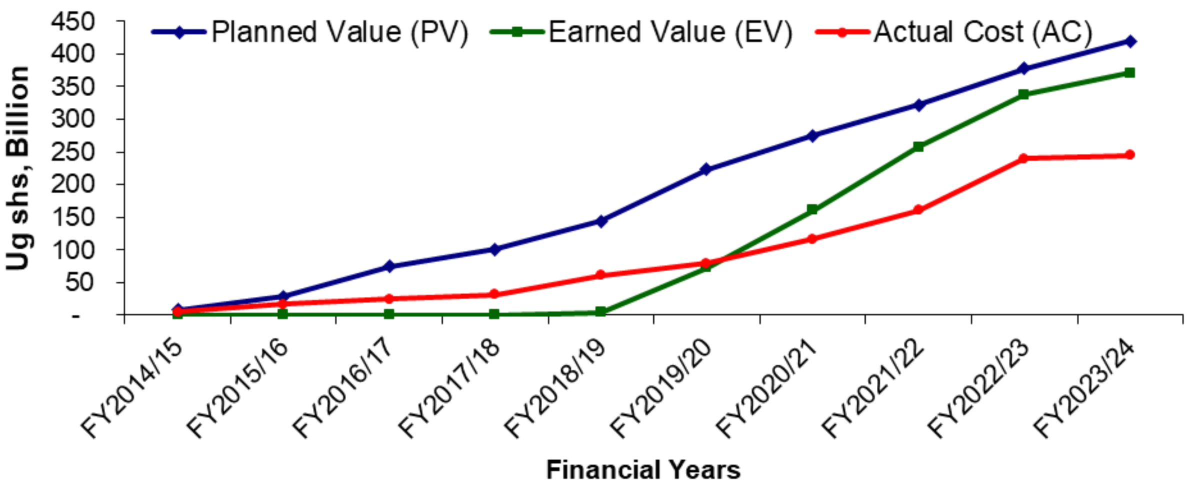
The upgrading of Lot 2: Bumbobi-Lwakhakha road (44.5km) commenced on 6th December 2016 and was substantially completed on 21st December 2020 after a period of 48.5 months. The DLP ended on 21st January 2022.

The analysis of the RSSP V in this write-up is thus limited to Lot 1: Rukungiri-Kihihi-Ishasha/Kanungu road.

Financial Performance

The disbursement performance of the loan as at the end of March 2024 was 98.27%. A total of US$ 103,609,296 had been disbursed by the bank. The cumulative financial progress of Lot 1 was 108.21% against planned of 100% as at the end of the contract. The overall revised cost at completion was Ug shs 355,951,585,409.30 out of which Ug shs 245,091,693,072 was approved as a revised contract amount under Addendum 1. The required amount above the revised approved contract amount, needed to ensure full execution of the scope was Ug shs 110,859,893,177.44 (45.2% of the revised contract amount). Figure 3.5.15 shows performance of the project over the years.

Figure 3.5.15: Performance of the Road Sector Support Project V as at April 2024



Physical performance

The performance of the project was good at 70%. This was due to the cumulative progress of Lot 1 at 98.19% against a planned progress of 100%. The contractor commenced woks on 05^{th} November 2018 and handed over the road to the UNRA on 8^{th} November 2023 after a period of 60 months. However, it should be noted that the project had suffered delays, majorly attributed to delayed land acquisition of the Right of Way, extreme wet weather conditions in the last three (3) years and the delayed access to the Ishasa bridge on the border of Uganda and DRC, as the original contract period of 3 years was extended for another 2 years. RAP implementation is ongoing at 86.96%.

The performance of the project was affected by the increased quantities beyond the approved cost of the civil works. The works that were pending for the ful execution of the project were: the construction of town roads; construction of Ishasha DRC bridge; cost for Variation of Price; lining of drains along the cut sections, construction of embankment toe drains, and turnout/mitre drains within the ROW; unforeseen ground conditions of rock excavation works; additional slope protection works using gabions boxes at locations with collapsing/shearing soils; additional cross culverts and access culverts; relocation of utilities for town roads; payment for time related cost due to the awarded extension of time of 24 months that ended on 30^{th} November 2023; increased quantities for precast barrier kerbs at high fills; and super elevated road sections costs for chutes.

The section at Km 5 which was affected by delays in acquisition where works were ongoing

The completed bridge Ntungu bridge bordering Rukungiri and Kanugu district

Gabion protection works of the embankment at Km 39+200

The Ishash bridge at the border of Uganda and DRC which is among the works that are yet to be done.

Implementation constraints

1. Prolonged and delayed acquisition of the project right of way.
2. Target quantities for the Ishasha Bridge and town roads exceeded the project approved budget and this affected commencement of these activities.

Conclusion

The project performance was good at 70%. The main road works had been completed and handed over to UNRA despite the two-year delay because of majorly the delayed land acquisition. However, they were works that had not been done due to the exhaustion of the project budget. The required amount above the revised approved contract amount, needed to ensure full execution of the scope was Ug shs 110,859,893,177.44. The overall estimated cost at completion is Ug shs 355,951,585,409.30 (71.3% of the original contract price and 45.2% of the revised contract price of Addendum 1).

Recommendations

1) The UNRA should expedite the review of the target quantities to completion in order to process the extra funding for civil works. This will ultimately allow for the construction of the Ishasha bridge and town roads.
2) The MFPED and UNRA should renegotiate the loan duration and amount beyond the current loan agreement provisions for full implementation of the project.

3.5.20 Uganda Railway Corporation Capacity Building Project (1563)

Introduction

In 2019, Uganda Railways Corporation (URC) undertook a feasibility study for Capacity Building to identify the gaps in human resource, physical infrastructure and rolling stock so as to justify the proposed investment in addressing these capacity gaps. This was to enable URC play a significant role in the transport and logistics industry contributing to economic growth of the country and regional integration. As a result of the feasibility study report, the URC Capacity Building program was conceived with an estimated cost of Euro 330 million. In May 2021, the Parliament of Uganda approved the loan application to be financed by the African Development Bank (AfDB) and the Spanish Export Credit Agencies (CESCE) for the URC Capacity Building Program.

This project implementation is scoped under two (2) components:

i) Component 1 – Emergency Phase, funded by CESCE (Euro 25.984 million – 7.87%) includes: Preliminary engineering design of the Kampala Multi Modal hub; Detailed engineering design for refurbishment of Kampala – Namanve, Tororo – Malaba railway line (28kms); Capacity building of URC staff and a refurbishment of a project management office; and Refurbishment of Kampala – Namanve and Tororo – Malaba Line (28Km).

ii) Component 2 – Funded by AfDB (Euro 301.1 million – 92.13%) includes: Preparatory stage which includes an Environmental and Social Impact Assessment study (ESIA) and a preliminary engineering design study; Purchase of workshop equipment and rolling stock (locomotives and wagons); Refurbishment of Namanve – Tororo, Port Bell line, Jinja Pier line and Kampala – Kyengera Railway line totaling to 245 Km; Construction of passenger halts and hubs; Railway reserve fencing; Procurement of wagon ferries; Procurement of DMUs for passenger services; and Rehabilitation of coaches among others.

The analysis of this project was based on Component 1 funded by CESCE which was under implementation. However, the location of the activity of the refurbishment of Kampala – Namanve and Tororo – Malaba Line (28Km) changed from Tororo-Malaba railway section to Namanve – Mukono railway section at the request of URC due to lack of funds to cater for refurbishment of extra level crossings along the Tororo-Malaba railway section.

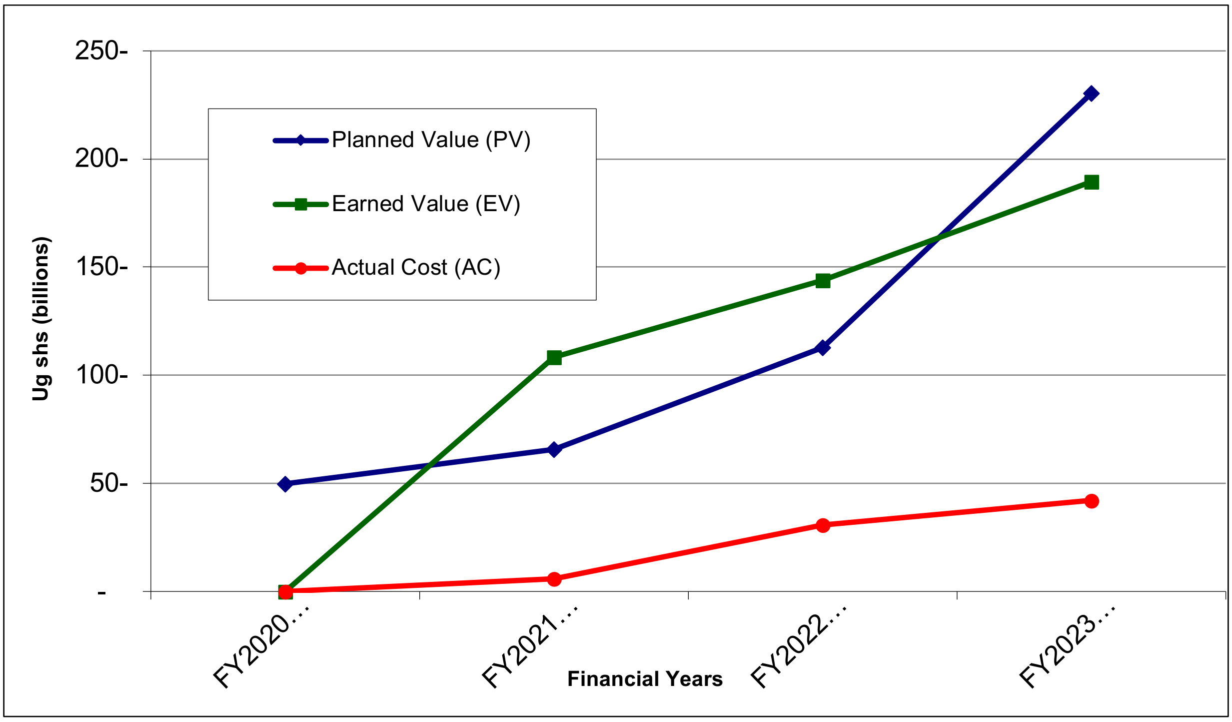
Hence the project location changed to Kampala-Namanve (12.4 kms) and Namanve –Mukono (12.9kms) railway sections, making a total track length of 25.3 kms. The difference of 2.7kms of track length was compensated for with double loop lines of 0.6kms each (1.2kms) at Namanve station and 0.3km loop line at Interfrieght which reduced the 2.7kms by 1.5kms. The shortfall length of 1.2kms was compensated for through the following elements: 18 transition mix rails and five (5) non-self-normalizing turnouts.

The GoU and the Spanish Export Credit Agencies signed the loan on 6th August 2021, became effective on 10th September 2021 with an end date of 15th August 2026.

Financial Performance

The disbursement performance of the loan at the end of March 2024 was 50.6% at a time progress of 51.8%. A total of Euro 13.171 million had been released by the bank to the project. There were no cost variations encountered on the project so far an indication that the project would be completed within budget. The performance of the URC Capacity Building project is indicated in Figure 3.5.16

Figure 3.5.16: Performance of the URC Capacity Building project as of end of March 2024



Source: URC

Physical performance

The performance of the Phase 1 of the project was good at 88.6%. The completed activities by the end of March 2024 were: the preliminary engineering design of the Kampala Multi Modal hub; the detailed engineering design for refurbishment of Kampala – Namanve and Tororo – Malaba railway line (28kms); and the refurbishment of a project management office. Ongoing activities were the capacity building of URC staff at 27.8%; and refurbishment of Kampala – Mukono Line (28Km) at 82.25%. However, the works on the Kampala-Namanve railway section of length 12.4 Kms (including station line at Namanve) had been completed.

Completed track of the Kampala-Namanve section

Tamping of Ballast ongoing using the Tamping machine

Implementation constraints

i) Lack of funds to cater for refurbishment of extra level crossings that resulted from change of location from Tororo-Malaba railway section to Namanve-Mukono railway section.

ii) Continued encroachments along the railway line especially between Nambole and Namanve station, Kireka, Banda, and at Namanve station are likely to cause damage on completed track works which would affect operationilisation of the railway line at project completion.

Conclusion

The performance of the Phase 1 of the project was good (88.6%). The loan disbursement was at 50.6% against a time of 51.8%. The completed activities were: the preliminary engineering design of the Kampala Multi Modal hub; the detailed engineering design for refurbishment of Kampala – Namanve and Tororo – Malaba railway line (28kms); and the refurbishment of a project management office. Ongoing activities were the capacity building of URC staff; and refurbishment of Kampala – Mukono Line (28Km), with the Kampala-Namanve section completed. The project had no cost related variations and the estimated cost at completion would be Euro 25.984 million.

Recommendations

i) The URC should request for support from the Ministry of Works and Transport (MoWT) since the external funding is limited to what was provided for in the contract.

ii) The URC should engage the communities along the railway line through sensitisation to value it as a national asset and stop human activities along the track.

3.5.21 Hoima -Wanseko road (1176)

Introduction

The Hoima – Wanseko Project also called the critical oil roads project in Uganda is structured into six (6) road packages. The development of critical oil roads in Uganda is an essential component of the broader strategy to capitalize on the country's oil reserves, particularly in the Albertine Graben region. These road projects aim to enhance infrastructure, support the oil industry, and foster economic growth. The planned project start date was 30th November 2011 with a completion date of 30th June 2022. The project is funded by the Chinese Exim Bank and Government of Uganda. Table 3.5.16 summarises the project data for the various packages.

Table 3.5.16: Summary of Hoima-Wanseko Project data as at end of March 2024

Package 1: Design and Build of Maisindi (Kisanja)-Park Junction and Tangi (Pakwach) junction-Paraa-Buliisa and Wanseko-Bugungu	
Funder	Exim Bank of China and GoU
Loan Amount	$186,055,24
Date of Signature	March 18, 2020
Date of Effectiveness	June 1, 2020
Date of closure	March 18, 2025
Cumulative amount disbursed	US$174,395,281(93.73%)
Date of contract signing	5th February 2018
Date of commencement	23 April 2018
End date of contract	26 April 2021
Revised contract end date	29 April 2024
Civil works Contract sum	US$ 218,888,518.4 (Ug shs 809,887,503,280)[134] equivalent to; Revised to: US$ 217,916,518.4 (Ug shs 806,291,118,080)
Cumulative physical progress	99.82% against a plan of 100
Package 2: Upgrading of Hoima-Butiaba-Wanseko Road (111km)	
Funder	Exim Bank of China and GoU
Loan amount	$152,607,764
Date of Signature	March 18, 2020
Date of Effectiveness	June 1, 2020
Date of closure	March 18, 2025
Cumulative amount disbursed	$151,231,949 (99.10%)
Date of contract signing	18 January 2018
Date of commencement	16th April 2018

[134] Exchange rate of Ug shs 3700 was used

End date of contract	15th, April 2021
Revised contract end date	25th, May 2022
Civil works Contract sum	US$ 179,538,545.59 (Ug shs 664,292,618,683)
Cumulative physical progress	Project was completed
Package 3: Design & Build of Buhimba-Nalweyo-Bulamagi & Bulamagi-Igayaza-Kakumiro roads (93km)	
Funder	Exim Bank of China and GoU
Loan amount	$117,715,100
Date of Signature	March 18, 2020
Date of Effectiveness	June 1, 2020
Date of closure	March 18, 2025
Cumulative amount disbursed	$115,235,401 (97.89%)
Date of contract signing	2nd February 2018
Date of commencement	13th April 2018
Contract end date	15th, April 2021
Revised contract end date	7 December 2022
Original Civil works Contract sum	US$ 138,488,356 (Ug shs 512,406,917,200)
Cumulative physical progress	Project was substantially completed and in DLP
Package 4: Design and Build for the Upgrading of Lusalira-Nkonge-Ntusi (55km) to Lumegere-Ssembabule and Kyotera-Rakai Road	
Funder	Government of Uganda
Civil works Contract signing date	12 September 2022
Commencement date	No commencement yet
Cumulative physical progress	No progress yet
Package 5: Design and Build of Masindi- Biiso Road Upgrading Project (54km) Kabale-Kiziranfumbi, Hohwa-Nyairongo-Kyarushesha-Butole and Kaseeta-Lwera Road	
Funder	Government of Uganda
Civil works Contract signing date	26th March 2019
Commencement date	25th April 2019
Contract end date	27th April 2022.
Revised contract end date	29th December 2023; 29th January 2024; 4th June 2024
Original Civil works Contract sum	Ug shs 595,736,808,038 Inclusive of 18% VAT
Cumulative physical progress	84.36%
Package 6: Upgrading of Kabwoya - Buhuka road(43km); Upgrading of Karugutu - Ntoroko Road	
Civil works Contract signing date	No contract yet

Source: UNRA Projects Status Report, March 2024

Financial Performance

The overall cumulative budget of the project by the end of March 2024 was Ug shs 3,908,992,228,441 of which Ug shs 3,298,679,532,877(84%) was released. The absorption however was low and estimated at Ug shs 1,820,403,137,621(55%). The low absorption was mainly on the external component (32%) and an account of slow progress of implementation of the works.

Physical Performance

The overall physical progress of the project was estimated at 76.8% against a time progress of 117%. The implementation of the project was therefore behind schedule. This slippage in performance was attributed slow pace of implementation of the works arising from unpreparedness by the GoU/UNRA to undertake the works. For instance, the contracts were signed without substantial acquisition of the right of way; and procurement for some of the projects delayed. The project would therefore need an extension of at least three years to complete the remaining scope.

The progress per package is summarized below:

Package 1- Design and Build of Maisindi (Kisanja)-Park Junction and Tangi (Pakwach) junction-Paraa-Buliisa and Wanseko-Bugungu: the works for the main road was substantially completed and defects liability period ended. A total of 159km of paved roads was achieved. The UNRA was implementing additional roads for the Uganda Wildlife Authority (UWA) within the national park whose progress was at 94.43%; and Masindi town roads at 63.12% against planned 90%.

Package 2- Upgrading of Hoima-Butiaba-Wanseko Road (111km): The project was substantially completed on 25th May 2022 and defects liability period ended. A total of 111km of paved roads was achieved.

Package 3- Package 3: Design & Build of Buhimba-Nalweyo-Bulamagi & Bulamagi-Igayaza-Kakumiro roads (93km): The project was substantially completed on 7 December 2022 and was under defects liability period. Upgrading of selected town roads was ongoing and the physical progress by end of March 2024 was 68.7%.

Package 4- Design and Build for the Upgrading of Lusalira-Nkonge-Ntusi (55km) to Lumegere-Ssembabule and Kyotera-Rakai Road: contract for civil works was signed on 12 September 2022 but is yet to commence. Financing Terms not yet concluded.

Package 5 - Design and Build for the Upgrading of Masindi- Biiso Road (45km); Kabale-Kiziranfumbi (25km), and Hohwa-Nyairongo-Kyarushesha-Butole (25km): The project was ongoing with a cumulative physical progress of 84.36% against a planned of 100% representing 81.83km of paved road. The civil works for the Hohwa-Nyairongo-Kyarushesha-Butole section were complete. Major works for the Kabale-Kiziranfumbi road were complete ending ancillary works.

Package 6- Upgrading of Kabwoya - Buhuka road(43km); Upgrading of Karugutu - Ntoroko Road: The contract for the upgrading of the Kabwoya – Buhuka road was awarded.

Paved section on Masindi – Biiso Road

Paara Bridge along the Masindi – Park Junction road

Implementation constraints

i) Delay in finalization of the financing terms for Packages 4, 5 and 6 affected commencement of civil works;
ii) Inadequate disbursements for the acquisition of the right of way affected the pace of implementation of the projects;
iii) Delayed payment of the Interim Payment Certificates especially on Package 3 and 5.
iv) Delay in finalisation of the designs especially on package 5 affected acquisition of the right of way.

Conclusion

The performance of the project was good (76.8%). Despite the good performance, the progress was behind schedule hence would require an additional 3 years for full implementation of the project roads on assumption that procurement of contracts for the pending packages is finalized in time.

Recommendations

i) The MFPED/UNRA should expedite the negotiations for financing of the pending packages.
ii) The project should either be extended for an additional three years or closed and UNRA re-packages the yet to commence roads into a new project.

3.6 Mineral Development

3.6.1 Airborne Geophysical Survey and Geological Mapping of Karamoja (1542)

Introduction

The airborne geophysical survey and geological mapping of Karamoja project aims at exploring the mineral potential in the whole of Karamoja region and Lamwo district. The region is endowed with both metallic and industrial minerals due to the diverse nature of its geology and the vast area that remains undiscovered.

The project is being implemented by the Ministry of Energy and Mineral Development. The total cost of the project is Euro 23.663 million with funding by a loan of Euro 20.113 million from the Corporate Internationalization Fund of Spain (FIEM) and Euro 5.549 million from GoU. The loan signing date was 27th June 2019, with project start date of 1st July 2019 and an initial completion date of 30th June 2023 revised to 30th June 2025.

Project Scope

The survey includes various technologies namely; magnetic and radiometric mapping for magnetic minerals (iron), gravity surveys for high-density minerals (gold) and radiometric for radioactive minerals (Uranium).

The airborne survey also aims at using Magnetic and Radiometric techniques to survey the whole Karamoja Region covering an approximate distance of 350,000 to 378,957 line-kilometres. The electromagnetic survey will cover three targets with potential of high mineral occurrence by geological observation with a total of 8,157 line- kilometres.

The project work was divided into 3 phases:

- Phase one: Survey of a total of 227,993 line-km of magnetic and radiometric data; and 23,189 line-km of Gravity data for the whole of Karamoja and Lamwo. The data for this survey identifies the target areas in the region to undertake additional activities.
- Phase two: A detailed survey of 40% of the potential areas explored in phase one using a narrower line spacing providing high resolution information. This targeted: 90,000 line-km of magnetic and radiometric data; 8,600 line-km of gravity data; and 90,000 line-km of Electromagnetic data using magnetic, radiometric and gravity technologies. Electromagnetic technology will also be undertaken to improve the quality of data.
- Phase three: Geological and geochemical activities to improve the existing data and confirm anomalies detected in the phases one and two airborne surveys.

Financial Performance

The cumulative disbursements were at 60.3%. The project was operating within budget as at 31st March 2024[135].

[135] CPI=1.04, SPI-0.83

Physical performance

The overall physical progress was at 83%. The project was however behind schedule and the completed works (earned value) is less than the planned value (Figure 3.6.1). The reason for the schedule lag was because the survey commenced in April 2021 which was two years late. One of the factors was the GoU contribution (15%) which was paid late in second quarter of FY 2020/21 and was a requirement before disbursement of the loan could commence. Additionally, due to the COVID 19 restrictions, the planes for the survey could not be flown in.

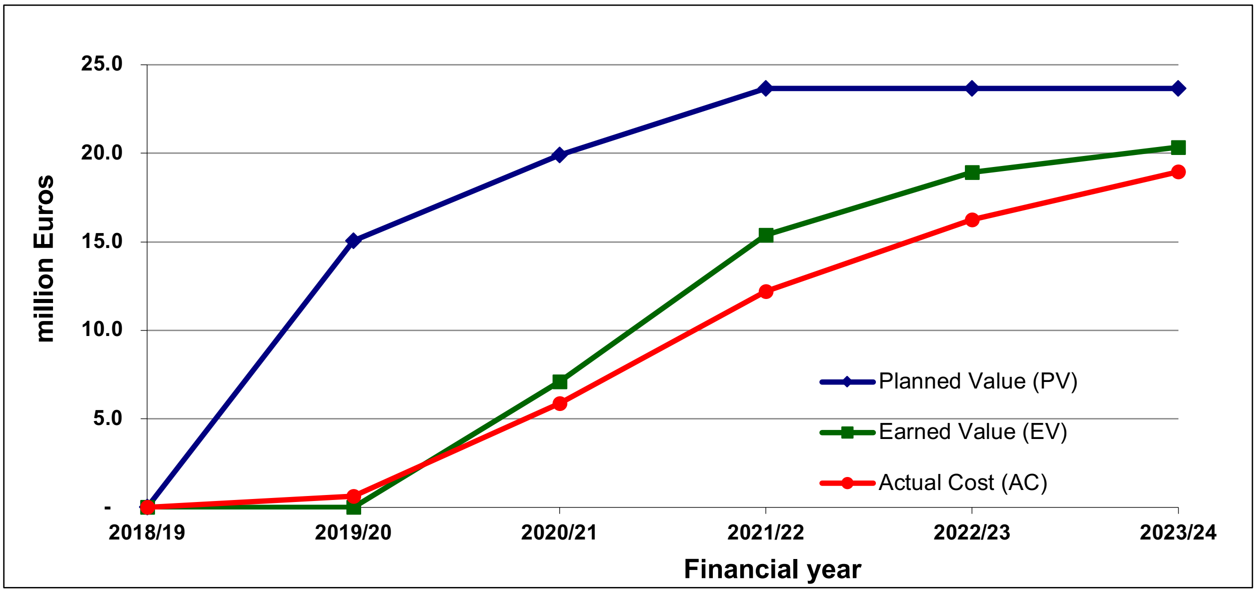


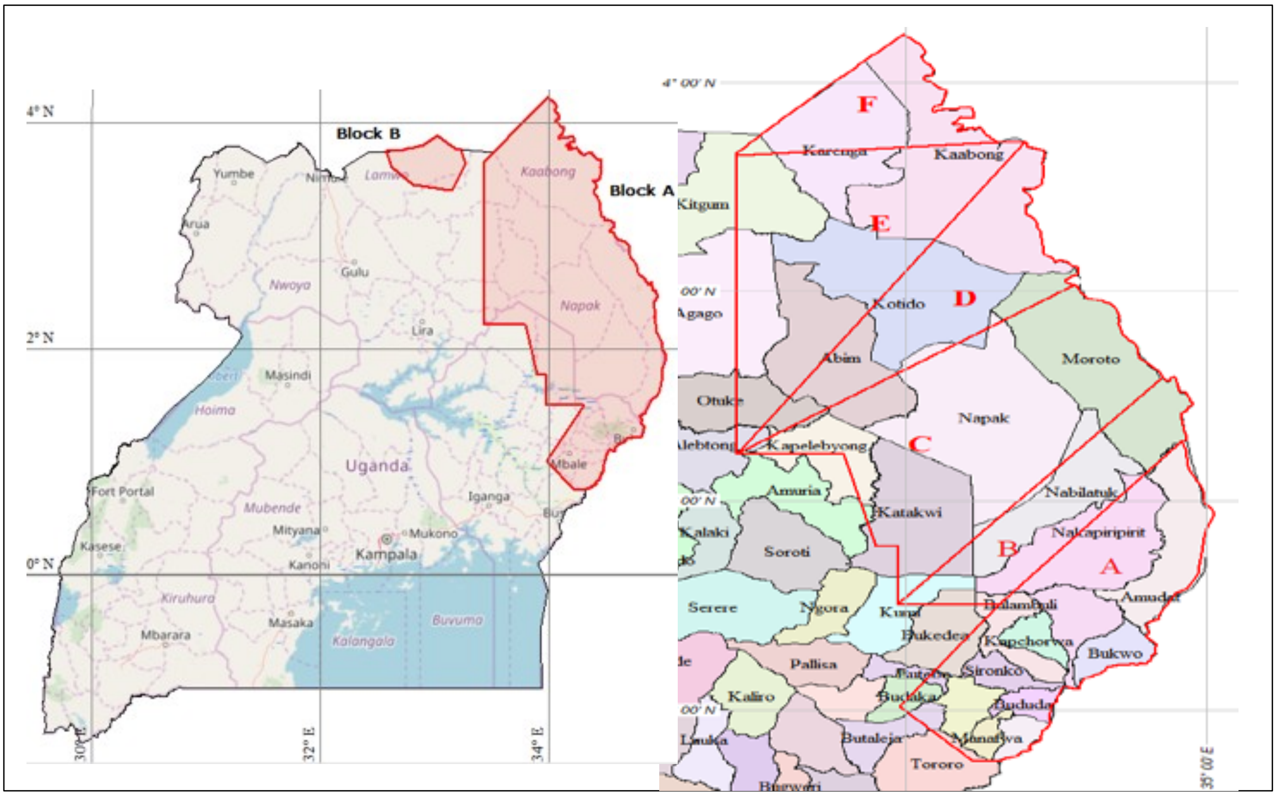
Figure 3.6.1: Trend of financial and physical Performance as at 31st March 2024

Source: Progress Reports, Author's analysis

Achievements

By 31st March 2024, phase one had been completed. Under phase two, all magnetic, radiometric and gravity data was also fully acquired. The electromagnetic data acquisition had progressed to 78%. The figure 3.6.2 highlights the geographical coverage for phase 1 and 2 completed areas in Karamoja (Block A) and Lamwo (Block B).

Figure 3.6.2: Location of Karamoja Airborne Survey Blocks



Source: MEMD Reports

The phase three geological and geochemical activities to confirm the anomalies surveyed were ongoing but behind schedule. The phase three activities such as collection of samples were affected by the insecurity in the region that started in the second half of FY 2021/22. A total of 1,073 geological and geochemical samples were collected for mineral content analysis pending preparation for final analysis at designated International Standard Organisation (ISO) certified laboratories in Spain and Canada.

L-R: a storage room for the collected samples; some of the collected samples under phase 3

Implementation Constraints

The intermittent occurrence of insecurity in the region had delayed completion of field activities on the project.

Conclusion

The airborne survey was at 83% but behind schedule by 17%. The project was operating within budget. However, the performance trend indicates that the cost at completion will be EUR 23.5 million and the completion time at 14 months. Therefore, there is a risk of not completing in the allocated time if the insecurity that continues to hinder the sample collection in the third phase of the project is not handled.

Recommendations

MEMD should further engage the local leadership and the security agencies in the Karamoja region to ensure timely completion of the project.

3.7 Natural Resource, Environment, Climate Change, Land and Water Resources Management

Introduction

The Natural Resources Environment Climate Change, Land and Water Management Programme shares projects with the Agro Industrialisation Programme and Human Capital Development Programme. In this section the performance of only four (4) externally financed projects in the programmed were analysed. These included: (i) Development of Solar Powered Water Supply and Irrigation Systems Project (1666); (ii) Farm Income Enhancement and Forestry Conservation-II (1417); (iii) Integrated Water Management and Development Project (1530); (iv) Investing In Forest and Protected Areas for Climate Smart Development Project (1613). Table 3.7.1 gives a summary of the performance of the four projects.

Table 3.7.1: A summarised performance of the externally financed projects under the NRECCLWM Programme as at 31st March 2024

Project Code/ Name	Creditor name	% loan duration remaining	% duration of civil works contract left	% of Un disbursed loan	% of civil works pending	Remark/Proposed Action
1666:Development of Solar Powered Water Supply and Irrigation Systems Project	United Kingdom Export Finance (UKEF)	31.25%	8.3%	56%	10%	Extend for two more years and reprioritize critical tasks that will get the project back on track
1417:Farm Income Enhancement and Forestry Conservation-II	African Development Bank (AfDB)	Less than 1%	Less than 1%	4%	Estimated at 5% outstanding works on the Wadelai irrigation scheme	Closely monitor and expedite pending works to complete by end of June 2024 when project is ending .
1530: Integrated Water Management and Development Project	International Development Association (IDA), KfW-Grant	13.6%	99% based on contract for Nyamugasani WSS signed on 6th March 2024 ends September 2025	46	70%	The MWE and MFPED should renegotiate the loan duration with IDA and closely monitor and expedite signed contracts then restrategise after.
1613: Investing In Forest and Protected Areas for Climate Smart Development Project	IDA Credit and Grant	48.3%		83.6	97%	Fast track implementation of works for the electric fencing of the national parks since critical and restrategise when project ends

Source: Owner's compilation; Project Q3 FY 2023/24 Reports; Field findings

3.7.1: Development of Solar Powered Water Supply and Irrigation Systems Project (1666)

Introduction

The Development of Solar Powered Water Supply and Irrigation Systems Project (Nexus Green) is financed by a commercial loan from the United Kingdom Export Finance (UKEF) and Government of Uganda (GoU) contribution. The overall project budget is Ug shs 428,916,956,040 (Taxes inclusive). The project objective is to address the demands for water supplyin the different parts of the country amidst impacts of climate change, on agricultural productivity and the entire economy. The project is implemented through the Minstry of Water and Environment by Nexus Green as the contractor.

The contract commencement date was 26th July 2021 for a period of 36 months up to 25th July, 2024. The project has three components which are: Water for production, Rural Water Supply and Urban Water Supply. Henceforth the project will provide water to support irrigation and increase water supply to at least one site per constituency to ensure equitable distribution across all regions in the country. The project basic information is in Table 3.7.2.

Table 3.7.2: Development of Solar Powered Water Supply and Irrigation Systems Project Basic Data

Project Name	Development of Solar Powered Water Supply and Irrigation Systems Project (Nexus Green)
Type of Contract	Commercial Contract
Loan Amount	Eur 111,060,591136 (Ug shs 415,248,445,296 VAT inclusive)
Contract Sum (VAT Exclusive)	94,119,144.91 (Ug shs 351,903,012,115)
Government Contribution	15% of the Loan and Ug sh 13,710,610,744 (Taxes inclusive) as consultant fees
Date of Contractor's signature	3-July-2020
Date of signing financing agreement	12th February 2021
Date of commencement	26-July-2021
The original date of completion	25-July-2024
Last Loan Disbursement	6-July-2025

Source: Owner; compilation; Facility Agreement February 2021; Supervision Contract July 2021 and MWE Q3 Project Report

Scope of Works:

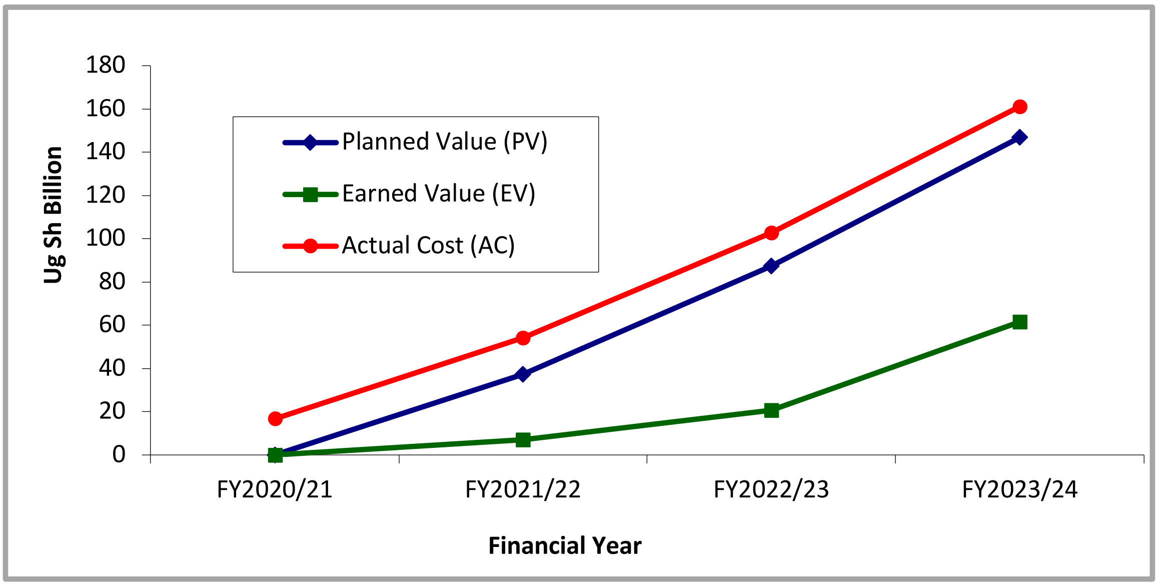
Construction of 687 solar powered water supply and irrigation systems across the country. These include; 252 irrigation sites (Water for production) and 435 water supply sites, catering for both rural and urban communities.

[136] Exchange rate = Ug shs 3738.91

Financial performance

By 31st March 2024, Eur 41,536,404 (Ug shs 155,300,875,670) was paid to the contractor (44% of the contract). This comprised of the prerequisite advance payment of Eur 9,000,000 (Ug shs 33,650,190,000) not budgeted in the FY that raised the cost above the budget, an indicator of inefficiency.[137] By the end of March 2024 the cost variance was negative implying there was overexpenditure. Figure 3.7.1 shows the Performance of Solar Powered Water Supply and Irrigation Systems by end of March 2024.

Figure 3.7.1: The Performance of Solar Powered Water Supply and Irrigation Systems



Source: PBS and MWE Q3 Report (FY 2023/24)

Physical performance

The overall, project progress of works was poor at 42%, against 88% time progress i.e. behind schedule[138]. This because the project commenced works a year after the contract signing due to delays in securing financing. Finalisation of the financing agreement for the preconditioned 5% of the contract advance payment by MWE lagged. Initially, works were affected by delays in design approvals due to limited contractor capacity.

By 31st March 2024, out of the planned construction of 687 sites, only 35 were ready for commissioning, while 161sites were under construction. Nevertheless, some of the sites were left inactive because of overspreading of resouces by the contractor. Moreso, completed sites could not be commissioned in time before MWE certification.

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[137] The expenditure above the budget implies low cost efficiency. Given the negative cost variance (-1’611), the earned value is less than the actual cost of the project outputs.
[138] The schedule variance is negative = -1.488 showing the project is behind schedule

The general design status was at 59.8% completion while the 40.2% were still ongoing. Designs were at various levels, for instance; 55 were at pre-feasibility stage, 147 at feasibility stage and 116 were at detailed design stage.

Some of the completed sites pncluded: small scale irrigation schemes inMpumudde (Lwengo), Muheta (Ntungamo); Butende (Masaka). The Urban systems included; Kaihura (Kyenjojo), Agaii (Maracha) and Lwanda (Rakai) Urban water supply scheme which had contract variations of an ecosan and a guard house. The sites were functional and the quality of works was generally good. Under the small scale irrigation systems, the crops grown were majorly horticultures inclusive of; coffee, tomatoes, onions, water melon, cabbage and green pepper.

Sites with ongoing works included among others; Bokolo (Obongi), Ogwari (Nwoya), Molokoyoro (Adjumani) and Kitongo (Mityana) Solar powered water supply systems. The beneficiary community had great expectations for more connections before completion of works while in other cases land conflicts led to loss of time (1-2 months) for example in the construction of Ogwari Solar powered water supply system in Nwoya district. In other cases, the inadequate capacity of subcontractors affected progress of works. For example, in Obongi and Adjumani this led to loss of time (approximately 4 months).

The pump station at Kaihura Town Council (Kyenjojo district) and a Public Stand Post for Agaii WSS (Marracha district)

Fenced off intake works and fenced reservoir tower in Nadangira –Wakiso district

Implementation Constraints

(i) Inadequate capacity (financial and technical) of the contractor leading to late approval of designs in some instances had profound effect on the project timelines. Since the project is a design and build, the longer the contractor takes to complete the designs the late the approval and start dates.

(ii) The works are overspread (countrywide), making it difficult to manage and complete in time. Both the contractor and the contract management team were struggling to manage the project due to its vast scope and spread-out works. This led to delays and the project risks inefficiencies and potential cost overruns.

(iii) The project lacked proper planning and preparation because it did not pass through the normal project approval process. Consequently, it lacks a feasibility study and budget for MWE oversight engagements.

Conclusion

The project performance was poor at 42%. The project faced significant risks due to late start, overspread of resources, delays in design approval, and contractor's inadequate capacity. These challenges resulted in a project that is behind schedule, operating over budget, and at risk of time and cost overruns. The estimated cost at project completion[139] is Ug shs 384. 494bn compared to initial cost of Ug shs 351.903bn. At the current pace of implementation, the project completion may take an additional two years and three months to complete[140]all the planned outputs.

Recommendations

(i) The MWE/MFEP should extend the project for two more years and reschedule to prioritize critical tasks that will get the project back on track. Non-essential tasks can be deferred or re-scoped.

(ii) The MWE should task the contractor to subcontract designs to qualified and experienced firms in the different technology requirements to reduce the risk of delays and errors.

(iii)The MWE should work with the available resources to prioritize project administrative costs and beneficiary engagement for the project to succeed.

3.7. 2: Farm Income Enhancement and Forestry Conservation Project phase II (1417)

Introduction

The Government of Uganda (GoU) is completing the implementation of the second phase of Farm Income Enhancement and Forestry Conservation Programme - Project (FIEFOC-2) financed with a loan from the African Development Bank (AfDB) and a grant from the Nordic Development Fund (NDF). It is jointly funded to the tune of US$ 91.43 million by AfDB, NDF and the GoU. The AfDB loan agreement was approved on 20th January 2016, signed on 17th February 2016 and the first disbursement effected on 31st May, 2016. The NDF grant was signed on 21st July 2016. The project was initially planned to be completed on 30th June 2021; but it was later extended three times, and expected to be finalized by 30th June 2024.

139 The Cost Performance Index (CPI)=0.38 which is less than one that is over budget

140 The Schedule Performance Index (SPI)=0.42 which is less than one thus behind schedule

The Ministry of Water and Environment (MWE) in collaboration with the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), are the Executing Agencies (EA) of the FIEFOC-II. The overall goal of the Project is to contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialization of agriculture. The specific objective is to improve farm incomes, rural livelihoods, food security, and climate resilience, through sustainable natural resources management and agricultural enterprise development. The expected outcomes of the Project were; i) Improved incomes for farmers and rural entrepreneurs and ii) Improved integrated natural resources management practices.

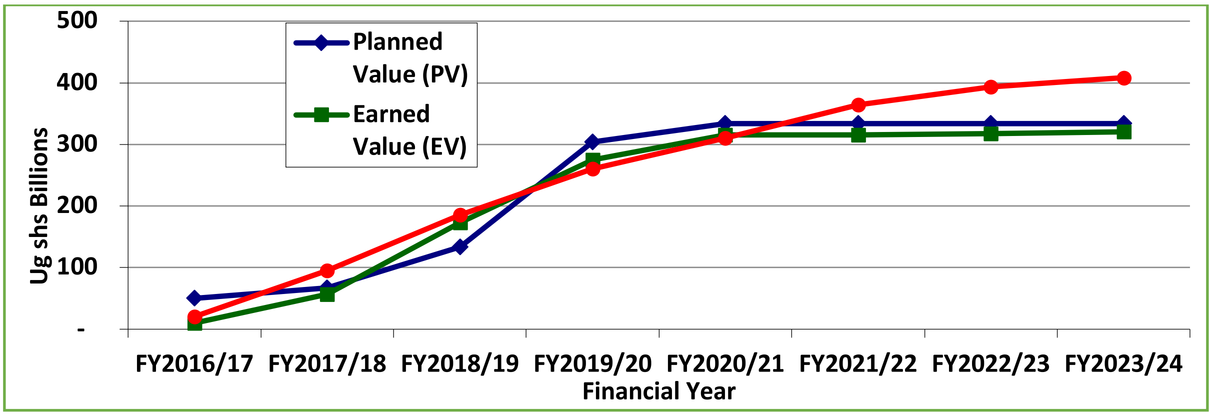
The project has four components, namely: 1) Agricultural Infrastructure Development; 2) Agribusiness Development; 3) Integrated Natural Resources Management; 4) Project Management.

Financial Performance

The overall project budget was Ug shs 333.720[141]bn, of which 120% (Ug shs 399.819bn) was released and 92% (Ug shs 368.646bn) spent by 30th April 2024. The GoU counterpart funding was Ug shs 33.325bn (10%) of the project planned budget. By 30th April, 2024 the project registered cost overruns of Ug shs 87.973bn under the GoU funding, which were attributed to changes in the scope of works for the Wadelai and Tochi irrigation schemes, and project extensions (Figure 3.7.2). On the other hand, Ug shs 11.132bn (4%) of the external funding was pending disbursement in respect of outstanding works at Wadelai irrigation scheme.

The project is expected to complete by 30th June, 2024, the revised completion date, indicating works are on schedule. However, work performed cost more than planned under the GoU counterpart funding in respect of expanded scope at Wadelai and Tochi schemes (Figure 3.7.2).

Figure 3.7.2: Performance of FIEFOC-II Project by 30th April 2024



Source: MWE, IFMS and PBS data and Authors Analysis

[141] USD 91.430 million is converted to Ug shs at a rate 3,650

Physical Performance

The overall physical performance was at 95%, four irrigation schemes of Doho II, Mubuku II, Ngenge, and Tochi were completed 100% and are functional. The remaining scheme Wadelai was substantially complete at 94% progress. This was delayed by a change of site for major scheme components and subsequent land acquisition issues. The project provided capacity building for farmers and farmer organisations in financial accessibility and financial management skills. Furthermore, 767.8ha of farmlands were restored for soil and water conservation. The detailed performance is indicated as follows.

Component 1: Agricultural Infrastructure Development.

The objective of the component was to increase irrigation capacity, sustain farm productivity and improve incomes and food security. The component entailed (i) construction of five new gravity fed irrigation schemes covering a total area of 4,038ha; Doho II (1178 ha), Wadelai (1,000 ha), Mubuku II (480 ha), Tochi (500 ha), and Ngenge (880 ha); (ii) establishment of five (5) community/Farmer based management institutions for the irrigation schemes, and (iii) capacity building of the beneficiaries in irrigated agronomy, soil and land improvement practices.

The construction for the four irrigation schemes of Ngenge (Kween District), Doho II (Butaleja District), Mubuku II (Kasese District) and Tochi (Oyam District) were completed at 100% by March 2024. Wadelai irrigation scheme (Pakwach/Nebbi District) physical progress was at 94%. The major outstanding works included the construction of secondary canals four (4) and five (5) and associated structures that are expected to be completed by June 2024.

The five schemes were already being utilised at the following levels; Doho II (100%), Ngenge (80%), Mubuku II (80%), Tochi (63%) and Wadelai (4%). IrrigationTechnology adoption was the major challenge whereas for Wadelai the scheme was not completed. The farmers on completed schemes collected the first and second harvests and it was established that cropping in the irrigated farms was done at least twice or thrice a year. The benefits in terms of increased production and productivity of major high yield crops especially rice, maize, tomatoes and watermelons were realized by the farmers. A total of five Irrigation

Rice Field and a canal in Doho-II Scheme, Butaleja district

Farmer Cooperatives, five Irrigation Water User Associations, 115 Irrigation Water User Committees and 209 Farmer Field School Groups were established.

The sustainable farmer management structures were established based on lessons learnt from FIEFOC-I to ensure effectiveness of the farmers and sustainability of the investments. Training of the five Farmer-Based Management Organizations (FBMOs) continued to build capacities in various farming techniques (Crop management, Soil fertility and land use, fish farming) including good agronomic practices and governance. Furthermore, Farmer Field Schools (FFS) were established in all the schemes which bring together farmers at the irrigation block level as the smallest unit of the farmer management structures. All the five (5) schemes secured water abstraction permits to ensure that the schemes have user rights especially when there is limited water availability.

For sustainability, the project established robust farmers' management structures, for example, the Irrigation Water User Committee (IWUCs) and the Farmer Based Management Organization (FBMOs) which were trained in their respective roles and responsibilities. Secondly, the newly established management structures were taken for exposure visits to the earlier implemented projects under FIEFOC-2 such as Doho-II and Mubuku-II with well functioning irrigation schemes. In addition, the government hired an Irrigation System Operator (ISO) for each irrigation scheme on an annual renewable contract to operate, ration water through water scheduling and maintain the system components.

However, cases of vandalism of the schemes' infrastructure such as theft of gate valves were reported. This is likely to affect the use and functionality of the schemes. In addition, heavy rains, destroyed works on the irrigation infrastructure and the access roads; which caused delays in the completion of construction.

Component 2: Agribusiness Development- The objective of the component is to increase the business outlook of the beneficiaries towards increasing household incomes through (i) promotion of aquaculture within the irrigation schemes, apiculture within the watershed area, and seeds/seedling production and marketing, (ii) promotion of capacity development, market development, and support to cooperative development and (iii) support youth in agribusiness development (ENABEL Youth). The intervention focus was the 39 districts within the five (5) irrigation schemes and the surrounding watershed area.

A target of 15,000 beneficiaries in Business Skills Development was made of which 14,676 benefited (women-4,814, youth-6,187 men-3,675). The trainings focused on the post-harvest handling (PHH), food processing technologies, and practices on apiculture, horticulture, aquaculture and rice agricultural products. A total of 9,097 farmers were trained under horticulture (6,940), aquaculture (1,852) and apiculture (305) against a target of 6,000 farmers. Furthermore, a total of 103 start-up enterprises were established among women and youth under the ENABLE Youth Program against a target of 100. These included, among others, honey processors, rice processors, fish farmers, and wine producers.

A total of 103 Youths under the ENABLE Youth Pilot Program were trained and supported with Ug shs 2,343,868,330 to establish agri-businesses in a revolving fund approach. The distribution by district was as follows: Kasese (20); Butaleja (16); Kween (26); Tochi (24); and Wadelai (17). At least 442 direct and 1,030 indirect jobs were created. However, the funds extended to the youths in Kween and Butaleja were not utilized in accordance with the guidelines, as such, the revolving fund model to benefit other youths was not achieved.

The project provided capacity building for farmers'/farmer organisations in financial accessibility and financial management skills benefiting a total of 11,843 farmers, of which 2,624 were youth while 453 were trainees under Savings Credit Cooperatives (SACCOs) leaders. A total of 360 Village Saving and Loan Associations (VSLAs) comprised of 7,567 farmers and 27 SACCOs (comprised of 4,276 farmers) were equipped with skills in financial accessibility and financial management.

Component 3: Integrated Natural Resources Management

The objective of Integrated Natural Resources Management (INRM) was to establish a viable basis for irrigated agriculture and natural resources management in the five irrigation schemes and their surrounding watersheds. This will be realized through (i) reducing erosion and sedimentation, increased agricultural productivity through improved watershed management and (ii) improving upland productivity (pastures, reforestation), to control sheet erosion (through improved ground cover) and to protect natural and associated biodiversity through increased vegetation cover on communal land.

By April 2024, the management plans for each of the five catchment areas were concluded. Also, the implementation of the options selected in the Catchment Management Plans for Mubuku-II, Manafwa, Ngenge, Tochi and Wadelai watersheds was completed. As part of the reforestation activities, assorted tree seedlings were distributed to the target beneficiaries (approximately 9.2 million assorted tree seedlings of which 22.7% was distributed to females and 77.3% to males).

Approximately 18,400ha of degraded hotspots were restored; and about 754 km of river banks in the five catchments were rehabilitated (including rivers Tsutsu, Summe, Manafa and Simu in eastern Uganda; Tochi, Ora, Nyarwodho, Okurango, and Oritigo stream in northern Uganda. A total of 767.8 ha of farmlands were restored for soil and water conservation through agroforestry and riverbank restoration interventions.

Several training/capacity building activities targeting selected stakeholders were undertaken focusing on different aspects. Overall, 9,908 farmers were trained across the five catchment areas in the following categories: a) 4,230 farmers (2,511 males, 1,179 females), including 195 Model farmers, in Forest Planning and Management; b) 3,159 farmers (1,797 males, 1,362 females), c) 2,519 farmers (1,575 males, 946 females) in agroforestry and conservation farming; and d) 200 District local government and Ministry of Water and Environment (MWE) staff trained in Global Information System (GIS) and remote sensing.

Component 4: Project Management.

Under component four (4) is the responsibility of overall coordination and monitoring of project implementation performance and reporting by ensuring that project activities are initiated and are adequately budgeted for, project records are consolidated, all procurement documents to the AfDB/NDF are submitted for review and approval; all disbursement applications and quarterly progress reports compiled; annual audits are coordinated and audit reports submitted.

The planned outputs included, setting up an Environment and Social Management Plan, setting up an Monitoring and Evaluation system including an online system, conducting procurements and ensuring funds disbursements.

With regard to compliance with environmental and social safeguards, an Environmental and Social Management Plan (ESMP) was developed in accordance with the project's appraisal process and was followed accordingly during implementation. The environmental and social safeguards performance of the project was rated as fair. However, there were issues concerning the optimal fulfilment of the monitoring function especially in terms of collecting the outcome level indicators as well as delays in operationalising the digitalisation of the data collection and analysis. Furthermore, there were delays in procurement processes which resulted in a slow disbursement rate. In addition, the delay in the recruitment and engaging the supervision consultant and contractors had a negative impact on the disbursement rate.

Monitoring and reporting, the PCU was able to establish an Inter Department Coordination Committee for the respective Districts. It is comprised of the line departments for the FIEFOC-II projects namely; Engineering and Works, Production, Community Based Services, Environment and Natural Resources. They also hold quarterly coordination meetings and participate in the instituted monthly site meetings where all the component representatives as well as the respective contractors /consultants participate.

Implementation Constraints

1. Inadequate designs of the Wadelai and Tochi schemes that required modifications and rescoping of works led to cost and time variations
2. High encroachment levels in the catchment areas especially at Ngenge and Doho-II resulted in reduced volumes of water for the irrigation schemes, especially during the dry spells.
3. Underutilisation of schemes by the beneficiary communities of Ngege and Tochi due to slow uptake of irrigation agriculture.
4. The low survival rates of seedlings in some catchments which is key to the protection of the scheme catchment area.
5. The instances of the infrastructure vandalism especially metallic parts such as the gate valves and weather station for the different schmes.

Conclusion

The project performance was good considering that the implementation of physical outputs was at 95% completion by April 2024. The construction of four irrigation schemes was completed and but not fully functional. The quality of most of the outputs was faily good with beneficiary communities utilizing the schemes. However, works at Wadelai scheme tremendously lagged due to the contractor'financail incapacity, land conflicts and inadequate designs that led to flooding of some schme ares of Tochi. As a result, the project registered cost overruns worth Ug shs 87.97bn on the GoU counterpart funding due to continuous project extensions and variations in scope of works. The project is expected to be accomplished by 30th June 2024 thereby substantially fulfilling the planned programme objectives, outcomes and outputs.

Recommendations

1. The MWE should ensure that the contractor of Wadelai completes the remaining works within the stipulated project time to avoid extra costs. Noreso, for future projects as a lesson ensure thorough design review and validation before implementation.
2. The National Environment and Management Authority (NEMA) and respective LGs should step up awareness campaigns and institute penalties against encroachment in the catchment areas.
3. The MAAIF and DLG extension staff should continue to support farmers in irrigation agriculture since it is a new practice and avail them with all the necessary information.
4. The FBMO and IWUC should take up their responsibility for security of the schemes to curb vandalism.

3.7. 3: Integrated Water Management Development Project (1530)

Introduction

The Integrated Water Management and Development Project (IWMDP) is funded by the International Development Association (IDA), Kreditanstalt für Wiederaufbau (KfW), and Government of Uganda (GoU) counterpart. The total project cost is US$ 313 million equivalent (Ug shs 1,162.17 billion)[142]. The IWMDP commenced on 1st July 2029 and ends 30th June 2024. The loan became effective on 27th June 2019 and closes on 2nd December 2024.

The implementing agencies are the Ministry of Water and Environment (MWE), and the National Water and Sewerage Corporation (NWSC). The objective is to improve access to water supply and sanitation services, capacity for integrated water resources management, and the operational performance of service providers in the project areas. The project is implemented through four components: (1) Water Supply and Sanitation (WSS) in small towns and rural growth centers, and support to refugee host districts, (2) WSS in large towns and support to a district hosting refugees, (3) Water Resources Management, and (4) Project implementation and institutional strengthening.

The key scope of work:

Component 1: Five (5) piped water systems inclusive of sanitation facilities constructed for small towns, two (2) large gravity flow schemes, 32 large solar powered water systems for Rural Growth Centers (RGCs), 20 solar powered water systems for refugee host districts, five (5) faecal sludge treatment facilities. Component 2: Adjumani, Karuma, Mbale WSSs constructed, and their catchments protected. Component 3: Priority catchment management measures implemented in four sub catchments: Lwakhakha, Kochi-Albert Nile, Aswa Catchment, Middle Awoja, Water and Environment Information System (WEIS) installed in four Water Management Zones (WMZs), equipment supplied for four WMZ regional laboratories, and 17 water monitoring stations constructed. Component 4: Institutional coordination, reporting, monitoring and training among others.

Financial Performance

By 31st March 2024, total IDA disbursements were 54% of which 28.34% was spent. The low absorption was due to delays in processing and payment of service providers. The GoU expenditure exceeded its commitment level (Table 3.7.3). Overall, there was more expenditure[143] compared to the value[144] of outputs achieved (Figure 3.7.3) with low levels of disbursements from the IDA.

The over expenditure partly resulted from land compesations, detailed designs, feasibility studies, Environmental Impact Assessments (EIAs), Resettlement Action Plans (RAPs) and Project Affected Persons (PAPs) which were not properly planned for initially. This poses a significant financial risk to the project, potentially jeopardizing completion of all the planned outputs.

[142] Exchange rate is US$ 1 = Ug shs 3,713
[143] Actual Cost = US$ 48.22m
[144] Earned Value = US$ 41.78m

Table 3.7.3: Financial performance of the Integrated Water Management and Development Project as at 31st March 2024

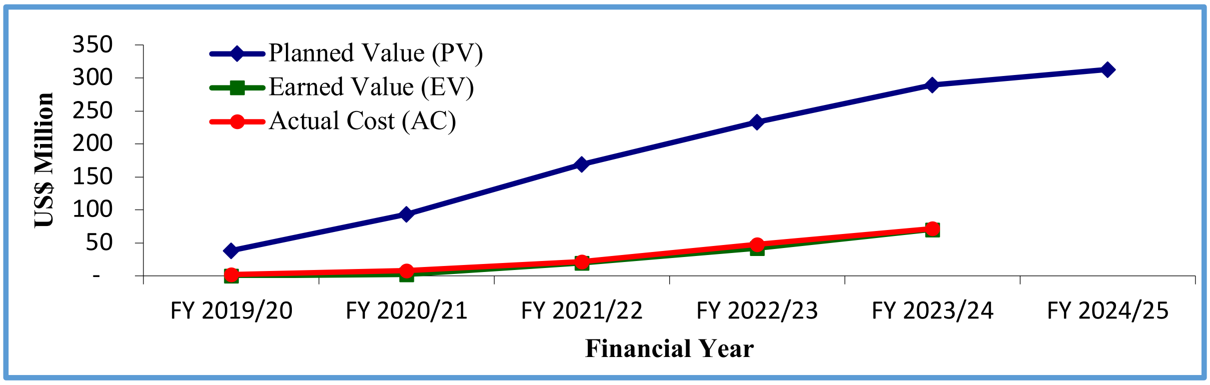
Funder	Committed Funds (US$ million)	Disbursement (US$ million)	Expenditure (US$ million)	% disbursed or released	% of disbursement spent
IDA (credit and grant)	280.00	152.5	43.23	54.00	28.34
KfW parallel grant	25.00	17.91	17.91	72.00	100
GoU counterpart funding	8.00	10.92	9.96	136.50	91.20
Total	**313**	**181.33**	**71.10**		

Source: NWSC; ***MWE, Externally Funded Projects' Report December 2023; Programme Budgeting System Progress Reports FY 2019/20 - FY 2023/24***

Physical performance

Overall, the projects' physical performance was poor (32%) and behind schedule[145] by 76% (Figure 3.7.3). Factors that led to time loss included: (i) Community resistance to offer land for key project components such as the water treatment plant and intake works which resulted into change of sites and redesign in Busia, Mbale and Namasale among others. (ii) Unfavourable soil conditions at the water treatment plant site for Karuma-Gulu water led to design variations from pad foundation to piles, and (iii) delays to produce and approve safeguard instruments including Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) reports. Nevertheless, a total of 15 out of 31 works procurement contracts were signed. The works progressed as follows: Busia WSS (98%), Karuma-Gulu water works (67.5% average), Bitsya Gravity Flow System (GFS) (38%), Namasale (23%), Kaliro-Namungalwe WSS (29%). Implementation of priority catchment management measures in Lwakhakha was at 78%, Aswa (77%), Awoja (50%), Kochi (43%) and installation of the Water and Environment Information System (98%). On the other hand, key outputs that had not commenced works included Nyamugasani GFS in Kasese, 15 large solar powered schemes for RGCs, Ora-Ala GFS, 10 solar powered schemes for refugee host districts, Adjumani WSS and Mbale WSS. These outputs were deemed unlikely to be completed within the remaining three months of the project period.

Figure 3.7.3: Performance of the Integrated Water Management and Development Project as at 31st March 2024



Source: Authors compilation from MWE, Externally Funded Projects Report December 2023; PBS Progress Reports FY 2019/20 – FY 2023/24

[145] Schedule Performance Index = 0.24 which is less than 1 implying behind schedule

The detailed following sections provide detailed breakdown of the key project outputs and their performance.

Component 1: Water Supply and Sanitation in Small Towns, Rural Growth Centers, and Support to Refugee Host Districts

This component focuses on the provision of piped water supply systems and sanitation facilities for Small Towns, Rural Growth Centers and refugee host communities.

(i) Water Supply and Sanitation for Small Towns

The performance of all planned outputs for small towns is presented in Table 3.7.4.

Table 3.7.4: Performance of planned outputs as at 31st March 2024

Planned outputs	Implementation status and remarks
Five piped water supply systems and sanitation facilities designed and constructed for the following towns: Busia, Namasale, Tirinyi-Kibuku-Budaka-Kadama-Butaleja-Busolwe, Namungalwe-Kaliro and Kyegegwa-Mpara-Ruyonza.	Civil works for piped water systems had progresses as follows: Busia 98%, Namasale 23%, Kaliro-Namungalwe 29%, Tirinyi-Kibuku-Budaka-Kadama-Butaleja-Busolwe 7%, and for Kyegegwa-Mpara-Ruyonza the detailed design was finalized. In Busia key components such as the treatment plant, reservoirs, institutional facilities were constructed and the quality of work was good.
Faecal Sludge Treatment Facilities (FSTF) designed and constructed in Busia, Ngora, Koboko, and Rukungiri.	Civil works were at the following levels: Busia 80%, Ngora 80%, Koboko 42% and Rukungiri 46%. Works in Ngora had stalled due to the contractors' cash flow constraints.
Pipes, fittings, micro and bulk water meters procured, and installed.	All pipes and water meters were supplied (765,560m of pipes and 25,000 micro and bulk water meters). Pipe laying and meters installation was ongoing at 90% progress
Professionalization of Umbrella Water Authorities (UWA)	This was 78% achieved.
Environmental and social management related activities, including community mobilization and sensitization, and hygiene promotion activities conducted.	Three consultants were contracted in three separate lots to undertake Community Engagement, Sanitation & Hygiene Promotion/Training on Operation & Maintenance and preparation of Sanitation Plans for all the small towns. Baseline surveys were completed and sanitation promotion was ongoing in Busia and Namasale.

Source: MWE, IWMDP Progress Performance Report March 2024, and field findings


L: Constructed wetland ponds for the Ngora FSTP in Ngora district; R: Steel works for the intake and sedimentation tank for Namasale WSS in Amolator district

(ii) Water Supply and Sanitation for Rural Growth Centers

Out of the planned development of 17 water systems only one had commenced, namely Bitsya. The contracts for Nyamugasani and two (2) solar schemes were awarded with works pending commencement. The performance status of planned outputs for rural growth centers is presented in Table 3.7.5.

Table 3.7.5: Performance of planned outputs as at 31st March 2024

Planned outputs	Implementation status and remarks
Nyamugasani Gravity Flow Scheme (GFS) in Kasese and Bitsya GFS in Buhweju district constructed	The works for Nyamugasani had not commenced. The contract was signed on 6th March 2024. Bitsya was at 38% physical progress, but there was limited access to the pipeline routes due to delayed compensation of PAPs since only 5% were paid.
32 large solar powered piped systems constructed.	The scope was reduced from 32 to 15 due to limited water resources, and high capital investment costs among others. No physical works had commenced. Two schemes were awarded contracts on 14th February 2024, while the rest were under procurement.
Sanitation facilities constructed (4 public latrines and 56 institutional latrines) constructed	The construction of sanitation facilities had not commenced.
Environmental and social management related activities, including community mobilization and sensitization, and hygiene and sanitation activities. Source protection and catchment management measures implemented.	Activities had not commenced. The consultant for stakeholder engagement for Nyamugasani and Bitsya signed the contract on 5th April 2024. Procurement for the consultancy to undertake stakeholder engagement for the 15 solar systems was ongoing with the combined evaluation report sent to the bank for a no objection. The Environment and Social Safeguard instruments including the Environment and Social Impact Assessment (ESIA), Resettlement Action Plan (RAP) and Source Protection Plan (SPP) were completed, awaiting implementation.

Source: MWE IWMDP Progress Performance Report March 2024, and field findings

L: An aerator; R: Water treatment plant works for Bitsya GFS in Buhweju district

(iii) Water Supply and Sanitation for Refugee and Host Communities

Out of the 14 piped water systems to be constructed, three (3) were ongoing in Kiryandongo at 15% average completion level (Table 3.7.6).

Table 3.7.6: Performance of planned outputs as at 31st March 2024

Planned outputs	Implementation status and remarks
Ora-Ala gravity flow scheme constructed	The procurement for the works contractor was ongoing, with the Bids Evaluation Report given 'No objection' by the Bank.
A total of 20 solar powered systems constructed as follows: Adjumani (3), Arua (2), Lamwo (3), Moyo (3), Yumbe (6), Kiryandongo (3).	These were reduced to 13 due to financial constraints: Yumbe (3), Moyo (2), Adjumani (2) Lamwo (3) and Kiryandongo (3). Works for the three schemes in Kiryandongo were at 15% progress level. Procurement for schemes in the other districts was at bidding stage.
Moyo FSTF, 20 public and 50 institutional latrines constructed.	No sanitation facilities had commenced.
Environmental and social management related activities, including community mobilization	There were no implementations yet. The ESIA was yet to be approved by NEMA, the RAP was approved by the Solicitor General and the SPP was under development. The draft contract for the stakeholder engagement consultant was yet to be submitted to the solicitor general for clearance.
Preparation and implementation of micro-catchment management plans (CMPs) around water sources for refugee host communities.	Six micro-catchment management plans were developed for the Ora, Anyau, Laropi, Ayugi, Nyimur, and Mutunda micro-catchments. The procurement of service providers for implementation was halted due to the unavailability of funds under the project.

Source: MWE, IWMDP Progress Performance Report March 2024, and field findings

Component 2: Water Supply and Sanitation for Large Towns and a Refugee Host District

This component is implemented by NWSC to implement large infrastructure needs in Adjumani, Gulu and Mbale. As presented in the Table 3.7.7, works were ongoing only for Karuma-Gulu.

Table 3.7.7: Performance of planned outputs as at 31st March 2024

Planned outputs	Implementation status and remarks
Adjumani water supply system and sanitation facilities constructed	The works contract was signed on 21st December 2023, and the sites handed over to the contractor on 18th March 2024.
Karuma-Gulu water supply system and sanitation facilities constructed Package 1: Construction of the Intake works, Water treatment plant, and Reservoir tanks. Package 2: Laying of 65.5km transmission mains from Karuma to Gulu city.	Package 1 was at 70% completion level while package 2 was at 65% (42.5km of pipeline laid). There were delays caused by: Numerous variations requests from the contractor arising from difficult ground conditions along the pipeline route, and requirements for changes in pipe pressure ratings among others. Unforeseen utility lines along the pipeline routes necessitating realignment. Works were halted within the wetland sections due to delayed issuance of wetland use permit by NEMA.
Mbale water treatment plant, bulk water transmission, and sanitation facilities	No physical works had commenced. Lot 1 was contracted and sites for the sewerage works handed over to the contractor. Lot 2 was under procurement, pending approval of the bid evaluation report. The water treatment plant was to be relocated due to land acquisition challenges.
Arua, Gulu, Mbale and Bushenyi full scale source protection through catchment management measures	Implementation had not commenced pending procurement of the contractors.

Source: MWE, IWMDP Progress Performance Report March 2024, and field findings

Component 3: Water Resources Management

This component supports catchment management and restoration activities in selected sub-catchments. The component entailed the following key outputs: (i) Priority catchment management measures implemented in four sub catchments, (ii) A water resources management strategy and action plan for Albert Water Management Zone (WMZ) developed, (iii) Four Catchment Management Plans (CMPs) developed, (iv) A national groundwater management study undertaken, (v) A Water and Environment Information System (WEIS) developed and installed, (vi) Seventeen water monitoring stations established: atmospheric deposition (5), surface water (5), groundwater (5), climate (2) and (vii) The National Water Quality Reference Laboratory rehabilitated, and equipment supplied to the regional WMZ laboratories.

On average 62% was achieved for priority catchment management measures in: Lwakhakha 78%, Kochi-Albert Nile 43%, Aswa 77% and Lower/Middle Awoja 50% sub catchments. Seedling production, tree planting, soil and water conservation structures, riverbank restoration, wetland restoration, water source protection and provision of alternative livelihoods activities were implemented. Noted was that the trees grown along the riverbanks had dried, and there was low maintenance of the soil and water conservation structures such as the percolation trenches.

The draft strategy and action plan for Albert WMZ was pending validation from stakeholders. This output was delayed because the main consultant is not based in Uganda, resulting in delayed response to matters necessitating field visits and verifications.

The CMPs for Nyamugasani and Kafu were developed, pending a popular version and documentary. The development of the CMP for Sezibwa and Okweng was ongoing scenarios and options evaluation.

For the national study on groundwater use, the inception report, data gap and baseline assessment, groundwater resources availability and demand assessments were completed.

Preparation of the drafts threats and pressures report is ongoing. The drafting of a ground water policy and strategy had commenced.

The development and installation of WEIS was substantially complete with the software and hardware installed at the ministry headquarters and in all the four WMZ regional offices. The system was undergoing operational testing, data clean up and harmonization, and data migration by the developer. Integration of the WEIS with other water related databases at MWE was accomplished.

The establishment of the 17 monitoring stations was 50% achieved on average. Equipment for the atmospheric deposition stations were supplied, installed and air quality monitoring for shorelines of Lake Victoria in the greater Murchison Bay was ongoing. Civil works for the surface water stations was at 45% completion level. The protective structure, fence, inspection chambers pillar gauges were done for Aswa 1 and Pager. However, works had stalled as the contractor was facing cash flow challenges. The ground water stations were at 65% completion level, with wells drilled and pump tested in Kaliro, Mityana, Arua and Buliisa. 50% was achieved for the climate stations.

Rehabilitation of the National Water Quality reference laboratory was re-scoped due to insufficient funds. New laboratory equipment were procured, supplied and installed in all the four regional laboratories. However, some equipment were found non-functional since they needed additional installations in the labs such as direct water supply.

River Nyamwamba Floods Management in Kasese district: The works for Nyamwamba were not initially included in the original scope of the planned outputs, but were subsequently approved by the bank as a measure to mitigate the damage caused by the annual flooding of the river and its impact on the surrounding communities. These comprised of the catchment protection through the implementation of catchment management measures that were completed. Various interventions such as afforestation, soil and water conservation, river bank stabilization, and alternative livelihoods were achived.

L: A fish pond for provision of alternative livelihood in Oyam district; R: Unmaintained percolation trench for Aswa catchment in Pader district

In 2023, structural activities measuring 5.4km were undertaken for the stabilization of the Nyamwamba river bank and 95% completion level was achieved. However, most of the works were destroyed on 22 June 2023 due to severe flooding incidence. As at March 2024, the contractor was remobilizing to undertake remedial works for the damaged section funded from the insurance compensation worth Ug shs seven billion.

Component 4: Project Implementation and Institutional Strengthening

The Water and Environment Sector Liaison Department coordinated and supported the project stakeholders. A Project Support Team composed of individual specialists offered technical support to the project. Other achievements included: (i) Preparation of quarterly and annual work plans, budgets and reports, (ii) provision of trainings to MWE and NWSC on aspects such as financial management, procurement, environmental and social policies and procedures, and (iii) support to safeguards monitoring among others.

Implementation constraints

1. The inadequate project design, planning, and management by MWE, marked by the omission of a comprehensive project plan, hindered the effective direction and oversight of output implementation, leading to significant delays and putting the project's timely completion in jeopardy.
2. Financial losses resulting from inflationary pressures and escalating output costs, leading to an increase in expenditures beyond initial projections.

Conclusion

The project performance was poor at 35% achievement and at the same time behind schedule[146] by 76% with most of planned outputs not achieved. Based on this performance, the estimated budget at completion is US$ 317m and the project shall require approximately 15 more years to complete the pending outputs. This is an indication of poor schedule efficiency.

The project extension of for two (2) years will not only allow completion of outstanding outputs but also provide sufficient time for completion of Nyamugasani and Adjuman whose contracts were just awarded; and Ora-Ala WSS at bidding stage. The project's shortcomings in design, planning and execution have led to suboptimal achievements characterised by schedule overruns, cost overflows and unmet project targets. This calls for a thorough end term review and lessons-learned analysis.

Recommendations

1. The MWE and MFPED should renegotiate the loan favourable term duration with the IDA to complete the remaining works.
2. The MWE should fast track advanced procurements and the implementation of civil works contracts signed. This will expedite the project timelines, minimise delays and potential cost overruns.
3. The MWE and the development committee of MFPED should ensure appropriate scope and time projections at project appraisal.

[146] Schedule Performance Index = 0.24

3.7. 4: Investing in Forest and Protected Areas for Climate Smart Development (1613)

Introduction

The Investing in Forests and Protected Areas for Climate Smart Development (IFPA-CD) Project is funded by the International Development Association (IDA) and the Government of Uganda (GoU). The total cost of the project is US$178.2 million (Ug shs 659.34 billion)[147], with IDA providing a loan and grant worth Ug shs 289.34 billion and Ug shs 259 billion respectively. The GoU counterpart contribution is Ug shs 111 billion. The project period is from 1st July 2020, to June 2025. The loan became effective on 18th August 2021 and closes on 30th August 2026.

The objective of the project is to: "improve sustainable management of forests and protected areas in the Albertine Rift and West Nile regions, while also increasing benefits to communities from forests in these target landscapes". The project's geographic coverage includes the Albertine Rift and West Nile, with a focus on selected protected areas (PA): Seven (7) National Parks (NP), Four (4) Wildlife Reserves (WR), 28 Central Forest Reserves (CFR) and 19 refugee host districts. The Ministry of Water and Environment (MWE) is the lead implementing Agency, supported by Ministry of Tourism Wildlife and Antiquities (MTWA), Uganda Wildlife Authority (UWA) and National Forestry Authority (NFA).

The project is structured into four components: 1) Improved Management of Protected Areas; 2) Increased Revenues and Jobs from forests and wildlife protected Areas; 3) Improved Landscapes Management in refugee hosting areas; 4) Project Management and Monitoring.

Financial Performance

The financial performance of the project was poor in terms of disbursements/releases and expenditure. By 31st March 2024, Ug shs 77.52bn (11.75%) of the total project cost was released and Ug shs 25.64bn (33.08% of the release) spent. The project implementation was within the budget since the value[148] of work performed was more than the expenditure[149] as indicated in Figure 3.7.4.

Physical performance

The overall physical progress was poor at 10% and behind schedule[150] by 89% (Figure 3.7.4). The project was affected by one year's delay of loan effectiveness. In addition, late recruitment of project staff, delayed procurement reviews, inadequate coordination and capacity gaps hindered timely execution of outputs. The electric fencing and marram roads construction were lagging among others. The outputs under investments in tourism, forestry, establishment and training of Community Forest Management groups were still under procurement, which affected performance. Nonetheless, achievements registered included; 1,705ha degraded CFRs in Itwara, Kibego and Rwensambya restored; invasive species removal from national parks, buffalo trenching and a draft curriculum for Nyabyeya Forestry College.

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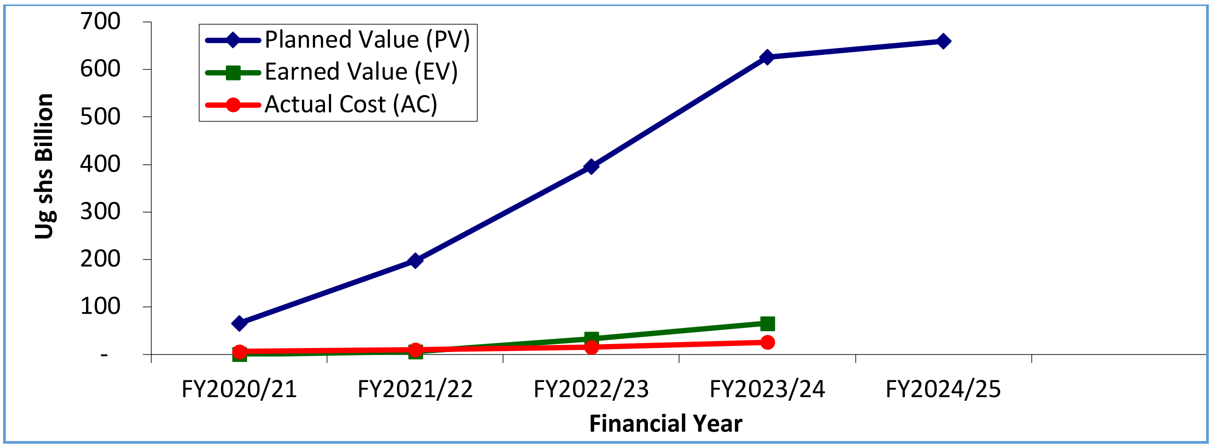
[147] Exchange rate is US$ 1 = Ug shs 3700
[148] Earned Value = Ug shs 65.93billion
[149] Actual Cost = Ug shs 25.59billion
[150] Schedule Performance Index = 0.11

Figure 3.7.4: Performance trend of the Investing in Forest and Protected Areas for Climate Smart Development Project as at 31st March 2024



Source: Author's compilation from IFMS data, UG IFPA CD Project Progress Report February 2024

The detailed progress of work is presented below:

Component 1: Improved Management of Protected Areas

This component has four sub components namely: (i) Improvement of Infrastructure and Equipment for the Management of Forest Protected Areas, (ii) Increasing the involvement of local communities in the management of forest and wildlife areas by increasing their access and benefits from those areas, (iii) Restoration of degraded natural forests and habitats in wildlife and protected areas and (iv) Increased Forest protection in CFRs and WRs in close proximity to refugee settlement.

The targets for improvement of infrastructure and equipment management included invasive species management in 2500ha, 25km of trench, 162km of electric fence, 16km buffalo constructed, 80km of marram roads established and maintained, and 207 Walkie Talkies and 55 Very High Frequency (VHF) procured for UWA.

A total of 2,058 ha was cleared of invasive species from six (6) protected areas; 21.8km of trench, 4 km of electric fencing and 3km of buffalo wall was constructed. The fence was electrified using solar and instances of animal invasion in the surrounding community had reduced. The road construction equipment for QENP were delivered and the marram roads establishment had just commenced and the draft Terms of Reference (ToR) for CFR roads was under review by Ministry of Works and Transport. A total of 100 Walkie Talkie, and 12 VHF were procured

The targets for increasing the involvement of local communities in the management of forest and wildlife areas, were to establish 19 Community Forest Management (CFM) groups and train 40 groups in tour guiding. The procurement of a consultant for the establishment of 19 CFM groups was at bid evaluation stage, while the concept note for training of the 40 CFMs was shared with the World Bank for clearance. However, existing Collaborative Resources Management (CFM) groups under UWA were trained and supported with livelihood supplies and skills enhancement such as bee hives, cook stove and briquette making among others.

For restoration of degraded natural forests and habitats in wildlife and protected areas, the project targeted 1,705ha for restoration planting of degraded CFRs in Itwara, Kibego and Rwensambya; and supply of 194,395 seedlings for enrichment planting in 1,279ha. The restoration planting was 100% achieved.

For increased forest protection in CFRs and WRs, the target was to produce 600,000 seedlings for enrichment planting of 1,500ha and restoration planting of 720ha. The NFA was raising the seedlings for enrichment planting, while restoration planting was archived.

Component 2: Increased Revenues and Jobs from forests and wildlife protected Areas

This component has two sub components: (i) Investments in tourism and (ii) Investments in productive forestry.

The plan for investments in tourism were: (i) Construct and equip three Visitor Information Centers (VICs); (ii) construct canopy walk in Budongo CFR; and (iii) develop two (2) picnic sites, board walks, and 10 bird hides.

The processes to achieve these targets were ongoing respectively: The Environment Social Safe Guards (ESIAs) for the three VICs were submitted to NEMA for approval and the draft ToRs for canopy walk in Budongo CFR were approved for consultant procurement. The NFA ToRs for tourism infrastructure developments, including picnic site, bird hides and board walks were under review by the World Bank.

For investments in productive forestry, the projects' targets were; to support implementation of the business plan for the Uganda Timber Grower's Association (UTGA); development of curriculum for diploma and certificate courses for Nyabyeya Forestry College, and procurement of equipment for the wood processing hub of the college.

The ToR and specifications of the UTGA Business Plan were prepared and submitted for review. A draft curriculum for wood processing and forestry courses, encompassing both diploma and certificate levels, were developed and submitted for approval to the National Council for Higher Education and the National Curriculum Development Center. Specifications for the wood hub equipment were drafted.

Component 3: Improved landscapes Management in refugee hosting areas

The component has two sub components: (i) Increased tree cover on community and private land and (ii) Supporting farm forestry for refugee fuelwood supply.

For increased tree cover on community and private land, the targets were to develop the following; an inventory and management plan for woodlots in Kyangwali refugee settlement, 17,700 ha of household plots through intensive mixed use agroforestry systems, and 10 management plans for the management and protection of natural forests outside protected areas/community forest.

The draft management plan for Kyangwali was developed. The contract signing for sustainable land use practices on household plots and 10 natural forests management plans service providers were pending the Solicitor General's approval.

In regard to supporting farm forestry for refugee fuelwood supply, the targets were: Supply of 500,000cm^3 of fuel wood to refugees (162,000cm^3 annually); 18 motorcycles procured and distributed to District Local Governments for oversight and support of environment and forestry activities, 36,000ha in refugee settlements utilized to trigger farm forestry for incomes and jobs; and Hire of five (5) Monitoring Officers to ensure effective implementation and monitoring of forestry and environmental management activities in refugee-hosting areas.

Framework contracts for fuelwood supply were signed, delivery was waiting issuance of call-off orders. The motorcycles were procured and delivered to the ministry stores, pending distribution. Sourcing for the suitable provider/ consultant for farm forestry in refugee settlements was ongoing, and the Monitoring Officers were hired and waiting deployment to the selected refugee sites.

Component 4: Project Management and Monitoring

This component supports project management activities to ensure cost-efficient, timely, and quality delivery of project outputs and results, including monitoring and evaluation (M&E) and reporting.

The Project Coordination Unit (PCU) was set up to spear head this component. There was late recruitment of key staff such as the Project Officer, Procurement Officer, and the Social Risk and Management Specialist. Their recruitments and deployment were finalised in the third quarter of FY 2022/23, three years late from project commencement. This affected project performance. Vehicles and office ICT equipment were procured to facilitate execution of this component. Trainings on financial management and procurement, and reporting were undertaken.

Implementation Constraints

1. The late recruitment of the Project Officer, Procurement Officer and Social Risk and Management Specialist affected performance.
2. The delayed procurement reviews (56%-time lag) by the World Bank affected timely implementation.
3. There was limited communication, coordination, and adherence to timelines by the different stakeholders in MWE, MTWA, UWA and NFA.

Conclusion

The IFPA CD project performance was poor at 10% and behind schedule by 89% due to late recruitment of project staff, delayed procurement reviews, inadequate coordination and capacity gaps among others. Achievements were majorly in component one where the road construction equipment were on site, 2,058ha cleared of invasive weed species and 1,705ha of degraded CFRs in Itwara, Kibego and Rwensambya restored. Outputs under component two and three were lagging with procurement still ongoing. Based on the prevailing project performanceand an additional time of 3 years is required to complete the pending targets, which is an indication of very poor schedule efficiency[151].

Recommendations

[151] Schedule Performance Index = 0.11

1. The World Bank/MWE responsible officers should expedite the procurement reviews to salvage lost time.
2. The project coordination unit should devise strategies to enhance communication and coordination among the project implementers.
3. The project should be extended for 3-5 years to complete the works.

3.8 Private Sector Development

The focus under this programme was on two projects: Investment for Industrial Transformation and Employment ("INVITE") and Competiveness and Enterprise Development Project (CEDP) both funded by the World Bank.

3.8.1 Investment for Industrial Transformation and Employment Project - 1706

Introduction

The Investment for Industrial Transformation and Employment ("INVITE") is a collaborative program between the Government of Uganda (Ministry of Finance, Planning and Economic Development (MFPED), and Bank of Uganda (BoU)), and the Private Sector on one hand, and development partners (The World Bank Group, The Swedish International Development Cooperation Agency (SIDA), the United Kingdom (UK) Government, and the Ministry of Foreign Affairs of the Netherlands) on the other hand.

The project was initiated in response to the Coronavirus Disease 2019 (COVID-19) effects that had put Uganda's growth trajectory at risk, thus exacerbating structural constraints, and increasing pressure on the poor and vulnerable, particularly those in urban informal sectors, and Refugee and Host Communities/Districts (RHC/D).

The US$ 200 million INVITE project (of which US$ 96 million is a loan and US$ 104 million is a grant) aims to create private sector manufacturing jobs and increase incomes across Uganda by supporting manufacturing and exporting firms. The INVITE project is to operate a range of products through the Private Sector Foundation Uganda and the Bank of Uganda - INVITE Trust.

The project targets direct beneficiaries are 140,000 Medium, Small and Micro Enterprises (MSMEs) and 120,000 refugees, of these at least 40,000 are expected to be women-led microenterprises. The project seeks to have a focus on the manufacturing and/or exporting supply chains. Other larger-size firms will also benefit from project interventions. The five-year project was expected to start in 2022 and end in 2027. However due to delays in approval, the project effectiveness date was 13th November 2023 and the closing date is 31st January 2027.

Objectives and Scope

The overall objective of the project is to mitigate the effect of COVID-19 on private sector investment and employment and to support new economic opportunities among refugees and hosting communities.

The project is structured around providing liquidity to MSMEs, through three key innovative products designed and adapted for the context:

1. Extending the amortization period of loans providing firms and banks with the capacity to sustain such extensions, buying precious time, and reducing risks of excessive insolvencies (that would otherwise increase the challenge toward economic recovery);
2. Providing liquidity to small and micro firms on better terms to cope with the fall in demand and economic opportunities; and
3. Establishing an innovative factoring facility for MSMEs - the component also supports financial services to RHD communities where transaction costs are high and communities are vulnerable

The project is subdivided into three components:

Component 1 focuses on relief and restructuring phases; supporting the provision of loans to the MSME sector by providing partial credit guarantees and the provision of long-term investment loans using a subordinated loan product, particularly in RHDs; and facilitating investments and expansion of viable and sustainable supply chains in RHDs.

Component 2 focuses on restructuring and resilient recovery phases. The project will also follow key principles such as transparency, financial sustainability, and sharing of the burden of financing with participating financial institutions (PFIs).

Component 3 focuses on building the capability of institutions and firms, which is financed by the Multi-Donor Trust Fund (MDTF), Partnership for Support to the Implementation of the National Development Plan, indicatively of up to US$18 million over the next five years by the Netherlands, the United Kingdom and Sweden.

The execution of the project is through the INVITE Trust at Bank of Uganda and disbursement of funds was set to begin on meeting the conditions set out in the *aide memoir* and project appraisal documents. The conditions include: incorporation of the INVITE Trust; completion of the BoU operational manual; preparation of the BoU INVITE Trust and Private Sector Foundation Uganda (PSFU) Environmental and Social Management Framework (ESMF), and finalization of the Environmental and Social capacity building plan for participating financial Institutes under INVITE Trust.

Financial Performance

The overall budget for the project is US$ 200 million of which only US$ 0.50m representing 0.25% was disbursed by the funders but not utilized by 31st March 2024. Table 3.8 shows the disbursement plan and releases. The earned value of the project was therefore zero given the zero expenditure.

Table 3.8.1 Project Budget and Disbursement Plan and Actual Releases

S/No	Planned Disbursement	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
1	Annual disbursement (US$)	42.10	127.90	10.0	10.0	5.0	5.0
2	Cumulative Disbursement (US$)	42.10	170.0	180.0	190.0	195.0	200.0
3	Actual Disbursement (US$)	0.00	0.50				

Source: World Bank INVITE Project Appraisal Document

Physical performance

By 31st March 2024, most of the planned activities were at inception stage. The INVITE Trust had been incorporated into the project pending; recruitment of critical staff, establishing the Investment Committee and establishing the Environmental and Social Management Framework. These would in turn trigger operationalization of the project. The project was therefore at preliminary stage of becoming functional but behind schedule.

Conclusion

The overall project performance was poor with a zero earned value and the actual implementation had not started. The project was behind schedule. Given the project objective of addressing COVID related constraints, a review of the scope and target beneficiaries may be necessary for better value.

Recommendations

- The implementing partners including; MFPED, BoU and PSFU should expedite the completion of conditions precedent to disbursement of funds to ensure that implementation earnestly begins and avoid further delays.

3.8.2 Competitiveness and Enterprise Development Project - Additional Financing - 1289

Introduction

The initial phase of the Competitiveness and Enterprise Development Project (CEDP) worth US$ 100 million started in 2014 with an initial end date of 2019 (extended to 2022). The overall aim was improving the competitiveness of enterprises in Uganda and contributing to the socio-economic transformation of the country. The objectives included strengthening the role of Government in unlocking investments in strategic economic sectors and strengthening the organizational and institutional capacity of the private sector to drive growth. The Government of Uganda and World Bank funded project is housed at the Private Sector Foundation Uganda (PSFU) and beneficiaries are at various Ministries, Departments and Agencies (MDAs)152.

The project components at its inception included land administration and management reform, business registration and licensing reform, tourism competitiveness and development, and matching grants facility. These were to a great extent successfully implemented by 2021.

It was against that backdrop that Government of Uganda sought to scale up the existing operations through the provision of Additional Financing (AF) worth US$ 98 million to effectively complete the implementation of the land and tourism components while consolidating and deepening both sustainability and impact of the parent project. The AF was approved by the World Bank on 9th November 2020 and became effective on April 6, 2021 with the initial completion date of 30th May 2022 which was revised upwards to 30th May 2024.

[152] Ministry of Lands, Housing and Urban Development, Ministry of Tourism Wild Life and Antiquities, Uganda Registration Services Bureau, Uganda Tourism Board, Uganda Exports Promotions Board, Capital markets Authority, and Uganda Investments Authority.

Scope and Objectives

Under the AF, the overall project development objective is: To support measures that facilitate increased private sector investment in the tourism sector and strengthen effectiveness of the land administration system.

Under the tourism component, the planned outputs are; Uganda Wildlife Education Centre (UWEC) redeveloped, retooled and modernized, Uganda Wildlife Research and Training Institute (UWRTI) reconstructed expanded and transformed into a Centre of Excellence, Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel expansion completed, the UHTTI School and other related facilities completed, Presidential CEO forum offices refurnishing completed and Defects Liability Period (DLP) concluded, Tourism Information Management System (TIMS) fully developed and operational, Uganda Museum refurbished, remodeled, and modernized, Uganda Museum laboratory storage facilities retooled.

The land component has an added objective of creating an efficient and corruption free land administration system by rolling out the Land Information System to all regions of the country, and the capacity of the land division of the judiciary on the technical use of the portals, land records, and access to the National Land Information System (NLIS) strengthened.

The specific out puts include: Construction of the Additional Floor at the NLIC; Enhancement and rollout of the Uganda National Land Information System (UgNLIS); Development of Parish Physical Development Plans; Adjudication and Demarcation of parcels; Systematic Land Adjudication and Certification (SLAAC) of Oyam and Apac districts; Production and issuance of SLAAC Titles; and Development of the Land Valuation Management Information System (LaVMIS).

Financial Performance

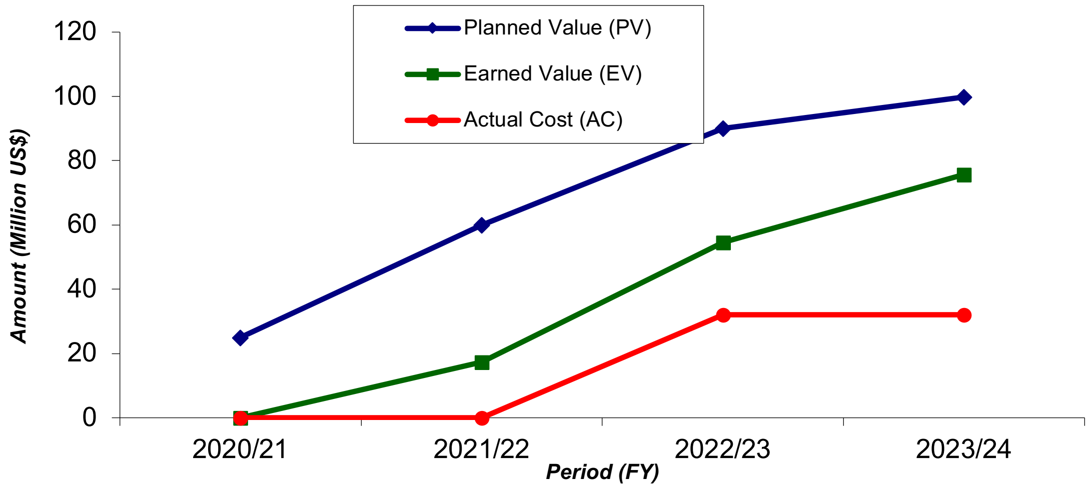
The approved project loan was US$ 99.8m which was revised downwards to US$97.027 owing to foreign exchange rate loss of the SDR to the dollar. A total of US$51.7m is allocated to the land administration component; US$ 41.6m to Tourism component and US$3.5m to project administration with the project financial closure slated on 30th May 2024.

By 31st March 2024, US$ 62.436m (64%) had been committed of which US$33.121 were spent (53% of disbursed) while US$ 35.308 was earmarked for ongoing procurements. Only 39% of the land component had been disbursed and spent compared to the tourism component which was at 59% but both were behind schedule. The poor uptake of resources was associated with low commitment of the implementers at MoLHUD, administrative reviews associated with procurements and cash flow constraints by some of the contractors. The trends in financial performance are shown in figure 3.8.1. It highly unlikely that the remaining period to project closure is adequate to have the funds absorbed.

Physical performance

The cumulative earned value of the project was estimated at US$ 75.7m against the planned value of US$ 97m. this was because a number of disbursement linked indicators had not been paid. The cost performance index shows that the project can be executed within the budget while the schedule performance index shows that the project is behind schedule.

Figure 3.8.1 CEDP performance by 31st March 2024



Source: PSFU

The progress on each planned output is discussed hereunder;

1. Uganda Wildlife Education Centre (UWEC), in Entebbe redeveloped, retooled and modernized: The contract was awarded to Seyani International at a sum of Ug shs 12bn with Studio FN as the supervising consultant. The scope of works includes; a National Wildlife hospital block extension, administration block extension, chimpanzee enclosure building, Kidepo fencing, aviary, African hunting dog enclosure building, elephant enclosure, car park and road works.

The works commenced on 03rd October 2023 with the expected completion date of 30th May 2024. By 31st March 2024, the overall physical progress was at 56% against 37% financial progress and 70% -time progress.

The contracts for UWEC Information, Education, Communication and Marketing (IEC&M) materials including; Public shades and trash bins, design, construction and installation of animal sculptures, directional signage, information boards, and billboards were under implementation with most of the sculptures installed along Entebbe road.

2. Reconstruction, expansion and transformation of the Uganda Wildlife Research and Training Institute (UWRTI) into a centre of excellence in Kasese: The contract worth Ushs 12.5 bn was awarded to Ambitious Construction Company with a start date of 26th September 2023 and end date of 25th June 2024. The supervising consultant is Strategic Friends International. The scope of works includes; construction of a perimeter wall, gate and gate house, chain-link, 2-story administration block, 2-story classroom block, powerhouse, access road to office from the gate, animal protection trench, perimeter wall and supply of furniture.

By 31st March 2024, the overall physical progress was at 65% against a time progress of 72% and financial progress of 42%. The slow progress was attributed to change of site to a bigger location which necessitated design reviews and approvals. All outputs were initiated and at varying levels of progress. The pending works include; chain-link installation, and landscaping.

3. Completion of the Uganda Hotel Tourism and Training Institute (UHTTI) three-star application Hotel, training school and other related facilities in Jinja:

The phase 1A consisting of hotel block, 50 Guest rooms, conference room, kitchen and reception were completed and were under defects liability. The equipping and retooling of the institute by CEDP was ongoing including the installation of public address system in the conference hall, television screens, bar, kitchen and laundry equipment.

Phase 1B consisting of 32 additional hotel rooms (second floor) and a service lift was contracted to M/s ROKO construction company. The overall progress of Phase 1B was estimated at 78% against 100%-time progress. The contractor was experiencing cash flow constraints and had slowed down on operations at the site.

Phase II construction of the training institute was contracted to M/s CRJE East Africa Limited under the supervision of Symbion Uganda for a period of nine months starting from 21st September 2023 to 20th April 2024. The scope of works was demolition of old structures, construction of a classroom block, administration block and a multi-purpose hall.

The overall physical progress was 40% against, 85%-time progress and 46% financial progress (including advance payments). The old structure was demolished and the super structures for the classroom block, administrative block and multipurpose hall were under construction. The pending works included: the gate house, installation of electro-mechanical services and external works (landscaping and compound paving). The project was delayed by late approval and issuance of the demolition permit by the Jinja City Council, and inclement weather in the months of November 2023 through February 2024.

4. The Tourism Information Management System (TIMS) developed and operational: The design of the TIMS was in the final stages with the prototype in place and the consultant was preparing to train the internal system users.

5. Uganda Museum refurbished, remodeled, modernized and the lab storage facilities retooled: The development of schematic designs and Bills of Quantities (BoQs) for the Uganda Museum planned infrastructure were finalised and the World Bank approved the process of acquiring the contractor to undertake civil works. The bidding documents for construction were submitted to the World Bank for review and a no objection. However, this activity is less likely to be realised if there is no time extension provided to the project given the scope of works.

All the works under CEDP project started late and the project runs a risk of not completing the works before the loan expiry if time extension is not granted. The Uganda Museum signed a Partnership Agreement with an international museum to modernize and improve its management.

Land administration component: The following had been achieved:

Progress was made in the enhancement and automation of the NLIS and version 7.0 was rolled out to the 22 Ministry Zonal Offices (MZOs) with enhanced capacities including Short Messaging Services (SMS) notification to registered land owners. The portal was functionalised and can be accessed on https://www.ugnlis.mlhud.go.ug/.

Under the systematic registration of communal and individually owned land; the grievance redress mechanism committees were established, the Systematic Land Adjudication and Certification (SLAAC) data processing centre was functionalised. A total of 4502 certificates of titles were processed and 1597 issued. A master's degree programme in land management at

Makerere University was launched and 10 government staff enrolled and funded to undertake the training.

The procurement of assorted ICT equipment for MZOs and other institutions was ongoing and new printers for land titles had been delivered to the MZO. The **7**2 new parish physical development plans were integrated into the NLIS. 10,000 new titles were registered in the system out of which 4,000 are for women individually or jointly. Other outputs including construction of additional floor at the NLIS had not started or were under implementation.

The reviewing and developing of land related laws had not been initiated and a number of disbursement linked indicators remained pending. The performance of the land component was behind schedule as compared to the tourism component.


L-R: Installed fence and gate of Kidepo enclosure and elephant swimming pool at UWEC in Entebbe


L-R: New Animal Hospital at roofing level and a paved parking and UWEC in Entebbe


L-R: Front view of the UHTTI and a furnished sample bedroom Jinja


L-R: Construction of the UHTTI classroom block and installation of Kitchen ware and ceiling in the hotel wing in Jinja


L-R: Landscaping of the front compound and a partially roofed UWRTI in Kasese


L-R: Filled land registry in Jinja and boxed equipment at the department of surveys in Entebbe

Implementation constraints

- Delay in approval of the project. There was a delay in approval of the project by the different Stakeholders and consequent delay in effecting its operations.
- Exchange loss between the SDR and USD. Approximately USD 2.8 Million has been lost as a result of the SDR-USD exchange. This will greatly affect the budget and activities to be implemented under the Project.
- Delays in signing of major contracts. Due to the large amount of funds coupled with administrative reviews, securing "No objections" from the World Bank and clearance from the Solicitor General.
- Poor contract management mainly under the Lands Component and poor institutional ownership of the project.
- Inadequacy of the budget ceiling to allow effective project implementation

Conclusion

The overall physical progress was fair at 56% and the project was behind schedule. The cost performance index (CPI) shows that the project is operating below the planned budget with a value of 2.36 million US$ and has spent less money as compared to the value of work completed as indicated by the cost variance (CV) of 43.64 million US$. However, activities are behind schedule as shown by the schedule variance (SV) of -24.10 value. It was observed that the project is less likely to be completed within the remaining project time given the delays in procurement and implementation.

Recommendations

- The MoLHUD and PSFU should expedite implementation of all activities in the remaining time period and streamline contract management.
- The MFPED should engage with the World Bank to extend the project financial closure by 12 months to enable completion of all pending activities.
- The PSFU and MFPED should adjust the budget and activities in order to cater for the exchange rate loss or find counterpart funds to bridge the deficit of US$ 2.5m.
- The PSFU and MFPED through the project steering committee should regularly engage with PPDA and World Bank to resolve the administrative complaints in time to avoid further delays.

3.9 Regional Development

3.9.1 Project for Restoration of Livelihoods in the Northern Region -1381

Introduction

The Project for the Restoration of Livelihoods in the Northern Region (PRELNOR) is a development initiative aimed at supporting communities in the northern region that had been affected by conflict and natural disasters. The project is financed by; Government of Uganda, with a grant from the Adaptation for Smallholder Agriculture Programme (ASAP), a loan from International Fund for Agricultural Development (IFAD) and a contribution from project beneficiaries. The detailed project profile is in Table 3.9.1

Table 3.9.1: Project Profile

Project Title	**Project for the Restoration of Livelihoods in the Northern Region (PRELNOR)**	
Project Goal	Increased income, food security and reduced vulnerability of poor rural households in the project area.	
Project Development Objective	Increased sustainable production, productivity and climate resilience of small holder farmers with increased and profitable access to domestic and export markets	
Key Project Outcomes	Poor farm families have increased resilience through sustainable use of natural resources and improved agricultural productivity Improved access to efficiently operating markets with increased utilization of market information	
Date of Loan signature	10th July, 2015	
Project Start dates	Start 5th August ,2015	End 31st March ,2023
Project Extension	From: November, 2022	To: 31st March ,2024.
Project budget	US$ 70.9 million	
Funding sources	IFAD(US$ 50.2 million) ASAP Grant(US$ 10 million) and Government of Uganda(US$ 9.29 million),Beneficiary contribution (US$ 1.494 million)	
Project expenditure	US$ 65 million	
Lead Government Agency/Ministry	Ministry of Local Government (MoLG)	
Implementing Districts	Agago, Amuru, Gulu, Lamwo, Kitgum, Nwoya, Omoro, Pader and Adjumani	

Source: Project progress reports

Project Components

It was implemented through three components:

a) The Rural Livelihoods component focusing on improving agricultural production and productivity, especially of selected crop enterprises such as cassava, rice, maize and beans; and climate resilience. This had two major sub-components: (i) Community planning and capacity development, and (ii)Priority climate resilient crop production systems.

b) The Market Linkages and Infrastructure component focusing on supporting farmers' organizations to engage in organized marketing and also improving on market infrastructure by constructing community access roads (CARs).
c) The Programme Management and Coordination unit facilitated management, procurement and monitoring and evaluation.

Financial Performance

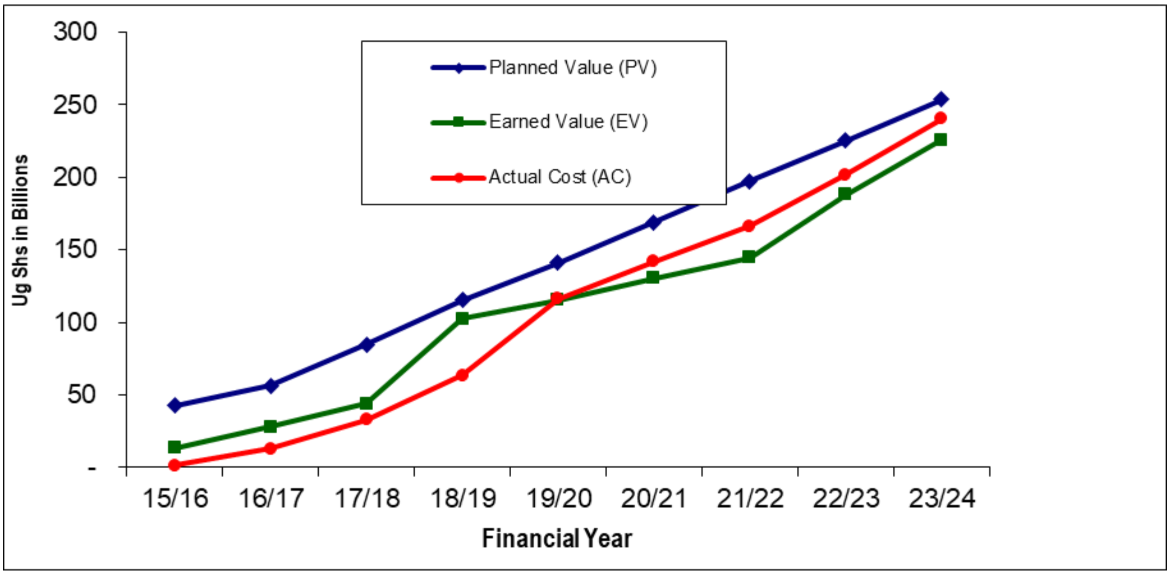
The overall cumulative disbursement was at US$ 65 million (92%). The loan was at US$ 47,773 million (95%) while the grant was at US$ 9,411million (94%). However, only US$ 6.145 million (66%) of the GoU was disbursed with no contributions from project beneficiaries. The financing closed on the 31st March, 2024 with the project operating over the budget[153] as shown in figure 3.9.1. This was partly attributed to foreign exchange rate losses and failure by the beneficiaries to contribute as planned.

Physical Performance

The physical performance was good at 90%. Most of the planned targets under the live hood component were met and key accomplishments under the infrastructure component included the construction of 1084km out of the planned1220km of community access roads, 20 multi-span bridges, and 43 box culverts. Additionally, 646 of the planned 600 Community-Based Natural Resource Management (CBNRM) initiatives plans were implemented, and all the planned 1,800 farmer groups were identified.

However, certain tasks such as completing the Aswa bridge in Nwoya District Local Government, construction of the six satellite markets, road segments and construction of the three bulk markets were incomplete due to financial and procurement challenges. The earned value at project closure was less than the actual cost implying over expenditure on the completed planned outputs as shown in Figure 3.9.1.

Figure 3.9.1: Performance of the PRELNOR Project



Source: PRELNOR Financial reports FY2023/24

Component A: Rural Livelihoods

Sub-component A1: Farmer Group (FG) Capacity Building. All the targeted 1,800 FGs had their capacity building completed in areas of as farmer group action planning, enterprise selection, financial literacy, group governance and mainstreaming of cross-cutting areas (HIV/AIDS, nutrition, and gender. The enhanced capacity equipped the FGs to make informed decisions, manage their enterprises effectively. and address critical issues within their communities.

Mentoring of Vulnerable Households (VHHs): The mentoring program for 10,000 vulnerable households was completed and provided US $120 food security grants for agricultural inputs, leading to increased yields, crop sales, income, and empowerment of women. The training resulted in enhanced food security, improved agricultural productivity, and greater empowerment of women in the targeted communities.

Members of Yaa- ber Farmer group in Kitgum district harvesting their cassava demonstration field.

Sub-component A2: Priority Climate-Resilient Crop Production Systems:

Technical support was provided to 1,800 farmers' groups, emphasizing sustainable production and marketing of major staples such as maize, cassava, rice, and beans. Despite challenging weather conditions, these practices led to 26-70% higher crop yields in the demonstration plots.

Smallholder Mechanization Technologies: Smallholder mechanization services were provided by training 75 host farmers and equipping them with animal draft power implements. 445 participants learned to use oxen for farming tasks. Post-harvest support included motorized cassava chippers and rice threshers for 50 farmers, improving cassava flour quality and rice threshing efficiency significantly. The motorized rice threshers handle 20-40 bags of rice per day, compared to the manual average of 3 bags per farmer.

Mobile Plant Clinics: In collaboration with the Centre for Agriculture and Bioscience International (CABI) Uganda and the Ministry of Agriculture, Animal Industries, and Fisheries (MAAIF), 51 plant doctors were trained from the extension personnel team to assist farmers in diagnosing pests, diseases, and soil conditions, providing effective management recommendations. These plant doctors conduct mobile plant clinic sessions to empower farmers to accurately diagnose issues and make informed decisions on the use of agrochemicals, promoting food safety and environmental protection.

Local Seed Production (LSBs): PRELNOR collaborated with Zonal Agricultural Research and Development Institutes (ZARDIs) to produce foundation seeds for 27 farmer groups, surpassing the project goal. This partnership facilitates farmers' access to high-quality seeds and enables LSBs to generate higher income through seed production. LSBs are engaging with ZARDIs to pre-purchase foundation seeds, cover inspection costs, boost seed sales, and transform seed production into a profitable and sustainable venture. Averagely, if each household produced seeds in only 0.5 acre, the return to each member would be at least in the range of Ug shs 450,000 – 850,000, depending on the seed crop.

Automatic Weather Stations (AWS): The project installed 6 weather stations and rehabilitated 15 in collaboration with the Uganda National Meteorological Authority. Weather forecasts were disseminated to farmers through various channels, and ICT equipment was procured to support Uganda National Meteorological Authority (UNMA) in capturing, analysing, and sharing weather data.

This initiative has benefited 721,875 individuals, including 378,534 females and 343,341 males, who now have improved access to and utilize weather information for planning agricultural activities. Furthermore, two automatic weather stations in Itirikwa and Adjumani Town Council in Adjumani district were maintained as part of the project's efforts.

Community Based Natural Resource Management (CBNRM):A total of 646 community groups engaged in Community Based Natural Resource Management (CBNRM) practices are enhancing climate resilience in targeted agricultural livelihoods through water management, afforestation, and improved land-use. They have planted 4.84 million tree seedlings across 12 species, covering approximately 197,911 hectares of land. Additionally, 19,960 beehives were installed, with a high colonization rate, and 316 bulls integrated into CBNRM enterprises for land preparation. Notably, in 2020, 1,200 households in Pader district harvested 52,800 kgs of honey, generating Ug shs 528,000,000 in revenue with each household receiving Ug shs 440,000.

Renewable Energy Technologies: The project installed 89 cook stoves, 95 solar systems, and 1 biogas unit in public institutions. Furthermore, 27,943 domestic cook stoves were distributed to 10,134 vulnerable households and volunteers, along with 16,931 households by local artisans, A total of 400 artisans, including 200 females, were trained to build, operate, maintain, and promote energy-efficient cook stoves. The use of renewable energy technologies 65% reduction in fuel wood dependency, 50% less cooking time, 42% less time spent collecting fuel wood by women, 67% lower fuel wood expenses, improved school attendance and study time, and better health service delivery. This was evidenced in Lukome Senior Secondary School in Gulu District and Lukwir Primary School in Omoro District.


L-R: Institutional cook stoves at Lukome S.S in Gulu District, Lukwir Primary school in Omoro

Component B: The Market Linkages and Infrastructure Component

This had two major sub-components; and (a) Market access infrastructure. (b). Improved market access processes. The objective of improved market access processes was to establish effective management systems for satellite markets and bulk markets.

Sub component: Market access infrastructure

Community Access Roads (CARs): The community access roads project initially aimed to construct 1,550 km of all-weather roads but reduced the target to 1,220 km due to budget constraints. Ultimately, 1,138 km of roads were successfully built, achieving a 93% completion rate. These roads have significantly improved access to schools, markets, and health centers, enhancing Government service accessibility, increasing school enrollments, and improving community health outcomes.

The inclusion of bridges in most roads has connected isolated communities to essential services and enabled trucks to reach previously cut off villages to pick produce that would have been much more difficult to evacuate to the market.

However, some bridges, like the Aswa bridge in Nwoya district, remain incomplete due to financial constraints by the respective LG, delaying vital connections to schools, health centers, and markets. Other challenges included incomplete road lengths; 32 km of batch C and 10 km of batch B due to insufficient funds. The poor maintenance of some roads constructed led to clogged drains, as seen in the Ochin corner-Agula-Dino-Malaba (35.5 km) road.


L-R: Rehabilitation of corner Pa Lagara-MonrocMarket(14.3Km) climate resilient CAR in Bugangatira subcounty Gulu Clogged gullies at corner-Agula-Dino-Malaba (35.5Km)

Improved Market Processes


L-R: Completed Lokole satellite market in Agago District and , Opit satellite market in Omoro

Three Bulk and 8 Satellite Markets: Two out of the planned eight satellite markets in Omoro and Agago districts were constructed using the force account modality. However, despite being complete, the Lokole satellite market in Agago and the Opit market in Omoro districts remain non-operational as final touches are being made and tender advertisements are being put up, respectively. Unfortunately, the construction of the three bulk markets faced delays due to procurement issues and subsequent funding shortages caused by foreign exchange losses in exchange rates.

Conclusion.

The overall project performance was good with cumulative physical progress at 90%. The loan financing closed with disbursements at 95%. The key outputs including integrating farmers into the commercial sector, developing infrastructure, implementing mentorship programs, and building community access roads were substantially achieved. These efforts raised incomes, reduced poverty, and enhanced economic well-being in the region. However, some civil works were partially undertaken such as some access roads and the Aswa bridge in Nwoya District due financial constraints.

The three bulk markets and six satellites were not constructed as planned primarily due to procurement delays and funding constraints resulting from exchange rate fluctuations. At the time of project closure, the earned value was less than the actual cost implying that the outputs achieved were more than what was budgeted for. The Cost Performance Index was less than one[154] which indicates cost overruns.

Sustainability Issues

Incorporating sustainable measures in the initial project design phase is crucial for its success. The PRELNOR project showcased this by integrating programs such as transferring technical services to Local Government, promoting advanced technologies, and linking farmers to input markets. However, the sustainability of these initiatives post-project may be hindered by funding challenges if Local Governments do not receive adequate financial support.

Lessons Learnt

1. Community engagement and ownership: Active involvement of local communities in project planning and implementation fosters a sense of ownership and responsibility. Projects are more likely to be sustained post completion when beneficiaries are invested in their success.
2. The approach of community empowerment through capacity building of the beneficiaries and all stake holders and provision of farm inputs is an effective approach to mind-set change with positive implications for increased production and productivity
3. Community access roads, timely dissemination of market information, appropriate agricultural mechanization and linking roads infrastructure to productive areas can quickly increase agricultural production and productivity, and house hold.
4. Women were more proactive than men within the livelihood intervention component. The initial design was to have equal numbers of men and women in farmer groups but women appear to have had better response and I most cases were already organized groups at village level. The men were found to be impenitent and wanted quick results from interventions.

[154] with a Schedule Performance index of 0.94

3.9.2 Local Economic Growth Support Project (1509)

Introduction.

The Local Economic Growth Support (LEGS) Project is a Government initiative to improve household incomes for small holder farmers in selected districts through increased agricultural productivity and development of priority value chains. The Project is financed by Government of Uganda, and the Islamic Development Bank (IsDB). The project profile details are in Table 3.9.2

Table 3.9.2: Project Profile

Project Name	Description
Project Goal	To improve individual and household incomes in districts that,have low levels of water availability for both production and domestic use.
Project Development Objective	To enhance agricultural production and productivity through; (i) Water for Enhanced Agricultural. Productivity and Environmental Conservation and (ii) Support to Value Chain Development.
Coverage	Component A: Alebtong, Bunyangabu, Gomba, Kabarole, Katakwi, Kibuuku, Kumi, Kyenjojo, Nakaseke, and Ntoroko districts. Component B: 10 districts of Component A and an additional 7 namely – Adjumani, Buikwe, Buyende, Luweero, Nwoya, Rukungiri, and Tororo.
Lead Agency	Ministry of Local Government
Total project cost	USD 50.4 million to be contributed as follows: US$ 43.0 million by IsDB, US$ 4.8 million by GoU; US$ 2.60 million community input[155].
Project Financier	Islamic Development Bank (IsDB)
Date loan declared effective	7th January , 2018
Date signed	25th February, 2019
Original completion date	30th June ,2022
Revised completion date:	31st August ,2025

Source: LEGS Progress Reports

Key Planned Outputs

- Water harvesting schemes rehabilitated and constructed in 7 project sites
- 157 km of community access roads rehabilitated
- Installed community based and shared solar panels with accessories in 6 sites
- Constructed 10 community-based bio-gas structure
- Provide 24 heavy duty tractors and 600 walking tractors with accessories for agricultural mechanization
- 6 milk collection centers constructed and equipped with equipment
- Installed agro-processing plants in 12 sites in collaboration with cooperatives/unions

[155] Community Contribution is either in Kind or In Cash. The In-kind Contribution includes Land, Labor, Local Materials, participation in Community Meetings, etc.

- Renovate 11 bulk marketing sites
- 15,000 small holders supported with rural microfinance for agricultural inputs

Financial Performance

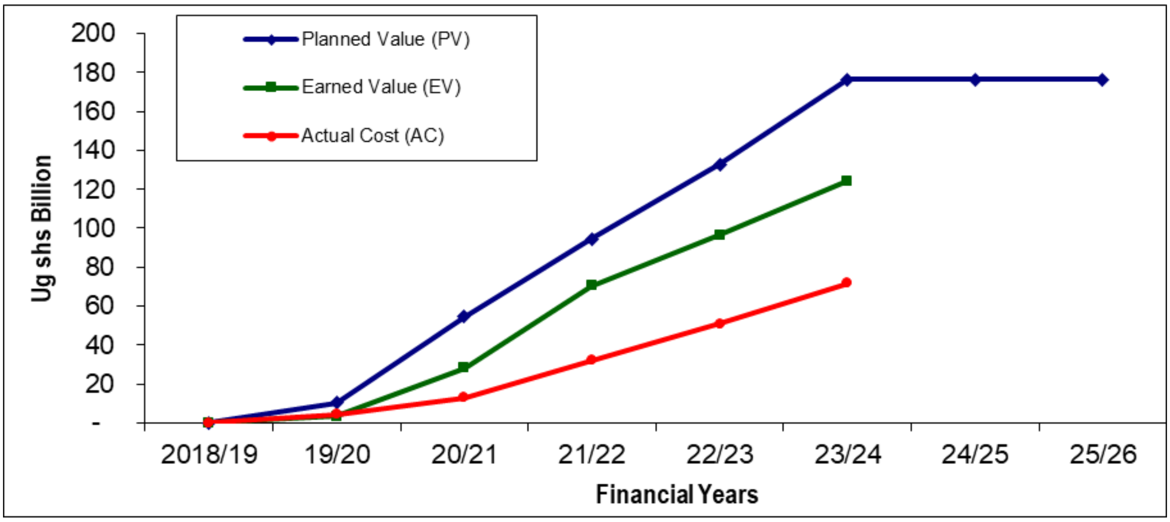
The overall project budget is Ug shs 176.4 billion of which Ug shs 159 billion (90%) was disbursed and Ug shs 72 billion (45%) of disbursed funds spent representing poor absorption of funds. Within the unspent amount, Ug shs 68 billion was encumbered to unpaid interim payment certificates (IPCs) to the contractors by 31st March, 2024.

Physical Performance

The physical progress was fair at 67%, with the remaining civil works scheduled to be completed within the approved no-cost extension period. The key achievements included; construction of 133Kms (85%) out of the planned 157 kms of community access roads, two (100%) multipurpose bulking centers were completed and operational.

The project experienced delays in the first two years after loan signing but was currently on schedule.[156] Figure 3.9.2 shows the performance of the project with a higher earned value against actual cost due to pending payment of IPCs.

Figure 3.9.2: Performance Trends of the LEGs Project



Source: LEGS project financial reports

The Project is implemented under three components;

Component A: Support to Rural Infrastructure for Enhanced Agricultural Productivity and Environmental Conservation

Introduction

This component aims at improving rural infrastructure with major focus on developing water resources for irrigation and domestic use. This is implemented through three sub-components, with each sub-component having a set of activities with clear deliverables and these are; Water for production, water for consumption, irrigation –farm access –market roads, bulking and storage facilities, markets, milk coolers, agro –processing units, environment and natural resources management, and community Institutions to manage the facilities.

Construction/Rehabilitation of 7 Valley Tanks, Surface Water Schemes:
A total of 3 valley dams are in advanced stages of procurement and these are; Rwakibira valley dam in Gomba district, Kajamaka valley dam in Kumi district and Kinoni water pipeline in Nakaseke district. Due to limited inhouse capacity, the Ministry of Local Government (MoLG) leveraged expertise from Ministry of Water and Environment(MoWT), Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and National Environment Management Authority (NEMA) to prepare the designs.

Construction and/or Rehabilitation of 8 Valley Tanks, Surface Water Schemes (Consumption)
Completed the construction and commissioning of only 3 out of the planned 8 water GFS. These are: Kaizikasya gravity flow scheme in Kyenjojo district, Bunaiga Gravity Flow Scheme in Bunyangabu district and Alanyi water supply and sanitation project in Alebtong district. The quality of civil works was good.

The remaining 5 gravity flow schemes in the districts of; Kumi, Katakwi, Ntoroko, Kabarole and Gomba were at different stages ranging from 55% to 80%. The Kanapa Piped Water System in Kumi was at the lowest level of completion (55%) because of the Contractor's weak financial capacity. It was reported that the water systems shall be completed by August, 2024.


Left: Beneficiary fetching water at the free water point in Bunaiga in Bunyangabu district, Right: Ongoing civil works at Kanapa piped water supply in Kumi District

Construction/ Rehabilitation of 157 Kms of Community Access Roads (CAR).
Completed the construction/ rehabilitation of 133Kms (85%) out of the planned 157kms in the districts of Alebtong, Bunyangabu, Gomba, Nakaseke and Kumi.The civil works were of good quality. However, the rehabilitation of 2 CARs in the districts of Kyenjojo and Ntoroko are in advanced stages. These are: - Rwebisengo Kiranga (7.0km) CAR in Ntoroko district with 66%. Works were affected by heavy rains with some sections of the road flooding, Kijjanabirora - Bweyayo (12 Kms) CAR in Kyenjojo district– 95% (substantial completion).

L-R: 30.3kms Kyayi Kyabagamba road in Gomba District, incomplete Rwebisengo Kiranga road (7kms) in Ntoroko District

Construction of the 2 Multipurpose Bulking Centers
The two multipurpose bulking centers were completed, commissioned and handed over to the communities and these were; Ongongoja multipurpose bulking center in Katakwi district and Goli Goli multipurpose bulking center in Kibuku district. The quality of the civil works is commendable. Currently, communities are receiving institutional and business development support to ensure sustainable management and utilization of the facilities.

L-R Completed Goli-Goli Bulking center in Kibuku District; Ongongoja Multipurpose Bulking and Storage Facility in Katakwi District.

Construction of 6 Milk Collection Centers

Out of the planned target of six milk collection centers, only one is so far completed and operational that is Tisai MCC in Kumi district. The construction of the additional civil works for the remaining five milk centers is ongoing, with delays partly attributed to the elaborate procurement process and in other instances delays by contractors to report onsite coupled with weak cashflows.

Particularly, the contractor for the Katooke Milk Center in Kyenjojo district abandoned the site due to financial constraints. The Ministry of Local Government (MoLG) is currently in the process of terminating the contract.

Construction of 11 Processing Plants for Select Crops (Maize, Ground nuts, Sesame Seeds, Coffee)

Four (4) out of the eleven (11) Agro-processing facilities (APFs) were completed and commissioned. These are: Rwimi rice processing plant in Bunyangabu district, Kigoyera maize processing and storage in Kyenjojo district, Itojo rice and maize factory and Nombe coffee processing facility in Ntoroko district. The quality of civil works and processing machines installed at the facilities were rated as good.

The remaining 7 processing units are at different stages of implementation ranging from 59% to 90% All processing facilities above 70% were awaiting connection to the national hydro power. However, Ocorimongin rice processing plant in Katakwi district was at 45%. The delays are attributed to the poor performance of the contractors majorly resulting from weak financial capacity. It was noted that the contractor had abandoned the site for over three months.


L-R Rwimi Rice processing and storage plant in Bunyangabu District, incomplete Ocorimongin rice processing facility in Katakwi district

Construction of Storage Facilities and Market Sheds

Completed and commissioned 5 out of 11 market sheds. These are: Katalekamese and Magoma roadside markets in Nakaseke district, Alebtong market shed in Alebtong district, Ocorimongin market shed in Katakwi district, Saala market in Kibuku district and Kagera market in Bunyangabu district is yet to be commissioned. The quality of civil works was good. The remaining 7 markets were at different levels of completion ranging from 50% to 72%. However, the Kadama livestock market civil works were very slow due to the financial incapacity of the contractor.

Functional Katalekamese Market Shed in Nakaseke District

Set Up 6 Shared Solar Mini-Grid Systems: The only shared solar mini grid system was at Tisai Island which was completed at 100% and the quality of civil works was good. The shared solar mini-grid system has provided lighting for households and electricity businesses such as saloon, kiosk for cold drinks, charging services in Kumi district.

Completed shared solar mini-grid system at Tisai in Kumi District

Contracts were awarded for the setup of 6 Solar mini grid systems. The civil works were procured in 2 Lots: Lot 1 - Gomba, Nakaseke, Kabarole & Kyenjojo Lot 2 - Katakwi, & Kumi.

Execution of the contracts is at 30% and this is attributed to the procurement process that took long due to their specialized nature.

Establish Community Led Artificial Insemination (AI) Units.

The Millennium Promise Alliance and the Ministry of Local Government have collaborated to establish 90 Community LED Artificial Insemination Units in dairy farmers' cooperatives[157]

[157] Maddu Diary Farmers' cooperative – 8 Community LED Based AI Technicians, Kifampa/ Kabulasoke Diary Farmers' cooperative – 8 Community LED Based AI Technicians, Katooke Diary Farmers' cooperative – 12 Community LED Based AI Technicians,Buwana Diary Farmers' cooperative – 10 Community LED Based AI Technicians, Ntoroko Diary Farmers' cooperative – 12 Community LED Based AI Technicians, Buseeta Diary Farmers' cooperative – 8 Community LED Based AI Technicians

(100%). They trained and equipped community-based AI technicians with toolkits to provide AI services, focusing on delivering of AI kits for increased coverage and efficiency.

Establish Community Biogas Systems in 10 Sites.

The Project supported the districts to establish 10 demonstration sites for biogas units, and 10 Institutional energy savings cook stoves. The biogas units were installed at homes of selected model farmers while the institutional energy savings cook stoves were constructed at selected public institutions –schools and/or health centres.

The project also financed the training of 150 local artisans (15 per district). The local artisans received training on the installation of biogas units, construction of Institutional and household energy savings cook stoves, and manufacturing of agro-waste charcoal briquettes.

The local artisans were to use these skills to startup businesses with the aim of bringing the products closer to the communities at an affordable cost. This has increased the uptake of energy saving cookstoves especially at household level because the locally manufactured units are more affordable and accessible.

As a result, the districts are beginning to realize a relative reduction in the amount of firewood being used to prepare meals in households and public institutions that have adopted the technology and reduced on tree cutting for fuel wood consumption.

Component B: Support to Household Livelihood and Value Chain Development.

The project activities under component B are aimed at improving the livelihood of local communities by enhancing agricultural and livestock production including productivity, marketing and diversifying community income sources. This will be achieved through supporting farmers to access agricultural inputs/appropriate technologies and value chain development using affordable and sustainable rural microfinance.

Under this component, the project mainly focused on disbursing microfinance to beneficiary groups using Islamic financing modes. The project also supported the establishment of demonstration and training centers for agronomy and livestock production in the selected districts.

The Rural Microfinance Credit Scheme is administered through the structures of microfinance Support Centre Limited (MSCL). The center has undertaken several joint activities with MoLG and MPA to facilitate beneficiary communities access funding for various enterprises.

A total of 214 projects in 17[158] districts for various projects like bee keeping, poultry and coffee production, dairy farming among others amounting to Ug Shs 7,774,916,000 and directly benefiting 38,751 individuals. 56% of the funds were directed towards cooperatives primarily composed of female members, benefiting 287,299 indirect beneficiaries. In total, 314,621 individuals have benefited from the project. The focus was on savings and credit co-operatives (SACCOs).

Support Farmers to Access Rural Finance for Agricultural Inputs

[158] Alebtong ,Bunyangabu ,Kabarole,Kumi ,Kibuku,Nakaseke, Gomba, Katakwi,Kyenjojo, Ntoroko,Adjumani, Buyende, Buikwe, Nwoya, Rukungiri, Tororo,Luwero

Supported farmers to acquire 1865 farm tools and equipment (hand hoes, ox-ploughs, fishing nets, honey harvesting gears). As a result, farmers can now cultivate their land more effectively, leading to increased agricultural output.

15,000 have accessed agricultural inputs (improved seeds for maize, sunflower, soya bean, and fertilizers),

2 heavy duty tractor purchased, 21farmers' groups/Institutions have been appraised and were due to receive 23 tractors, funded the purchase of 105 household energy saving stoves, 3 modern processing machinery and assorted equipment, purchased honey processing, modern honey storage equipment, packing & branding, modern beehives, and safety gear maize processing - maize mill, packing and packaging unit soya bean processing, soya bean threshers.

Overall, the distribution of farm tools and equipment has played a vital role in enhancing agricultural practices and improving the lives of farmers in the region.

Set up Farmers Training and Demonstration Centers for Improved Agronomic And Livestock Practices.

The planned target was 5 farms, however only 3 vegetable demonstration farms are being set up. These are Nyankimba vegetable demonstration farm at Kiruhura sub- county in Kyenjojo District, Butalangu fruit and vegetable growing demonstration centre in Nakaseke district, and Katooke livestock demonstration farm, in Kyenjojo district. The centers shall be used to provide training and extension services to farmers on the growing of high value crops, especially tomatoes and cabbages

Implementation Constraints

1. Identification of land to construct the demonstration facilities. The communities and District Local Governments did not readily have the land to host the demonstration gardens. In instances where the individuals were providing land, they either wanted to be compensated or take over ownership of the facilities after a given period.
2. Delays in preparation of designs and technologies to be used at the demonstration farms: In some instances, the districts had limited capacities to set up the designs of the demonstration farms and the different technologies that had been proposed. The project had to engage with MAAIF to the agronomic and livestock production technologies as well as MoWE for the water systems to be used at the facilities.

Conclusion

The performance of the project is fair at 67%. The schedule performance index showed that the project was on schedule[159] while the cost performance Index[160] showed that the expenses were less than budgeted. This was partly explained by the unpaid completion certificates raised by the contractors while some contractors had not received advance payment due to lack of performance guarantees. Much as the project received a no cost extension, there will be additional costs for supervision of ongoing contracts and therefore cause an increase in overall project costs.

[159] with a Schedule Performance index of 1
[160] With Cost Performance index of 2

Recommendations

1. Ministry of Local Government should come up with a clear agreement with the landowners regarding the use of the land for the demonstration facilities.
2. Ministry of Local Government should establish a clear timeline for the preparation of designs and technologies to be used at the demonstration farms. This should involve close collaboration with relevant government agencies such as MAAIF and MoWE to ensure that the necessary expertise and support are provided in a timely manner.

3.9.3 Rural Development and Food Security in Northern Uganda Project -1760

Introduction

The Rural Development and Food Security in Northern Uganda (RUDSEC) project is a comprehensive initiative aimed at unlocking agricultural production potential and increasing the income of smallholder farmers in Northern Uganda. This will be achieved through rehabilitation and upgrading of road transport and market infrastructure. Improving the accessibility of agricultural production areas will reduce the transportation cost of farm input and output along agricultural value chains which in turn is expected to translate to increased farm gate incomes. While improved market facilities will encourage agricultural production and trading volumes and reduce post-harvest losses of farm products.

The project is financed under the framework of German Financial Cooperation (FC), implemented by the KfW Development Bank. The Ministry of Local Government (MOLG) is the Project Executing Agency (PEA). Implementation of activities is coordinated by the Project Support Team (PST) of MOLG. The JV of GOPA-Infra and OCA is engaged as the Implementation Support Consult (ISC) to assist the PEA/PST in implementing the project. The project implementation started on 2nd May 2023 and ends on 1st May , 2028.

Planned Project Outputs and Indicators

The attainment of the project outcome shall be measured with the following outputs and indicators of achievement.

Output 1: Length of strategic district and community access road network improved and sustained to an all-year round climate resilient access standard; number of people benefiting from the rehabilitated roads (people living in the road area of influence); and time and travel cost savings to main socio-economic destinations.

Indicators:

- 500 km of district roads rehabilitated to all-season climate resilient access standard.
- 300 km of community access rehabilitated to all-season climate resilient access standard.
- No. of people benefiting from rehabilitated roads (within 2 km to each side of the road).
- Time savings to main socio-economic destinations (% round trip – be established during baseline study), to Health, Administrative Centre, Tertiary Education, Market.
- Travel cost savings to main socio-economic destinations (% round trip) to Health, Administrative Centre, Tertiary Education, Market.

Output 2: Increased trading capacities on markets maximized through strategic market improvement, number of markets rehabilitated to full capacity and functionality; and increase of market users selling agricultural produce.

Indicators:

- Number of markets rehabilitated or improved (target to be established after selection of markets).
- Improvement of trading conditions on markets, like vendor benches, waste and storm/wastewater management, hygiene.
- Increased number of buyers at the market.
- Increased trade diversification and value.

Physical Achievement

The first year of implementation was devoted to validation of the roads to be rehabilitated, procurement of road design and supervision consultants and environmental and social risk screening of the selected first batch of roads. By the end of quarter 3 (Jan-Mar 2024) the achievement was as follows:

1. Completed due diligence and validation of Batch 1 (324 km) and Batch 2 (153 km) of the selected district & community access roads.
2. Conducted the environmental & social risk screening of the selected district and community access roads.
3. Short-listed 15 consulting firms to bid for the design and construction supervision services of the selected roads.
4. The in-house design of Batch 2 roads (153 km) was 80% completed.
5. Short-listed 15 consulting firms to bid for ESIA services on the selected roads.
6. Drafted pre-qualification documents for procurement of road works contractors.

Financial Performance

The total project cost is estimated to amount to €32.1 million, financed by a KfW Grant for € 28 million, and € 4.1 million (equivalent) in Government of Uganda contributions.

KfW Financing

The KfW contribution will finance consultancy services, road rehabilitation works, markets improvement works, and cost of vehicles for MoLG, the Implementation Support Consultant (ISC), and audit services.

As of 31st March, 2024 KfW, had disbursed a total of € 803,500 under the project being € 503,500 (Initial Advance) disbursed under the direct disbursement method to the ISC and € 300.000 as Initial disbursement to the Special Account of the Disposition Fund. To-date only the equivalent of € 11,888 was paid from the Disposition Fund to the suppliers of furniture for the ISC offices.

GoU Financing

The GoU contribution comprises staff costs at district and ministerial levels, related public services; costs of operation & maintenance, cost of public infrastructure/assets, contribution to investment costs (equivalent to some taxes) and costs for the preparation of detailed designs for road works (to be implemented by the MoWT).

A total of Ug shs 165 million was budgeted for the project and to-date a total of Ug shs 100 million has been disbursed utilized for monitoring and orientation of the districts, road designs for batch 1, workshop for prioritization of roads to be rehabilitated.

Implementation constraints

1) Limited participation of the MoLG/PST and the DLG staff in field activities due to limited disbursement of GoU funds.
2) Low absorption of the disposition fund due to delayed procurement of design and ESIA Consultants.
3) Inconsistent and delayed funding is affecting project timelines.
4) Due to the delayed commencement of the RUDSEC project, some high-priority selected roads have since been considered under other programmes.

Conclusion

The rural development and food security project has the potential to significantly contribute to poverty reduction, food security and climate resilience through enhanced productivity and agricultural incomes for the rural population of Northern Uganda (sub-regions of Acholi, Lango, Teso).

Recommendations

1) Enhance funding mechanisms by ensuring timely and consistent disbursement of funds
2) Simplify the bureaucratic processes to expedite project implementation.
3) The procurement of civil works for the roads and markets should be carried out by the respective DLGs with guidance from the MOLG. This will quicken the procurement process and further strengthen participation of the DLGs in the project implementation.
4) Strengthen community engagements by engaging local communities in project implementation.
5) Streamline the procurement process by setting clear timelines, ensuring transparency,
6) Produce progressive reports on whatever has been implemented on a regular basis so that constraints are easily identified and rectified.

3.10 Sustainable Energy Development

3.10.1 Karuma Hydropower Project (1183)

Introduction

The Karuma Hydro Power Project (HPP) is a run-of-the-river power plant being constructed on the Nile River, in Kiryandongo District, Uganda. The project is estimated to cost approximately US$1.688 billion (transmission lines and hydroelectric project). The hydroelectric project is being jointly developed by Uganda's Ministry of Energy and Mineral Development (MEMD) and Uganda Electricity Generation Company Limited (UEGCL), with funding from China Export Import Bank.

The project commenced on 12th August 2013 with a planned completion date of 31st December 2018. The project has received four-time extensions to enable completion with the current project completion date set at 31st August 2024.

The scope of the project is construction of the 600MW[161] hydropower dam and its associated substation. The major components of the project include:

a) Construction of the 600MW Karuma HPP and a 400kV[162] associated substations. The construction will include a concrete gravity dam and spillway, underground power house with a gross head of 80 metres, and 6 turbines each of 100MW.

b) Implementation of the Resettlement Action Plan for the reservoir and dam sites.

c) Preparation of the tender documents, supervision of the Engineering, Procurement and Construction (EPC) works and project administration.

The total planned project funding for the EPC works (Hydropower project and Transmission lines) was US$1,688,421,979 with 15% GoU contribution and 85% loan from China EXIM Bank. The details for the funding for the hydropower project are given in Table 3.10.1.

Table 3.10.1: Karuma HPP financing details

	China EXIM Bank (Loan)	Government of Uganda
Hydropower EPC Works	US$1,188,739,245	US$ 209,777,514
Implementation of RAP	-	US$ 16,732,860
Preparation of tender documents and supervision of works		US$ 20,815,644
Date of Loan Signature	12th August 2013	
Initial last loan disbursement date	23rd December 2020	
Revised Last loan Disbursement date	31st August 2024	

Source: MEMD reports

[161] Mega Watt
[162] kilo Volt

Financial Performance

Financial Performance of the project was good with the value of the completed work by 31st March 2024 well matched to the planned and actual cost values (Figure 3.10.1). The total gross certified payment to the EPC contractor by Q3 of FY2023/24 was US$ 1,382,606,092; which equates to 98.86% of the original contract price of US$ 1,398,516,759.

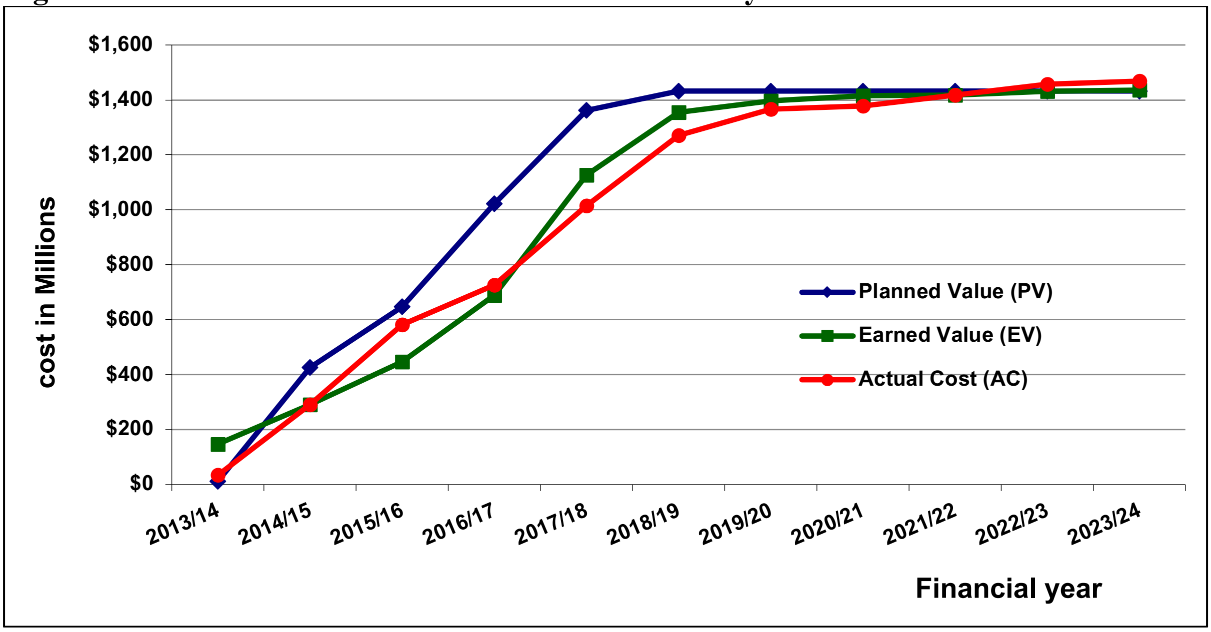
The project experienced an increase in the cost for supervision of works after the contract worth US$ 1.3 million for the previous Owner's Engineer elapsed in 2018 before works were completed. The contracts for the current Owner's Engineer (AF Consult) have accumulated to a tune of US$ 5.45 million and is bound to increase to cater for supervision during the hydropower plants defects liability period (DLP). Other project administration costs such as employee wages and allowances have also increased the GoU counterpart funding by more than Ug Shs 30 billion.

The cost impact due to delays of the works has not affected the EPC contract since the time extensions were at no cost and the different negative and positive variations during the implementation have cancelled out each other. However other costs such as the loan commitment and insurance fees were not quantified which is going to drive the actual cost of the project higher up.

Physical performance

Although the project is delayed by 60 months, the progress of works was good with most works substantially completed. The project planned value (PV) and earned value are almost equal (Figure. 3.10.1) but there was schedule over run was due to the poor quality of works and the weak project management/supervision during early years of implementation. However, there was convergence of the planned value, earned value in FY2023/24 (Figure 3.10.1) as project works reached completion. The project has overspent on GoU counterpart funding during the years of implementation with over expenditure of more than Ug shs 30 billion. Figure 3.10.1 shows the performance trend of the Karuma HPP using the earned value management analysis.

Figure 3.10.1: Performance trends for Karuma HPP by 31st March 2024



Source: Author's compilation, UEGCL and MEMD Karuma HPP project reports 2013-2024

Construction works for Karuma HPP had progressed to 99.98% by 31st March 2024 compared to planned progress of 100%. By 31st March 2024 all major civil, electrical and electromechanical works at Karuma HPP were completed. Unit start-up commissioning of all six generation units (#1, #4, #3, #2, #6 and # 5 respectively) was carried out and all units we synchronized to national grid by 6th February 2024. All the necessary electrical and mechanical tests on the units had also been completed.

The contractor was working on resolving the long outstanding defects before the hydropower plant can be handed over. The design of the long outstanding log-boom has been finalized and the order for manufacture was placed by the contractor. The completed plant is expected to reach the Commercial Operation Date (COD) in August 2024.


L-R: Completed spillway and dam structure; Inside the completed powerhouse building at Karuma HPP

Implementation constraints

Delayed project completion of over 60 months arising from the inadequate capacity of the first Owner's Engineer (Energy Infratech PVT) undertake supervision leading to shoddy works that took time to rectify.

Conclusion

The progress of works on the project was good at 99.98%[163] and actual cost of the works relative within the planned cost. The cost increase from the delays have not been significant because the EPC contract for works placed most of the risks of delivering the specified project with the contractor. The project is on schedule to be completed in financial year 2024/25 after the 60 months' delay. The estimated cost overrun on the project was estimated at Ug Shs 30 billion although the figure will be higher since some of the completed works have not been certified for payment and there is also the pending 10% of the contract price which is the retention until DLP is completed.

Recommendations

The MEMD and UEGCL should ensure any pending works are completed and defects are resolved in time so that there are no further delays to the project.

[163] 1.01

3.10.2 Kampala-Entebbe Transmission expansion (1259)

Introduction

The Kampala-Entebbe transmission project aims to construct a 23.8 km long double circuit transmission line of 132kV from Mutundwe substation to a new 132kV substation at Kabale, Entebbe. The objective of the project is to provide transmission capacity to supply reliable and quality power to Entebbe town and its environs. The funding of the project is the Government of Uganda (GoU) and the German Development Bank (KfW). The funding from KfW is a grant of Euro 6 Million and loan of Euro 15 million. The loan and grant funding signature dates were 24th October 2013 and 24th June 2013 respectively. The planned project implementation period was 26th March 2014 to 30th November 2017.

The project consists of several components:

1. Construction of 23.8km long double circuit Mutundwe-Entebbe Transmission Line (Euro 4,547,420)
2. Construction of a new 132kV Entebbe substation, extension of the existing 132kV busbar at Mutundwe substation. (Euro 10,673,290)
3. Project Supervision and Management to undertake preparation of tender documents, management of the tendering process and supervision of the works (Euro 2,917,190)
4. RAP Implementation funded by Government of Uganda (Ug Shs. 88.5 Billion)

Financial Performance

By Q3 FY2023/2024, disbursement stood at Euro 10.442million (69.62%) for the loan component and Euro 5.747 million (93%) for the grant component. The total increase in costs on the project are estimated at Euro 3.395 million due to increased supervision costs and the price variation for works at Nambigirwa swamp. The value of works undertaken on the project was more than the actual cost of the works and the cost was within budget (Figure 3.110.2). The reason for this is that although most of the work on the project was completed, the compensation in the line corridor had not been concluded with 90% of the Project Affected Persons (PAPs) unpaid. Also, several invoices amounting to Euro 2.6 million to the lot 1 & 2 contractors were yet to be paid.

The GoU release towards implementation of the RAP and its associated activities was Ug Shs 88.739 billion of which Ug Shs 75.581 billion had been spent by 31st March 2024. The remaining funds are anticipated to cater for the pending 10% compensation on the project.

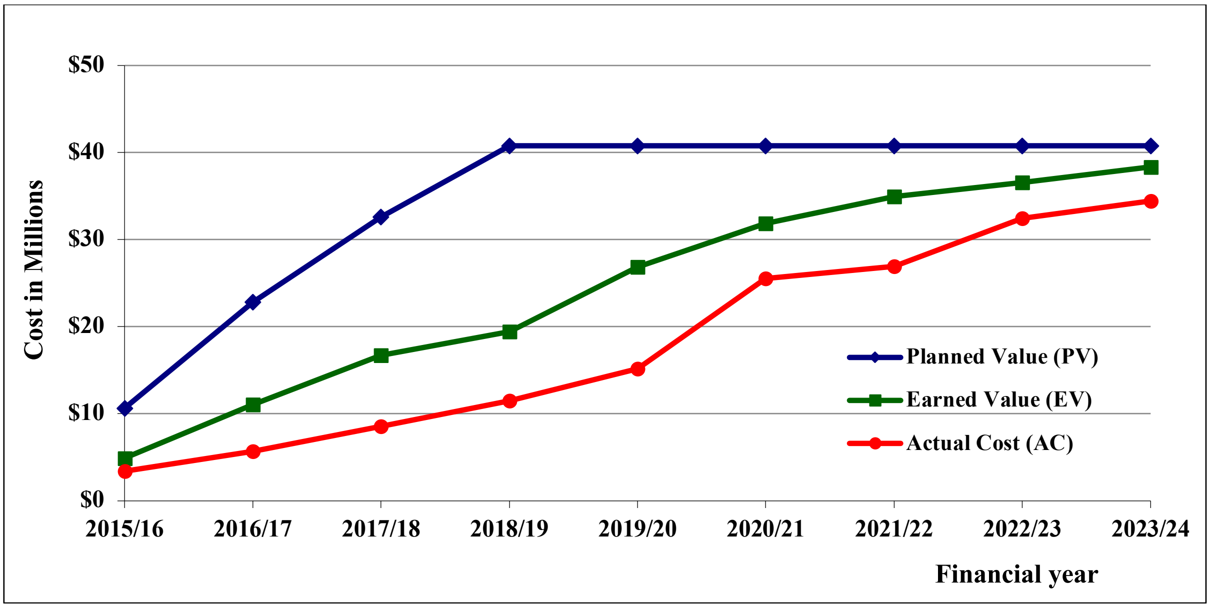
Physical Performance

The implementation of this project was delayed by 3 years but the project eventually completed the major works by 30th June 2023 after six no cost time extensions from 2020 to 2023.

The contractor for transmission line completed the construction of all foundations (73), erection of towers (73) and stringing (23.827km). The line was energized on 11th May 2023 and all works on the identified snags on the project were rectified and a completion certificate was issued on 23rd May 2023.

The extension of the Mutundwe 132/33/11 kV substation by two-line bays and construction of a new 132/33kV double bus bar substation at Entebbe with two-line bays were also completed and the two substations energized on 16th May 2023 and 11th May 2023 respectively. The contractor completed the major snags pending at the substations and a completion certificate issued for the works on 25th May 2023

Figure 3.10.2: Performance for the Mutundwe-Entebbe Transmission Project by 31st March 2024.



Source: Authors compilation and UETCL progress reports FY2014-2024

Newly completed 132/33kV substation at Kabale, Entebbe

The RAP implementation was still behind schedule with 948 of the identified 1053 (90%) Project Affected Persons on the project compensated.

However, access to all the project sites had been obtained to enable completion of the works before completion of the compensation.

The substation had commenced distributing power to the Entebbe area and its environs. UMEME had connected more than 15 MVA of load

Conclusion

The project was rated good and implementation was on schedule to be fully completed and within the budget. Although the construction works were completed, there were several invoices that were pending submission, approval or payment. The invoices totaling to Euro 2,597 million. The projected completion cost of the project is Euro 52.2 Million compared to the planned cost of EUR 42.77 million.

3.10.3 Mirama-Kabale transmission project (1409)

Introduction

The Mirama-Kabale transmission project plans to construct an 88.5km long transmission line operating at a voltage of 132kV to connect Kabale to the transmission grid from Mirama substation. The project will improve reliability of the electricity supply to the Kabale region which is supplied by two long 33kV medium voltage lines from Nkenda and Mbarara which are unreliable. The project implementing agency is UETCL with funding from GoU (Ug Shs 40bn) and an Islamic Development Bank (IsDB) loan of US$ 83.75 million (US$ 37.82 million for the transmission project and US$ 45.93 million for the rural grid extensions).

The project commenced on 22nd June 2015 with an initial planned completion date of 25th October 2019. The scope of the project is as follows:

1. Construction of the 88.5km long Kabale-Mirama 132kV steel lattice transmission line.
2. Construction of 132kV Kabale substation and extension of the 132kV busbar at Mirama substation.
3. Preparation of tender documents, project supervision and management of works.
4. RAP implementation funded by GOU.

Financial Performance

The project was under spending because the works were behind schedule with the value of completed works less than the planned value (Figure 3.10.3). The total disbursement on the transmission component of the loan by Q3 FY2023/24 was US$ 13,118,898.40 (34.6 %). The low disbursement was partly due to slow works under Lot 1 and delayed procurement for Lot 2 works. The total amount released for the GoU RAP budget was Ug Shs 45.153 billion with Ug Shs 31.16 billion disbursed by the project by 31st March 2024.

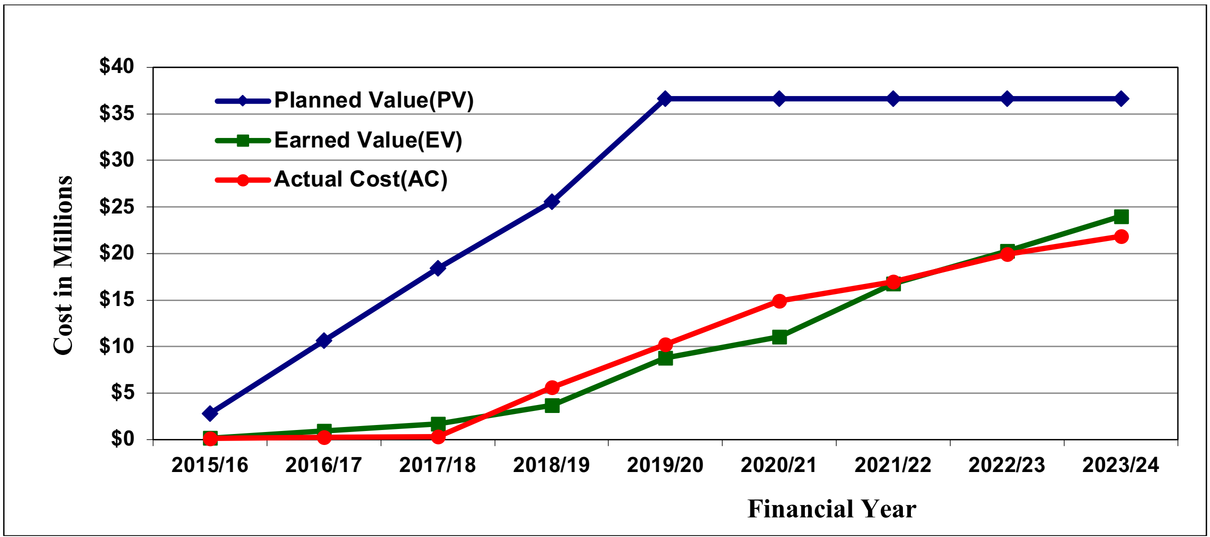
The project total cost at completion is expected to be above budget due to several contract amendments. Two contract amendments totalling up US$ 1,517,119 were made to cater for the project supervision consultant due to extension of the project beyond the initial contract. Another contract amendment was made on 8th February 2024 to cater for changes in the prices of inputs as a result of the effects of Covid-19, increasing the contract for Lot 1 works by US$ 1.79 million. The total cost overrun on the project so far is amounting to US$ 2.2 million and will further increase to cater for time lost due to delayed procurement.

Physical Performance

Overall the project implementation was behind schedule with the earned value consistently below the planned value (Figure 3.10.5). The project delay is attributed to slow procurement (Lot 2) and failure by the T-Line contractors (Lot 1) to undertake the works within the agreed time.

The contract for the transmission line works (Lot 1) commenced on 8th June 2020 with initial completion date of 8th December 2021 and a final extension granted up to 30th June 2024. The progress of the works on the T-line was 78.4% with 191 of the planned 294 foundations completed, and 191 of the planned 294 towers erected. The stringing of 18.68km (21%) of the planned length of 88.5km had been undertaken. Works were behind schedule and the contractor was struggling with cash flow constraints which was affecting the ability to mobilize for the works and order for the remaining tower materials. Figure 3.10.3 shows the analysis of performance for the Mirama-Kabale transmission project using the earned value management tool.

Figure 3.10.3: Performance for the Mirama-Kabale transmission project by 31st March 2024



Source: Authors compilation and UETCL progress reports FY2015-2024

Procurement for the substation works (Lot 2) was completed in February 2023. The contract became effective on 21st March 2023 and works started on 3rd July 2023. Overall progress of Lot 2 works was at 41.3%. The earthworks at the Kabale substation were 98% complete while detailed design for the electrical equipment was still on-going with progress at 70%. The civil engineering designs were at 23% and the manufacturing of equipment such as the surge arrestors and the disconnectors had been completed. The manufacturing of the power transformers was on-going and factory acceptance tests were scheduled for June 2024.

The RAP implementation on the project was at 96% with 2434 of the 2534 PAPs paid. The acquisition of the 5.45 acres for the Kabale substation had been fully done to enable works commence. Construction of 10 resettlement houses for vulnerable Project Affected Persons who opted for in-kind resettlement was ongoing. The first five sites were handed over to the Contractor and completed in October 2023.Works on the remaining houses was on-going with progress at ring-beam level.

L-R: On-going foundation works at the 132kV substation; A completed resettlement house on the Kabale-Mirama transmission project at Muyumbu village, Kabale.

Implementation constraints

1. The contractor for the T-line faced severe cash flow constraints due to price rises for materials and logistics on the international market after the lock down period.

2. The approval of the price variation for Lot 1 works had taken too long due to delays in decision making by UETCL board and the Solicitor General, and this is affected the contractor's ability to undertake the works.

3. Slow implementation of the RAP was causing delays in line works and some sections of the completed towers cannot be strung.

Conclusion

The project performance was poor with 41.3% progress on substation works and 78.4% for the transmission line. The transmission line works were behind schedule by 3 years and the substation works had just commenced. The project was underspending because all the works were delayed. The estimated cost at completion is US$ 60.082 Million.

Recommendations

1. The UETCL should fast track the implementation of the RAP to prevent further delay to the works.
2. The approval of the price variation for the Lot 1 works should be expedited to prevent further delay to the T-Line works.

3.10.4 Gulu-Agago Transmission Project (1391)

Introduction

The Gulu-Agago transmission project aims to construct an overhead transmission line (OHTL), between the Gulu 132/33kV substation and Agago/Achwa Hydro Power Plants (HPPs) 132kV switch-yard via the proposed Agago 132/33kV S/S. The project will provide adequate transmission infrastructure to meet the power supply needs of the West Nile Region and the Northern Region of Uganda, and will provide capacity to evacuate the electricity generated from Agago/Achwa Hydro Power Plants.

The project implementing agency is UETCL and is jointly financed by KfW (transmission line and associated substations) through a loan of Euros 40 million and the Government of Uganda contribution of Ug Shs 32.6 billion towards the supervision costs and RAP implementation costs.

The project commenced in September 2019 with an initial end date of 30th June 2023.The planned project components are:

1. Construction of Agago 132/33kV Substation, two 132kV bays extension at Gulu 132/33kV Substation, two 132kV bays extension at Agago 132kV HPP Switchyard and the associated Works (US$ 14.9 million)
2. Construction of Gulu- Agago HPP 132kV Double Circuit Overhead Transmission Line (US$ 11.72 million).
3. Supervision and project management (US$ 1.53 million).
4. Implementation of Resettlement Action plan and Livelihood Restoration (Ug Shs 28,597,270,684).

Financial Performance

The financial performance of the project was good with the project planned value and earned value converging in FY2023/24. The actual costs for the works done were also lower than planned value. (Fig 3.10.4). The total loan disbursement by end of Q3 FY2023/24 was Euro 17,057,668 (42.64%). The low disbursement is attributed to the bidding process which led to contracting for Lot 1 and Lot 2 at much lower than initially budgeted. The project is projected to have savings of over Euro 15 million of the loan amount.

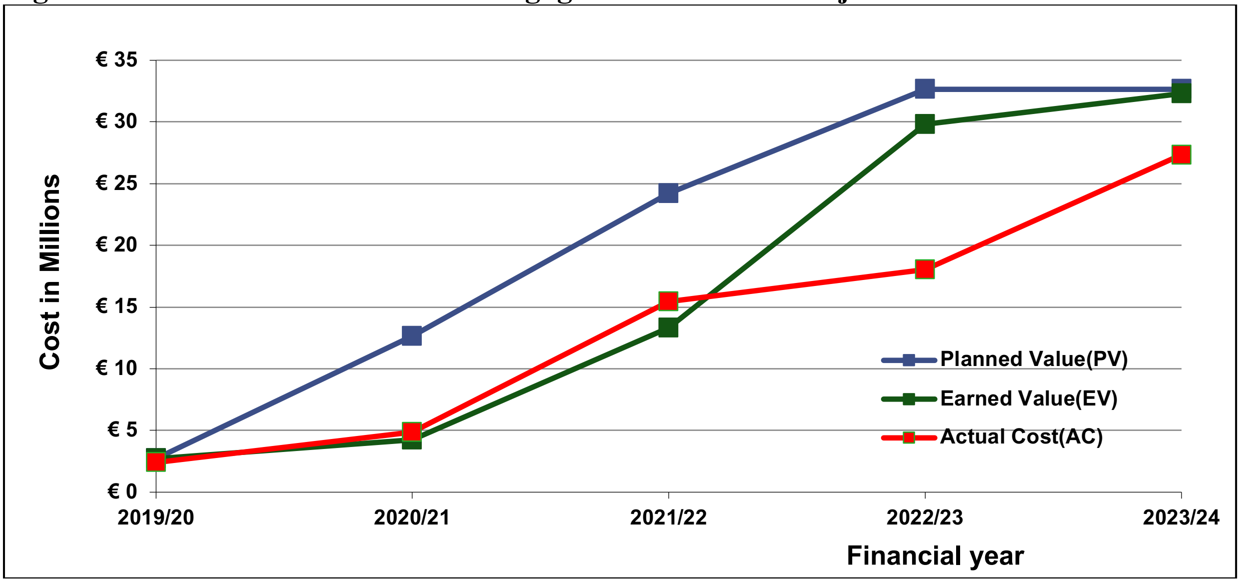
The cumulative release of the GoU funded RAP budget was Ug Shs 25.480 billion and a total payment of Ug Shs 27.758 billion had been made. The project borrowed Ug Shs 1.552 billion from another project (GERP) due to insufficient funds in order to make some of the payments.

There have been two contract amendments for the supervision contract (14th March 2023 and 15th May 2023) totalling up to a cost increase of US$ 1.1 million to cater for extension of time on the works. This cost is likely to rise due to the remaining works on the substations and the defects liability period. Also, under Lot 2 (Substation works) a change order of US$ 1.53 million was approved, to cater for the contract variation due to unforeseen challenging soil conditions at the two substation sites.

Physical Performance

The project performance was good with over 98% of all works completed the project was slightly off schedule by six months although most of the major works on the project had been completed by end of 2023. The earned value analysis of the project in figure 3.10.4 shows the most of planned works have been undertaken within below planned cost.

Figure 3.10.4: Performance of Gulu-Agago Transmission Project



Source: Authors compilation and UETCL progress reports FY2019-2024

The progress of works for the transmission line was good at 99% though with a six months delay. By 31st March 2024 all of the planned 254 towers of the line had been erected and the stringing of the planned 83km of the Transmission-line had also been completed. The transmission line was energized on 18th November 2023 and the major pending aspects of the project were the rectification of the snags and supply of the Operations and Maintenance(O&M) tools.

The overall progress of substation works (Lot 2) was 98.8% and the initial completion date has been revised five times with final revised completion date set to 31st March 2024. The extension bays at the Gulu substation and Agago HPP switchyard were energized on 18th November 2023.All major equipment had been installed at the new Agago substation and commissioning of the substation was on-going with 92% progress. The new planned completion date for the substation was 30th April 2024.

L-R: Completed Gulu-Agago transmission line; On-going civil works at the Agago substation switchyard

The RAP implementation was at 98.9%, with 468 of the 473 project-affected persons (PAPs) paid. There was little progress in the payment of PAPs during the Q1, Q2, and Q3 of FY2023/24. However, the construction of all the planned 16 resettlements on the project was completed.

Implementation constraints

1. Low release of funds has delayed the execution of the pending RAP and livelihood restoration activities for the project.

2. Delayed approval of the change orders totaling to Euro 2.63 Approx. Ug shs 5.6 billion) has hindered the contractors' ability to complete he remaining works on the project.

Conclusion

The project performance rating was good with over 98% of the works completed given the schedule overrun of six months for Lot 1 and 12 Months for Lot 2. The project cost was also within budget although there were several pending invoices to be paid amounting to Euro 2.63 million. The project was short on funding required to complete the pending compensation cases and this needs to be addressed before closure.

Recommendation

The MEMD should prioritize funding for RAP to enable completion of compensation for the remaining project affected persons.

3.10.5 Grid Expansion and Re-enforcement Project (1426)

Introduction

The Grid Expansion and Re-enforcement Project (GERP) plans to construct a 294km double circuit 132kV transmission line from Kole through Gulu and Nebbi to Arua. The project implementing agency is UETCL with financing by the World Bank through a loan of SDR[164] 71 million (US$ 100 Million) from International Development Association (IDA) and GOU funding of US$ 27.3 million. The project is aimed at reinforcing supply to the West Nile region, as well as connecting the West Nile region to the national grid, coupled with the evacuation of electricity from the Karuma, Agago/Achwa, Nyagak I and III power projects in order to meet the region's un-served demand.

The project is financed by the World Bank through a loan of SDR 71 million (US$ 100 Million) from International Development Association (IDA) and GOU funding of US$ 27.3 million.

The project commenced in April 2018 with an initial completion date of 31st October 2022 which was revised to 30th April 2024. The components planned under the project are:

1. Construction of Kole-Gulu-Nebbi-Arua and Olwiyo-Gulu 132kV transmission lines (US$ 49 million)
2. Construction of new substations at Kole, Gulu, Nebbi and Arua) including the 33 kV medium voltage interconnectors and extension of the 132kV busbar at Olwiyo (US$ 25 million)
3. Engineering supervision and construction consultant (US$ 6 million)
4. UETCL capacity assessment (US$ 2.2 million)

[164] Special Drawing Rights

5. Support to UETCL System modernization (US$ 11.4 million)
6. Implementation of the Resettlement Action Plan (US$ 11 million)

Financial Performance

The project actual cost of work undertaken was less than the planned value an indication that the works were behind schedule (Fig 3.10.5). The disbursement of funds on the loan by end of Q3 FY2023/24 stood at SDR 56.89 million (88.07%). The cumulative releases of GOU funding for the RAP amounted to Ug shs 30.805 billion of which Ug Shs. 26.375 billion had been spent.

Physical Performance

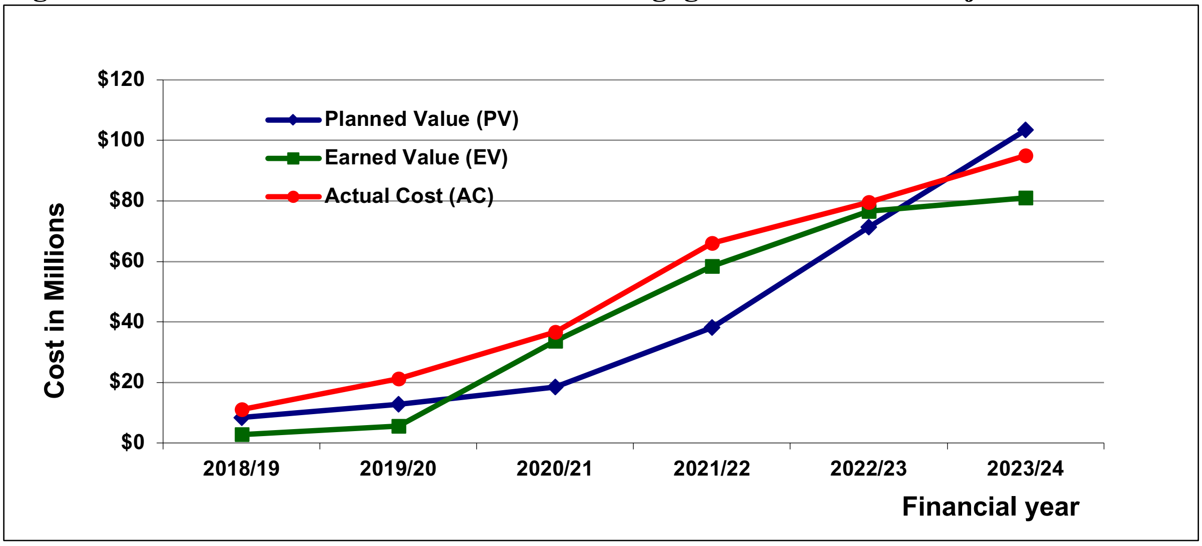
The project was behind schedule by a year with the earned value less than the planned value by Q3 of FY2023/24 (Fig 3.10.5). All work on Lot 1 and Lot 2 was initially scheduled to be completed by 31st March 2023 which was later extended to 30th April 2024. The project works were within budget. Figure 3.10.5 analyses the project performance using the earned value management tool.

The works on Lot 1 (transmission line) were lagging with overall progress at 90%. A total of 864/897(96%) foundations had been constructed and 837/897(93%) of the towers erected. Stringing was 45% complete with 129/289 km completed.

The transmission line works were experiencing delays due to Right of Way and a total of 80km of the T-line could not be strung due to outstanding ROW issues. Also, 15 tower foundations and 9 towers could not be constructed due to ROW challenges.

The transmission line works were also experiencing delays in completion of the pile foundation works which were at 87% with a total of 21 out of 23 piles having been completed. Works on one of the two pile locations for the river crossing had been completed (Nwoya side) and tower erection in was in advanced stages for that location. The pile foundation for the second river crossing point was still facing technical difficulties.

Figure 3.10.5: Performance Metrics for Gulu-Agago Transmission Project



Source: Authors compilation and UETCL progress reports FY2018-2024

Right: Tower erection on the left bank of the Nile at Packwach
Left: Works on plant house and switchyard at Nebbi substation

Overall progress of construction of the Kole and Gulu substations (Lot 2) was 96.1% with all electromechanical and electrical equipment works completed. The Kole and Gulu substations were energized on 29th November 2023 and 17th November 2023 respectively. The major pending works at these two locations were the drainage works and the tarmacking of the switchyard roads. Progress of construction of Nebbi and Arua substations (Lot 3) increased from 95.8%. All major electrical and electrotechnical equipment in the switch yard and plant house had been installed at the two substations. Pre-commissioning testing was on-going at Nebbi substation.

Compensation of project affected persons was at 94% (3,307/3,566) complete. The Kole-Gulu transmission line section corridor acquisition stood at 99% while the Gulu-Arua section was at 90% (2312/2556) of the PAPs paid. Construction of the 65 resettlement houses for physically displaced households had progressed and only one house was yet to be completed.

Implementation constraints

1. ROW challenges due to incomplete compensation was hindering the contractor for the T-Line from fully mobilizing for the stringing works with 68 km inaccessible.

2. Difficult soil conditions were causing delays in undertaking works on the second river crossing (Packwach side) due to the site ground conditions may further delay completion of the works.

Conclusion

Project performance was fair with average progress of works completed at 93% although the schedule was behind by year. The works are being affected by difficulty to acquire right of way, and this was affecting progress. The estimated cost of completion for the project was US$ 120 million compared to the planned budget of US$ 127 million.

Recommendations

1. UETCL needs to increase deployment of field staff to resolve the difficult ROW issues that are holding up works on the T-Line to avoid further schedule slip ups.

2. The contractor for the T-Line needs to increase on his resource deployment to ensure timely completion of the pile foundations in the wetlands.

3.10.6 Masaka-Mbarara 400kV Transmission Line Project (1497)

Introduction

The Masaka-Mbarara transmission project plans to construct a new double circuit transmission link between Masaka West and Mbarara North substations. The project is being implemented by UETCL with funding by GoU (Ug Shs 128 Billion) and loans from KfW[165](Euro 37.1 million) and AFD[166](Euro 35.0 million). The project will upgrade the existing single circuit 132kV, 135km single circuit transmission line between Masaka West and Mbarara North Substations to 400kV to improve the power grid backbone and eventually provide transmission (wheeling) of electricity to Rwanda,

The project commenced in April 2018 with planned completion in December 2024, with the project scope comprising of:

1. Construction of a 132km long 400 kV double circuit transmission line between the 220kV Masaka substation and the 220kV Mbarara North substation
2. Addition of two new line bays at both Masaka West and New Mbarara North substations.
3. Preparation of tendering documents and supervision of works
4. Implementation of the Resettlement Action plan

Financial Performance

The disbursement on the loan funds was still very low due to delay in the procurement of the Engineering, Procurement and Construction (EPC) contractors. By Q3 FY2023/24 the disbursement registered was Euro 120,637.38 (0.33%) on the AFD loan and EUR 119,907.17 (0.34%) on the KfW loan. Under the GOU funded RAP Implementation component, the total released funds for the project were Ug Shs 63.858 billion of which Ug Shs 58.83 billion had been disbursed.

Due to the long delays in the project, MFPED was awaiting a response from KfW regarding an extension of the loan until 30th June, 2026. An extension was also sought on the AFD loan until 31st December, 2026.

Physical Performance

Works on project were yet to commenced due to delay in the procurement of the Engineering, Procurement and Construction (EPC) contractors. The delays in the procurement have arisen due

[165] German Development Bank
[166] French Development Agency

to whistle blower complaints to the IGG and PPDA investigations. UETCL was therefore seeking a no objection from the funders to consider the selection of the second-best evaluated bidder.

The RAP implementation was at 71% (1,879 of the 2,650 PAPs) compensated. A total of 211(37%) of the original land titles were received from the PAPs out of the expected 572 land titles. The sub-division of 83 out of 162 titles was completed by the consultant and returned to UETCL.

Implementation constraints

1.The project has been plagued by delayed procurement of the contractors for both the transmission line and substations works due to the administrative review after complaints were raised.

2. There is slow pace of the RAP implementation, this is likely to hinder the progress of works once the delayed procurement of the contractors has been concluded.

Conclusion

The project performance was rated poor, with all the major project components still stuck at the procurement stage. The project earned value analysis was not made.

Recommendation

UETCL should laisse with the funders, IGG and PPDA to resolve any administrative issues that are holding up the procurement process so that works can finally commence.

3.10.7 Kampala Metropolitan Transmission System Improvement Project (1492)

Introduction

The Kampala Metropolitan Transmission System Improvement Project aims to construct a 220kV transmission grid around the Greeter Kampala Metropolitan area to ensure a reliable future supply of electricity for the growing population. The project is being implemented by Uganda Electricity Transmission Company Limited (UETCL) and funding is a loan of Japanese Yen (JPY) 13.659 bn from the Japan International Corporation Agency (JICA) while the GoU counterpart funding (Ug shs 32.267 billion) to cater for implementation of the Resettlement Action Plan.

The project commenced in 2017 with initial completion date of May 2021, revised to August 2023. The scope of the project includes the following components:

1. Lot 1: Construction of Buloba Substation and associated Transmission Lines and Upgrading of Mutundwe and Bujagali Substations (US$ 34.4 million)
2. Lot 2: Construction of New Mukono Substation and associated Transmission Lines, Upgrading of Kawaala Substation, and Reconductoring of Mukono-Kampala North; Kampala North-Lugogo; Kampala North-Mutundwe transmission lines to High Temperature Low Sag (HTLS) Conductor (US$ 53.1 million)
4. Lot 3: Procurement of a Mobile Substation (US$ 3.627 million)

5. Supervision of works (Approx. US$ 22.5 Million)
6. Resettlement Action Plan (GOU funding Ug Shs 32.267 billion)

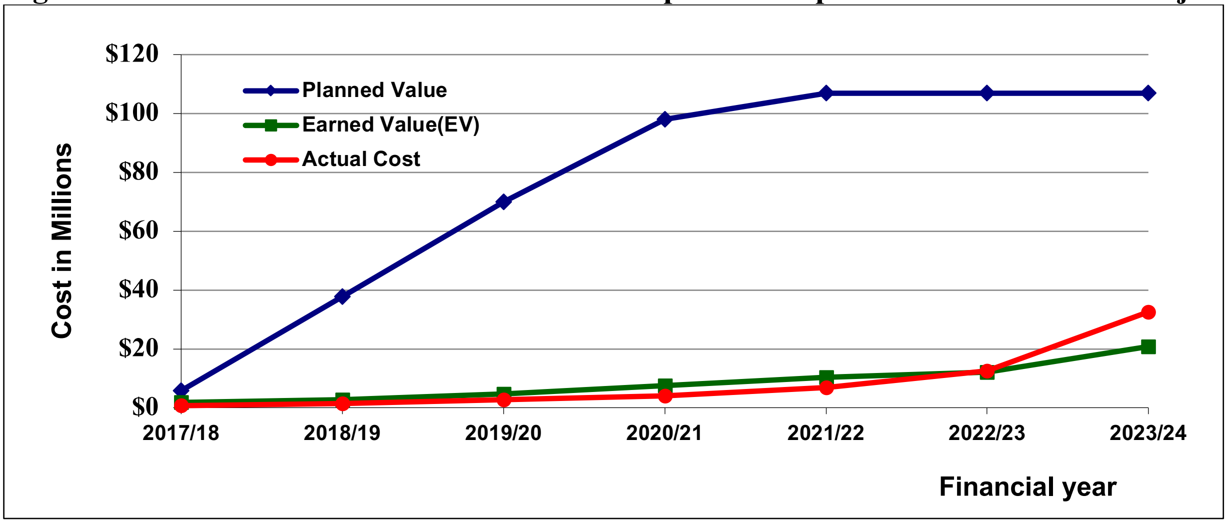
Financial Performance

Total disbursement by Q3 FY2023/24 was JPY 2,741,573,801 (20%) of the total loan amount of JPY 13,569,000,000. The disbursement is from payments made to the supervision consultant and advance payments made to the contractors for Lot 1 and Lot 2 in December 2023. The total GOU funds released for RAP were Ug Shs 27.128 Billion of which Ug Shs 10.275 Billion had been spent.

Physical Performance

The overall project performance is poor, with the project earned value less than the planned value (Fig 3.10.6). The actual cost of the project was higher than the earned value because advance payments had been made to the procured contractors to enable them mobilize and order for equipment. There were delays of over 2 years related to designs, preparation of tender documents for the project and the procurement process all of which were impacted by the COVID period. Figure 3.10.6 shows the analysis of the project performance using the earned value management tool.

Figure 3.10.6: Performance metrics for the Kampala Metropolitan Transmission Project



Source: Authors compilation and UETCL progress reports FY2018-2024

The contracts for Lot 1 and Lot 2 were signed on 7th August with planned completion date of 11th February 2026. Physical works commenced in March 2024.The contract for Lot 1 had not become effective. The Lot 2 contractor on the other hand as part of early mobilization for the project, had undertaken the following activities:

- Completion of the topographic survey for New Mukono, New Buloba, Mutundwe, Kawaala, and Bujagali substations.
- Completion of the Geo-technical investigations at Buloba substation.

- Submission of schematic drawings, civil drawings, single line drawings, electrical drawings etc. for the substations and transmission lines for review by the both the Consultant and UETCL
- Commencement of the site clearance, top soil stripping and access road for the Buloba substation had commenced.

Under Lot 3, the contract for the supply of the mobile substation was signed on 19th May 2023 with a planned completion date of 11th June 2026. The design process for the equipment was ongoing (66.5%) while manufacturing of the auxiliary transformer, switchgear and control panels was on-going

The RAP Implementation and the corridors of the transmission line and Substations along Mukono, Kawaala and Buloba project area have been demarcated, substation land procured, the extra land required for Mukono substation was acquired. Overall progress of RAP implementation payments was133 (96%) of the total 138 PAPs on the project.

Implementation constraint
The project has lost over two years of implementation due to several delays and it is highly unlikely that the works will be completed within the loan period, without need for an extension.

Conclusion
The project performance is rated poor. The Cost Performance Index (CPI) at end of Q3 FY2023/24 was 0.64 while that of the Schedule Performance Index was 0.19. The project was behind schedule and has overspent relative to what has been achieved.

Recommendation
The implementation of the project should be closely monitored to avoid further slippage of the project schedule as a result of previous delays.

3.10.8 Uganda Rural Electricity Access Project/UREAP (1518)

Introduction
The Uganda Rural Electricity Access Project (UREAP) aims at increasing electricity access in rural areas and the lead implementing agency is the Ministry of Energy and Mineral Development (MEMD). The total project cost is US$121.405 million and the financing consists of a loan of US$ 100 million from African Development Bank (AfDB), a grant of €11.205 million (US$ 12.05 million) from the EU-Africa Infrastructure Trust Fund (EU-AITF) and a GoU counterpart funding of US$ 9.355 million.

The loan agreement for the project was signed on 4th November 2015 and the project commenced on 26th January 2016 in FY 2016/17. The project was scheduled to end in FY 2019/20 but the completion date was revised to 31st December 2024 (FY 2024/25).

Project Scope

The objective is to provide reliable and affordable electricity to rural Ugandan households, public infrastructure services (schools, health centers, and administration offices) and small and medium scale enterprises. The project covers five service territories (Central, Eastern, South, North, Northwest and Northeast) in 16 districts[167].

The Project components are; grid extension and last mile connection (US$104.579 million), Project administration and management (US$3.884M), Technical Assistance and capacity building (US$3.587M) and Environment and Social Management/RAP (US$ 9.355M).

The target was construction of about 1,147 km of Medium Voltage (MV) and 808 km of Low Voltage (LV) distribution networks, including a 7 km long of submarine cable to connect Bugala Island to the national grid. Implementation of a total of 164,077 (58,206 households, 1,474 public institutions, 5,320 SMEs, and 99,077 for areas in electrified areas) last mile customer connections was also planned.

Financial Performance

Cumulatively, the loan and grant disbursement stood at 83.9% and 96% respectively. The GoU disbursements were however very low at 23%. The project was spending less than the original projected amount over the years as illustrated by the trend in Figure 3.10.7[168].

The project had a loan balance with the Actual Cost (AC) being less than the Planned Value (PV). After the procurement of original scope of works in FY 2017/18, a loan balance of US$ 21million under the grid extension component was realized. The balance was due to over budgeting during the project feasibility study.

The financial performance of the Compensation component funded by GoU was poor due to delay by MEMD to budget and prioritize the activity. Only 23% (US$ 2.15m) of the funds meant to compensate for the crops and trees destroyed by the grid extension works had been disbursed by 31st March 2024. No funds were budgeted and released in the first five-year project period. The MEMD had not commenced the RAP implementation. It is expected that the RAP implementation will be completed next FY 2024/25 when the counterpart funding is availed.

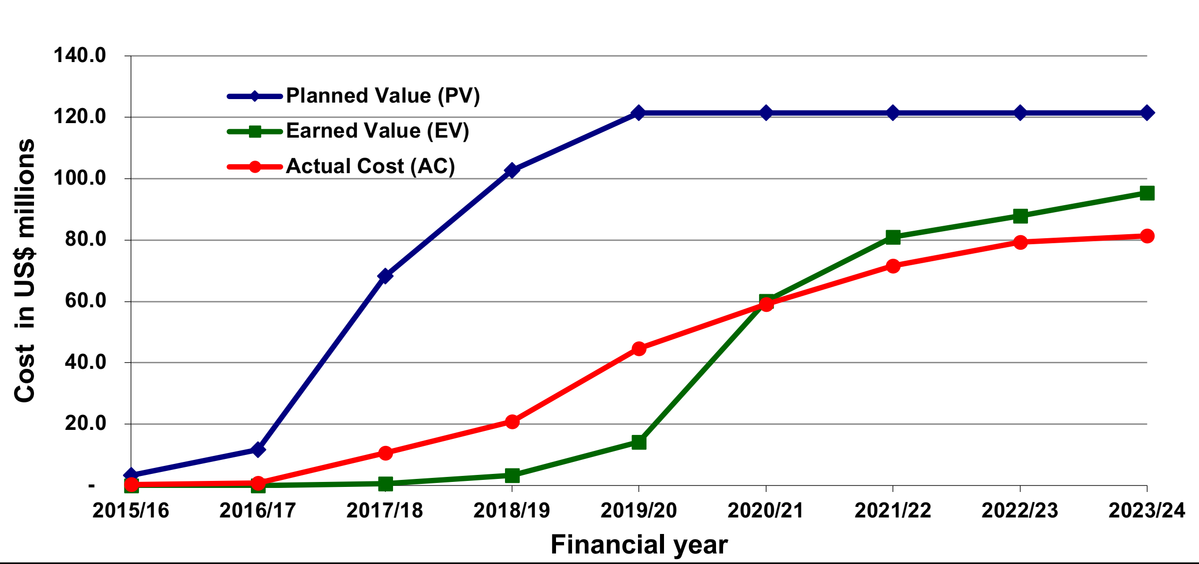
Physical performance

The project overall completion was at 90%. The grid extension line works for both the original and additional scope were commissioned and handed over to the service providers for network operation. Only 53% of the targeted connections were made. The project was behind schedule (Figure 3.10.7) with the value of completed works less than the planned value of works. Figure 3.10.7 shows the analysis of the project performance using the earned value management tool.

[167] Nakasongola, Luwero, Alebtong, Amuria, Soroti, Mbale, Manafwa, Serere, Ngora, Bukedea, Kaliro, Luuka, Buyende, Iganga, Gulu and Nwoya and the Bugala Island Kalangala

[168] The Cost Performance Index (CPI) was 1.17 by 31st March 2024

Figure 3.10.7: Performance of the UREAP project as at 31st March 2024



Source: UREAP reports, IFMS, Author's analysis

The project was behind schedule due to delayed procurement of consultancy services to undertake designs for the extension line works. For example, schemes in Nakasongola started in December 2018 while those in Kalangala started in September 2020 four years after project effectiveness. Over the project period, the works were further delayed by COVID 19 effects and right of way given the poor pace of the RAP implementation that resulted in extension of works contracts.

Grid extensions

By 31st March 2024, all the construction works were commissioned in the different service territories and handed over to the respective service providers. The target was met with a total of 1,255km of MV and 1,397 km of LV achieved. The progress is indicated in Table 3.10.8

Table 3.10.8: Progress of grid extension component by 31st March 2024

Output (Lots)	Districts	Length (km)		Start date	Planned completion	Actual Completion
		MV	LV			
Lot 1	Nakasongola	266.5	176.17	21st December 2018	20th March 2020	20th June 2022
Lot 2	Luwero, Wakiso	153.27	142.33	7th August 2019	6th November 06,2020	6th May 2022
Lot 3	Alebtong, Amuria, Soroti, Mbale, Manafwa, Serere, Ngora, Bukedea	322.44	281.4	7th August 2019	6th November 2020	6th November 2022
Lot 4	Kaliro	168.87	240.81	7th August 2019	6th November 2020	6th June 2022
Lot 5	Iganga, Luuka	134.58	396.58	12th June 2019	12th September 2020	12th November 2021

Output (Lots)	Districts	Length (km)		Start date	Planned completion	Actual Completion
		MV	LV			
Lot 6	Kalangala	28.91	55.5	21st September 2020	20th December 2021	20th December 2023
Lot 7	Gulu, Nwoya	180.88	104.28	24th September 2019	23rd December 2020	23rd March 2023
	Total	1,255.45	1,397.07			

Source: UREAP Annual reports

Top L-R: An installed at transformer at Zengebbe landing site, Nakasongola (Lot 1); Grid extension in Kochi Goma town council, Nwoya (Lot 7)

Bottom: A switching station for the submarine cable at Bukakata for grid extension to Kalangala (Lot 6)

Last Mile Connections

A total of 87,500 (53.2%) last mile connections were made. The pre-paid energy metres, service cable and connection accessories for the pending connections were delivered in December 2023 but no connections had been made by 31st March 2024. The delay was due to the AfDB failure to approve the contract amendment for the distribution network operators to undertake last mile connections. This delay had negatively impacted on the ability of the communities in the project areas to benefit from the grid extensions.

Progress of additional lots

The loan balance was used to implement four additional lots (Lots 10 -13) extending grid to various districts countrywide and a total MV length of 525 km was achieved. All works were commissioned as at 31st March 2024 (Table 3.10.9)

Table 3.10.9: Progress of additional lots under the grid extension component by 31st March 2024

Lot	Coverage	Length of grid achieved (km)		Start Date	Planned completion	Actual completion
		MV	LV			
Lot 10	Butaleja, Iganga, Kamuli, Luuka, Mayuge, Namayingo, Namutumba, Soroti and Tororo District	160.79	334.3	8th July 2021	8th July 2022	8th October 2023
Lot 11	Kassanda, Kyankwanzi, Luwero, Mubende, Mukono, Nakaseke, Wakiso, Nakasongola, Masindi, and Kiryandongo Districts	111.65	192.9	29th July 2021	28th July 2022	28th December 2022
Lot 12	Butambala, Isingiro, Kabale, Kanungu, Kyotera, Mbarara and Rukungiri Districts	135.48	341.5	8th July 2021	7th July 2022	7th November 2022
Lot 13	Kabarole, Kakumiro, Kamwenge, Kasese, Mitooma and Rubirizi Districts	117.22	297.95	23rd July 2021	22nd July 2022	22nd December 2023
	Total	**525.14**	**1,166.65**			

Source: UREAP Annual reports, FY 2017-18 – FY 2023/24

One of the completed grid extensions at Nsambya 2 trading centre, Kyotera under additional lots (Lot 12)

Implementation constraints

- Delayed commencement for the last mile connection subcomponent despite the delivery of metres will affect the ability of the project to meet the closure date.
- The lack of prioritization of compensation of affected persons watered down the impact of the project on the communities in the project areas.

Conclusion

The overall project progress was good at 90% with loan disbursement at 83%. The construction of all the grid extension lines was complete but the implementation of last mile connections was at 53% progress. The project realized a saving of US$ 21m which was used to undertake additional grid extensions in other districts and these were also completed. The progress of works was initially slowed down by delayed compensation of affected communities with only 23% of counterpart funding released. The project's completion time is estimated at one year and completion cost at US$ 123.5m to meet the operational costs for the extension period and this is above the budget.

Recommendations

- The MEMD and AfDB should conclude the implementing modalities for the pending connections before the project closure.
- The MEMD should prioritize the completion of compensation of persons in the project areas.

3.10.9 Bridging the Demand Supply Gap through the Accelerated Rural Electrification Programme/AREP (1517)

Introduction

The Bridging the Demand Supply Gap through the Accelerated Rural Electrification project aims at accelerated rural electricity access of all unserved sub-county headquarters and priority load growth centres countrywide. The implementing agency is the Ministry of Energy and Mineral Development (MEMD).

The grid construction works are financed by a loan to the tune of US$212.67 million from the Export-Import (EXIM) Bank of China and GoU funding of Ug Shs 28.95 billion to cater for supervision of works. The loan agreement was signed on 16th January 2019, loan became effective on 3rd April 2019 with the final revised completion time of 3rd April 2025.

Project Scope

The target of the project outputs was: construction of 3,839 km and 5,921 km of Medium and low voltage networks respectively; installation of 3,401 transformers; implementation of 172,589 last mile connections in 287 sub counties in a total of 106 districts; and construction of two regional ware houses.

Financial Performance

The overall cumulative loan disbursements for the construction works stood at US$205.05m (96.4%) as at 31st March 2024. The project was operating within budget.

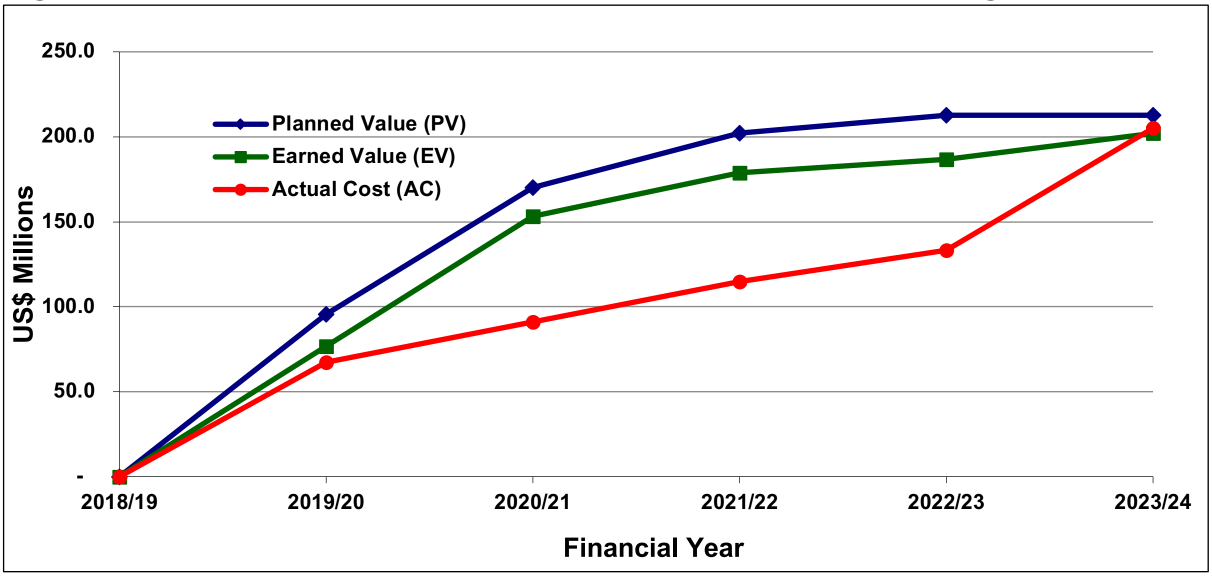
The project's disbursements (AC) was below the Projections (PV) between FY2020/21 and FY2022/23 for the three years due to delays in payment of the contractor's Interim Payments Certificates (IPCs) by the China Exim Bank because the project had no supervision consultant to approve invoices in that period (Figure 3.10.9).

Physical performance

The cumulative physical progress was at 90% as at 31st March 2024 but behind schedule 8%[169]. Works commenced in October 2019 and the initial completion date of October 2022 (36 months) was not met due to lack of a supervising consultant for about a year and half and impact of COVID 19 mid-way the project.

[169] SPI=0.92

Figure 3.10.9: Performance of the Accelerated Rural Electrification Programme



Source: AREP Reports, IFMS, Author's analysis

The lack of a supervising consultant led to non-payment of the main contactor's IPCs and this spilled over to the subcontractors who abandoned works in some areas in the FY2021/22. Since some of the works were undertaken without supervision, quality issues arose which further delayed commissioning of the works.

Grid Extensions

Grid extension was undertaken in 91 of the planned 106 districts. This was due to the detailed engineering surveys, designs and financial appraisal conducted in FY2021/22 that concluded that the available loan funds could only accommodate scope for 91 districts.

By March 2024, a total of 3,162.9 km of MV 6,598 km of LV and installation of 1,666 transformers for 33kV scope had been completed and commissioned across different regions of the project (Table 3.10.13). The detailed coverage per district is also given in Annex 3.10.1

Table 3.10.11: Summary of AREP Project Achievements by 31st March 2024

Region	Districts	Revised Target			Achieved			Progress
		MV (km)	LV (km)	TXs (No)	MV (km)	LV (km)	TXs (No.)	
Eastern	25	1088.72	3064.58	700	954.66	2,734.37	567	86%
Central	20	926.65	1,673.85	480	757.43	1,321.85	390	81%
Western	25	735.71	1,750.37	475	685.09	1,586.97	418	91%
Northern	21	774.98	959.69	297	765.74	954.95	291	99%
Total	91	3,526.06	7,448.49	1,952	3,162.92	6,598.14	1,666	88%

Source: MEMD AREP Reports

The pending works were constructions of 11KV networks mostly in the central and eastern region. Only 23.1% (78.9 km MV, 176.9 km LV) of the 11kV scope[170] had been constructed and none of the transformers were installed. This was due to the slow pace of undertaking and approving the detailed engineering designs.

Progress of Last Mile connections

The target was revised from 172,589 to 180,015 connections. Although the approval for the manufacturer of the metres was made in April 2021, they were delivered in first half of FY 2023/24. Verification and approval by UNBS as per the regulations was ongoing. No last mile connections had thus been made under the project.

Commissioned grid extension works at Kaggi trading centre in Ntwetwe Subconty, Kyankwanzi

Compensation Progress

The compensation had not commenced by 31st March 2024 yet the project was in the final stages. This hindered commissioning of some schemes for example in Mayuge, Amolatar and Dokolo. There was low prioritization of the activity due to lack of clear guidelines and plan for compensation process. The RAP studies commenced three years late in FY 2022/23. By March 2024, studies for only 70% were completed and awaiting approval by the Chief Government Valuer (CGV)

Construction of Regional Warehouses

The progress of construction works for the warehouses in Kakiri, Wakiso and Mbarara for storage of construction materials were at 89.9% and 30% respectively. The location of the Mbarara regional warehouse was in a wetland, and the site will need elaborate earthworks to stabilize the ground.

L-R: A view of the nearly completed warehouse at Kakiri, Wakiso; Earth Works for the Mbarara

[170] 310 km of MV, 798 km of LV and a total of 179 distribution transformers.

Implementation constraints

- There was delay in approvals of the bill of quantities for the 11kV schemes.
- There was lack of clear guidelines of RAP implementation.
- The delay to rectify quality issues for completed lines meant they could not be commissioned leading to vandalism.
- The lack of the supervision consultation mid-way the project further led to delays.

Conclusion

The project progress was good at 90% with the loan disbursement for grid extension works at 88% and all the 33kv extensions were completed. The project was within budget but behind schedule by two years, mainly due to the lack of a consultant to approve payments in the earlier FYs, slow pace of compensation and delayed construction of the 11kV schemes and implementation of last mile connections. The MEMD therefore needs to fast track conclusion of the last mile connections and 11kV schemes in the remaining period of one year if the objectives are to be met. Additionally, the MEMD needs to clearly indicate the RAP budget projections for the project.

Recommendations

- The MEMD should fast track the commencement of RAP implementation in the remaining project time frame
- The MEMD should fast track construction of the remaining schemes for the 11kV scope

3.10.10 Electricity Access Scale Up Project (1775)

Introduction

The Electricity Scale Up Project (EASP) Project focus is to increase access to energy for households, commercial enterprises, industrial parks, and public institutions. The project is to be implemented by the Ministry of Energy and Mineral Development (MEMD).

The total project funding is US$ 638 million which comprises of a World Bank loan of US$ 331.5 million, total Grants of US$ 276.5 million, US$ 20 million from private sector and GoU counterpart funding of US$ 10 million. The project commenced in FY 2022/23 and the completion date is scheduled for 30th June 2027. The loan became effective in July 2023.

Project Scope

The project financing matrix details per component are given in Table 3.10.12

Table 3.10.12: Project Cost and Financing Sources in US$, millions

Project Components	Loan	Grants[171]					Private Sector	GoU	Total
	IDA Credit	IDA Grant	IDA-WHR Grant	CTF CRG	CTF Grant	ESMAP - MDTF Grant			
Component 1. Grid Expansion and Connectivity	331.5	26	--	--	--	--	--	--	357.5
Component 2. Financial Intermediation for Energy Access Scale-up	--	56	--	25	5	6	15	--	107
Component 3. Energy Access in Refugee Host Communities	--	13.5	107	--	--	--	5	--	125.5
Component 4. Project Implementation Support and Affordable Modern Energy Solutions	--	17	17	--	--	4	--	10	48
Total financing	**331.5**	**112.5**	**124**	**25**	**5**	**10**	**20**	**10**	**638**

Source: EASP PAD

Component 1: grid expansion and connectivity targets network expansion and strengthening through construction of grid extensions, upgrades, and intensification to electrify schools, health centres and other public institutions. The component intends to achieve more than a million no pole and one pole service connections.

Component 2: Financial Intermediation for Energy Access Scale-up on the other hand focuses on installation of stand-alone solar technologies to public institution institutions water supply schemes, schools and health centre and provision of credit facility to boost household solar connections.

Component 3: Energy access in Refugee Host Communities (RHCs) will support increased energy in Refugee Host Districts (RHDs) through construction of grid extension lines and provision of household solar technologies.

Financial Performance

The loan disbursement was at 0.81%and grant and GoU were at 0% against planned projection of US$ 60m (10%). This is because the construction works had not started and the funds expended were majorly operational costs. The procurement of consultants to undertake Engineering Designs and staff for the Project Coordination unit (PCU) and Project Implementation Unit (PIU) was on going but behind schedule. Most of the recruitment for the PCU and PIU staff was incomplete and none of the consultants had been procured yet the project was one year behind schedule. Therefore, there was minimal earned value because the construction works had not begun.

[171] WHR - Window for Host Communities and Refugees: CTF CRG - Clean Technology Fund Contingent Recovery Grant: ESMAP- MDTF - Energy Sector Management Assistance Program Multi-Donor Trust Fund

Challenge

The project is not likely to be completed on time because of the slow procurement process. The only procurement undertaken was the recruitment of some of the project staff.

Conclusion

The project was behind schedule given that disbursements stood at 0.81% against a planned target of 10% and physical works had not started pending the procurement of consultants and contractors. With this trend in the delays, the project will likely not to be completed by 30^{th} June 2027.

Recommendation

The World Bank and MEMD should fast track the procurement processes to commence construction works.

3.11 Sustainable Housing and Urbanization

Introduction

The Sustainable Housing and Urbanisation Programme aims to attain inclusive, productive and livable urban areas for socio-economic development. The achievement of this overall objective is majorly contributed to by the following agencies: Ministry of Works and Transport, Ministry of Kampala Capital City and Metropolitan Affairs (MoKCC&MA); Ministry of Lands Housings and Urban Development (MLHUD); Kampala Capital City Authority (KCCA); and Local Governments (LGs).Implementation of the programme is funded both by the Government of Uganda (GoU) and Development Partners (DP). The following DP are currently engaged in the financing of the programme: International Development Association/Word Bank (IDA/WB) and Agence Française de Development (AFD).

Two (2) projects under the Sustainable Urban Development Programme were reviewed. These are the Uganda Support to Municipal Infrastructure Development Program – Additional Financing (USMID-AF) and the Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP). The findings are presented below:

Overall status of Projects Implementation

The status of implementation of the two (2) projects that were reviewed under the programme was ongoing. The Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP) started in the FY 2023/24 in the month of December 2023 while the Uganda Support to Municipal Infrastructure Development Program – Additional Financing (USMID-AF) was ongoing with an end date of 30th June 2024.

Performance of the Projects

The performance was assessed in terms of the remaining loan duration against the percentage of civil works pending; and the percentage of the undisbursed loan amount.
The performance of the projects is summarized in Table 3.11.1.

Table 3.11.1: Summary of Sustainable Housing and Urbanisation Programme Projects Performance

Project Code/ Name	Creditor name	% loan duration remaining	% duration of civil works contract left	% of Un disbursed loan	% of civil works pending	Remark/Proposed Action
1514: Uganda Support to Municipal Infrastructure Development - Additional Financing	World Bank	4.8	-	6.0	-	Performance was good at 89%
1798: GKMA Urban Development Project	World Bank, AFD and GoU	89	-	98.84	-	Project commenced in December 2023 and preparatory activities were ongoing

Source: Author's compilation

The performance per project is presented hereafter.

3.11.1 Uganda Support to Municipal Infrastructure Development - Additional Financing (1514)

Introduction

The Uganda Support to Municipal Infrastructure Development, Additional Financing (USMID-AF) Program is a follow-on Operation to the Uganda Support to Municipal Infrastructure Development (USMID) Program that was successfully implemented from FY 2013/14 to FY 2017/18 in 14 Municipal Councils (MCs)[172]. The program became effective on 11th April, 2019 and was expected to close on 31st December, 2023 but revised to 30th June 2024.

The program is funded through a US$ 335 million credit and a Grant of US$ 25 million from the World Bank making a total funding of US$ 360 million over the five-year period. The Ministry of Lands, Housing and Urban Development is the executing Agency of the program

The Program Development Objective is to enhance the institutional performance of Local Governments to improve urban service delivery. The, USMID – AF program was to be implemented in the 14 Municipalities that had benefited from the Phase one; 8 additional municipalities[173]; and 8 districts[174] that were hosting large numbers of refugees.

The project had five broad priority actions for the five-year period which were as follows:

1) Funds Transfer to Local Governments. These funds are largely for infrastructure development with only US$ 10 million for demand-driven institutional strengthening of the Municipalities;
2) Systems Development and Institutional Strengthening activities;
3) Physical Planning, Land Tenure Security and Infrastructure Development in the Refugee host Districts; and
4) Program Management by the MLHUD to ensure that implementation effective and efficient.

Financial Performance

The program disbursed a total of SDR 235.3million (94%) (US$ 325.6million) of funds within 95% duration. Cumulatively, the program has utilized US$ 278,880,861 (85.7%) of the funds disbursed. The implementation of the program activities were within budget; and thus, would experience an estimated cost saving of US$1.6million at completion.

Physical Performance

The overall physical performance of USMID -AF was good estimated at 89%. Despite the good performance, the implementation of the program was behind schedule and as a result would experience a time overrun of 4 months to complete all the works. This would therefore bring the revised end date of the project to 24th October 2024. Figure 3.5.14 shows the performance of USMID – AF over the years.

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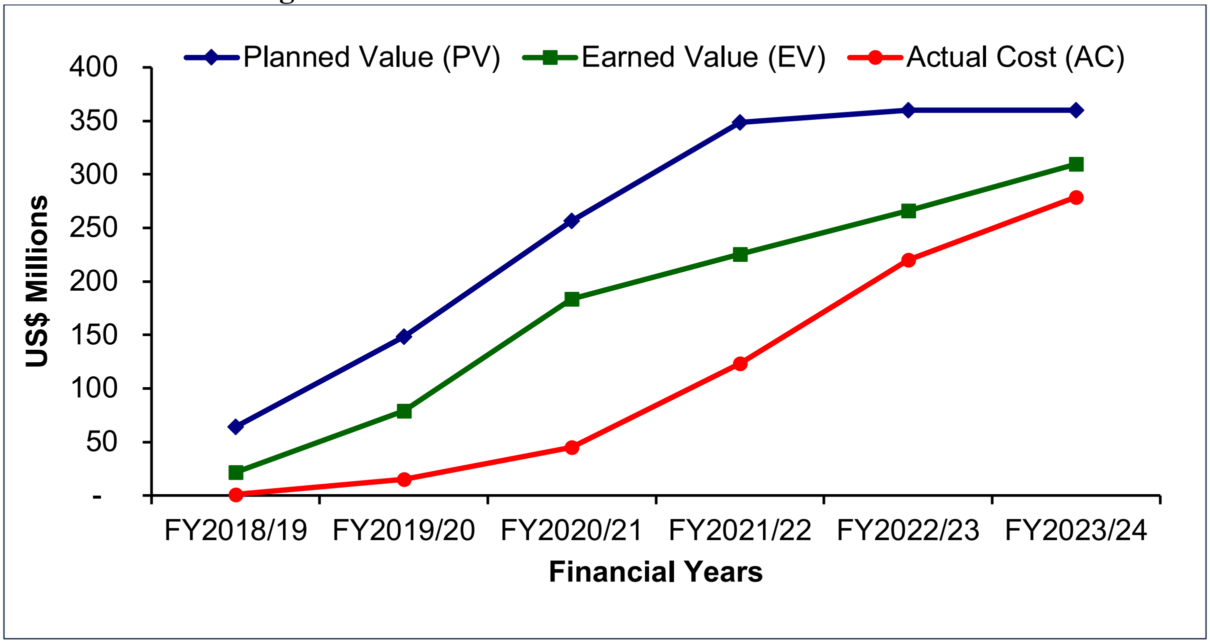
172 Arua, Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fort Portal and Hoima

173 Kasese, Mubende, Kitgum and Kamuli, Lugazi, Apac, Ntungamo and Busia

174 Adjumani, Yumbe, Moyo, Koboko, Isingiro, Kiryandongo, Kamwenge and Lamwo

Figure 3.5.14: Performance of Uganda Support to Municipal Infrastructure Development – Additional Financing as at 31st March 2024



Source: Author's compilation, USMID Annual progress reports FY2018/18 to FY2023/24

The performance of the funds transfers to local governments which is aimed at construction of the municipal roads and its related infrastructure was estimated at 88%. A total of 171 km were completed against a target of 194.89km. The physical progress for roads under execution but yet to be completed ranged between 62% and 95%. The pavement works for these roads were complete for 38.9km and only pending ancillary works such as: street lights; road marking; road signs; road studs; and landscaping. The quality of the finished works was good.

Additionally, the development of local economic infrastructure such as bus parks, markets, parking lots was in progress averaged at 89%. Works for the taxi park in Busia MC, the slaughterhouse in Hoima City, the beautified Rwebikoona parking area in Mbarara city, the taxi park in Arua City, Tororo Municipality, Entebbe Municipality, the Bus terminal in Moroto and the Lorry Park in Fort Portal City were completed. The pending construction works were for taxi park and mayors garden in Mubende; and the Coronation Park and Childrens park in Lira City.

Under systems development and institutional strengthening activities, the municipalities benefited from capacity building of their staff; development of physical plans and submission of these to the physical planning board for approval; retooling of offices; and technical support on the Integrated Revenue Administration System (IRAS). As a result, most municipalities have experienced an increase in the local revenues collected.

The preparation of the Physical Development Plans (PDPs) within the refugee hosting districts (RHS) was not completed. Draft PDPs were prepared for Isingiro and Kamwenge; and were on display for the mandatory 90 days as required by the National Physical Planning Board (NPPB).

The progress of implementation of community access roads in RHDs was estimated at 34%. A total of 50.4km was completed in various districts as shown: Kiryandongo District (Nanda-Popara Rd-12km); Kamwenge District (Bwitankanja-Nsonosa Rd, Burambira-Mikamba-Bwitankanja Rd, Mutwe-Kyamwera Rd- total 19.6km); Isingiro 18.8km.

Ongoing works at the Coronation Park in Lira City Council

Completed Nelson Mandela Road in Gulu City

A completed market facility at Lagot Opuk in Lamwo District

Ongoing construction of a play field at Leju Town Council in Terego District

The progress of the infrastructure such as playgrounds, resource centers, markets, leisure parks aimed at promoting interaction and peaceful co-existence between refugees and host communities was ongoing for most of the districts except for Terego and Yumbe which were completed.

Implementation constraints

i. Delayed procurement of civil works contractors due to numerous complaints that resulted in administrative reviews and actions by courts of law.
ii. Elevation of Program municipal councils to city status affected the funds allocation formula used by the program due to the enlarged geographical areas as a result of annexing the neighboring sub-counties and increased populations.

Conclusion

The Uganda Support to Municipal Infrastructure Development program performance was good (89%) but experienced delays which necessitate a time extension of 4 months up to 24th October 2024. Implementation of the outputs was within budget, with the value of works achieved above the actual expenditure. There is however, pending activities which need to be completed in some of the municipalities and refugee hosting districts. The implementation of these needs to be accelerated so as to fit within the remaining timelines.

Recommendations

The MLHUD should enhance the monitoring of the implementation of the program outputs in all the municipalities so as to meet the loan deadlines.

3.11.2 Greater Kampala Metropolitan Area Urban Development Program (1798)

Introduction

The Government of Uganda (GoU) spearheaded by the Ministry of Kampala Capital City and Metropolitan Affairs (MoKCC&MA) is implementing a five-year Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP). The program seeks to address constraints identified within the GKMA, namely: inadequate urban infrastructure; constrained service delivery; uncompetitive business environment; and limited job opportunities.

The program aims at supporting nine (9) sub national entities, that is, Kampala Capital City Authority (KCCA), neighboring district local governments of Mpigi, Wakiso, and Mukono and their respective urban authorities of Nansana, Kira, Mukono, Makindye-Ssabagabo and Entebbe. The MoKCC&MA coordinates the program while the 9 sub-nationals carry out the implementation. The program focuses on enhancing mobility and connectivity, fostering job creation, building resilience, and strengthening institutional capacity of the MoKCC&MA and GKMA implementing entities.

The GKMA-UDP project was approved on the 31st May, 2022 with a five (5) year implementation period at a cost of USD 1,179.97 million funded by the World Bank (USD 566 million (47.97%) as credit of USD 518 million and a grant of USD 48 million); Agence Française de Development (AFD) contributing Euro 40 million (equivalent to USD 42.66 million (3.6%)) as co-financing and; GoU (USD 571.31 million (48.42%). The Program's Financing Agreement was signed on the 17th November, 2023, and became effective on the 28th December, 2023 with a closing date of 31st December, 2027. Thus program implementation started in the Financial Year 2023/24.

The Program Development Objective is "to improve the institutional capacity of the MoKCC&MA and the GKMA sub-nationals for metropolitan management and increase access to improved infrastructure and services" The program seeks to improve urban productivity in the GKMA under four (4)-major program pillars, namely:

i. Mobility, accessibility, and connectivity-infrastructure development in GKMA targeting over 443km of road for upgrade in five (5) years;

ii. Job creation, with focus on creation of workspaces, market improvement, innovation/ incubation centres and artisan parks that target the unemployed youths, women and economic clusters. This focuses on improvement of 18 markets in various locations within GKMA, mini-industrial parks, agro-processing zones for value addition, among others.

iii. Improvement of Urban resilience and climate change/disaster risk management focusing on establishing green parks/belts and tree planting along roadsides, developing solid waste management strategies, and storm water drainages to address the challenge of flooding in the entire GKMA, among others.

iv. Institutional Strengthening for Metropolitan Coordination and Management.

Financial Performance

So far no disbarments had been made for any capital investments. The World Bank had only disbursed USD1.5 million (0.13% of project cost) on 11th March 2024 for preparatory activities, wages for the project specialists and operations of the project support team.

Physical performance

All the members of the Program Support Team were appointed in November 2023 and they commenced their roles to support the implementation of the GKMA Program. The recruitment of the Independent Verification Agency (IVA) was concluded in January 2024, following the program effectiveness. The IVA had been engaged by MoKCC&MA and the Project Support Team, and finalized the assessment tool which was to be used to conduct the baseline survey and the subsequent annual performance assessments for all the Disbursement Linked Indicators (DLIs). Project preparatory activities were ongoing at various stages by the different implementing entities aimed at attaining approval for release of funding.

Implementation constraints

i) Delayed fund transfer to the implementing entities affecting implementation progress.
ii) Non-release of GoU funding to support the program and ministry operations.
iii) There are several activities proposed by the implementing entities that are not in the original defined scope submitted during the loan approval. This is causing delays in the implementation process.

Conclusion

The project became effective on the 28th December, 2023. The project preparatory activities were ongoing at various stages by the different implementing entities; and project structures had been established for purposes of approval for the release of funding. With these in place the project is ready to undertake the planned scope. However, there is a risk of delay in implementation of the activities under the project scope due to non-release of funds from the GoU to support the program and ministry operations.

Recommendations

i) The MoKCC&MA should continuously engage with MOFPED to support the program implementation and its operations.
ii) Certain roads that were meant for GKMA-UDP were taken on with funding from other agencies like the UNRA; it is thus imperative that implementing entities are allowed to submit their change requests for approval since the project is in the first year of implementation.

3.12 Manufacturing

This section provides the cumulative performance of Project 0994: Development of Infrastructure at Kampala Industrial and Business Park (KIBP), Namanve. The project is intended to facilitate industrialization in Uganda which shall in turn lead to job creation, add value to locally available raw materials, technology transfer as well as skilling citizens with the objective of transforming the country into a middle-income economy.

3.12.1 Development of Industrial Parks Project -0994

Introduction

The Kampala Industrial and Business Park is a 2,200-acre facility located partly in Wakiso (Kira Municipality) and Mukono (Mukono Municipality), about 14 km East of Kampala along the Kampala – Jinja highway at Namanve.

The focus of this project is to provide critical infrastructure connecting all estates in the KIBP. The project is financed through a loan valued at Euro 219 million from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB) with counterpart funding from Government of Uganda. The development of the infrastructure at the KIBP, Namanve Project is being delivered through an Engineering Procurement and Construction (EPC) Contract based on Fédération Internationale des Ingénieurs-Conseils (FIDIC) Conditions of Contract for EPC/Turnkey Projects "Silver book 1999" guidelines.

The park is subdivided into four estates namely North Estate, South A Estate, South B Estate, and South C Estate. The land was allocated to 322 investors for development in various sub-sectors such as Agro-processing, mineral processing, ICT, logistics and freight, warehousing, general manufacturing as well as tourism promotion and accommodation activities.

In 2018, a commercial EPC contract for the infrastructure development of KIBP was signed between Government of Uganda through Uganda Investment Authority (UIA) and M/s Lagan in Joint Venture with M/s Dott Services that transformed into M/s Lagan Dott Namanve Limited (LDNL). The contract commenced on 6th July 2020 with the initial expected completion date of 5th January 2024 which was extended by 20 months to 4th September 2025.

In order to provide technical, management, and coordination assistance to ensure delivery of the project on time, within cost and to the required quality, a contract was signed on 19th August 2019 between the consortium of Owner's Engineer (OE) that included: M/s Roughton International Ltd., Turner and Townsend International Ltd, Joadah Consult Ltd. and Basic Group Ltd on one hand, and the Employer (UIA) on the other hand supported by a Project Management Team (PMT). The contract provided for a Technical Committee[175] and the overall supervision was entrusted in a Project Steering Committee[176]. According to the loan agreement, payments are directly disbursed to the contractor. Table 3.12.1 shows the summary of the contract.

[175] Composed of officers from MoJ&CA, MFPED, MoWT, MWE, MoICT&NG, MEMD, Mukono DLG, Kiira Municipality, NEMA, KCCA and UIA.
[176] Composed of Permanent Secretaries/ Accounting officers from MFPED, MoWT, MWE, MEMD, MoICT&NG, UIA, and NEMA.

Table 3.12.1: The Kampala Industrial and Business Park Contract Summary

Project Name	Development of Infrastructure (Design and Build) at Kampala Industrial and Business Park, Namanve
Funding Agencies	The Government of Uganda with support from United Kingdom Export Finance (UKEF) and Standard Chartered Bank UK (SCB)
Employer	The Government of Uganda represented by Uganda Investment Authority
Initial Owner's Engineers	Consortium: M/s Roughton International Ltd., Turner and Townsend International Ltd., Joadah Consult Ltd. and Basic Group Ltd
Current Employers Representative (ER)	MBW consulting Ltd in Joint venture with PM Excellence appointed on 1st August 2023.
EPC Contractor	Lagan Dott Namanve Ltd
Project commencement Date	6th July 2020
Initial Expected Completion date	05th January 2024
Project duration	42 Calendar months (Revised to 62 months)
EPC Contract Value	Euro 215,065,212.41
Original owner's engineer Contract amount	Euro 8,805,781.4
ER's contract	UgShs 17,134,514,500
Revised completion date	4th September 2025
Scope of works	• Project studies (Economic studies, park management studies, flood risk assessment and drainage masterplan.) • Design and construction of 44.35km road network, bridges and weighing bridges facility (upgrade roads to asphalt pavement and walkways plus greening) • Design and construction of drainage network (Complete surface water drainage network in the road corridors using stone pitch and concrete culverts) • Design and construction of 20km sewerage network including sewer underground pipe network • Design and construction of a 32 km water supply and distribution network plus reservoirs • Design and construction of waste treatment plant plus toilets and a solid waste treatment plant • Design and construction of an SME park. This will include a common facility centre, a market promotion centre and individual SME workspaces. • Design and construction of power network including the supply and laying of 33KV single core cable. (An underground power distribution system) • Installation of CCTV services, street lighting and fibre optic services • Other Amenities such as water hydrants

Source: UIA- Project Progress Report March 2024

Financial performance

The overall project budget was estimated at Euro 223.87 million equivalent to Ug shs 896bn of which Euro 219 million is a loan. By 31st March 2024, the overall contract financial performance was 47.683% against a planned progress of 100% of original contract time (or 72.6% of the revised time). A total of 15 out of the 22 Interim Payment Certificates (IPCs) raised were paid to a tune of 102,977,377.81 Euros (inclusive of 25% advance payment). The unpaid certificates worth Euro 11.240 million was due to the expiry of the financing facility in September 2023 and the slow progress of works during the course of 2023. It was observed that the contractor had submitted claims on delayed payments which was causing cost overruns. On the other hand, the original Owner's Engineer was paid Euros 1,896.674.46 (21.54% of the contract) before UIA terminated the contract due to poor performance.

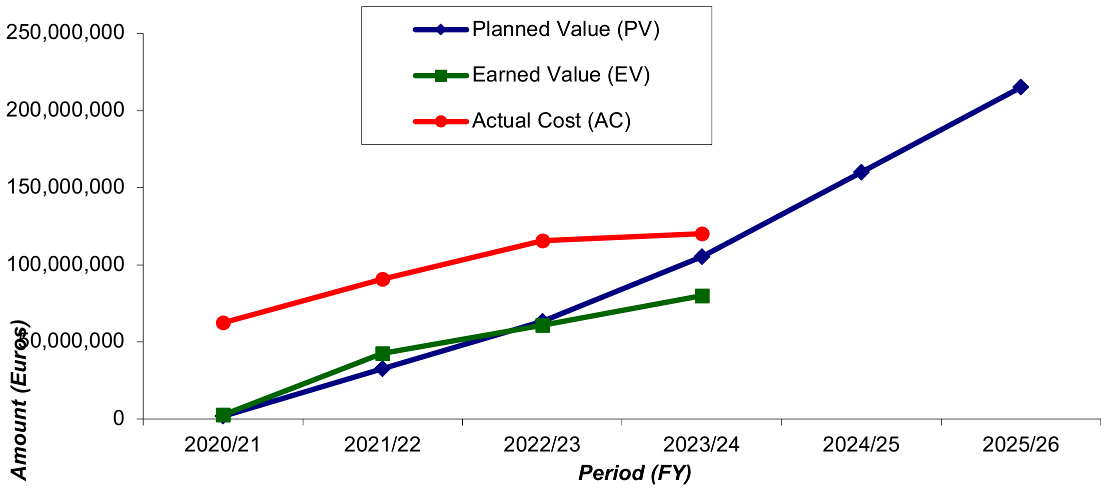
The new Employer's Representatives' (MBW Consulting Limited) invoices amounting to an advance of Ug shs. 4,356,232,500 and monthly invoices worth Ug shs. 2,782,155,727 were also still pending payment due to no releases on the counterpart funding in FY 2023/24.

The cost performance index (CPI) depicts that the project is operating over the planned budget with a value of 0.67 and running on a cost overrun shown by the cost variance (CV) of (-40,175,990.63 Euros). This implies that the project is spending more money than the value of work completed so far and activities are behind schedule. This is partly explained by the initial advance payment to the contractor of more than 50 million euros. Figure 3.6.1 Shows the performance trends of KIBP by 31st March 2024

Physical Performance

By 31st March 2024, the cumulative physical progress was 51.75% against the revised planned progress of 72%. This was attributed to the delayed approval and finalization of sites for three components waste water -, solid waste and SME park which contribute 30% of the project scope. This delay resulted into lost time of 13 months. Figure 3.12.1 shows the performance trends while Table 3.12.2 shows the project progress.

Figure 3.12.1 Performance Trends of KIBP by 31st March 2024



Source: UIA, MFPED and Field findings

Table 3.12.2 KIBP Summary performance by 31st March 2024

NO.	ACTIVITIES	PLANNED PROGRESS	ACHIEVED	REMARKS
1	Consultancy fees (Economic and Marketing Analysis)	100%	100%	Completed
2	Survey Works (Topo, hydro, environmental and site investigations)	100%	100%	Completed
3	Engineering design and supervision	87%	83.0%	Work in Progress. Extension of Time (EoT) of 20 months was approved at No Cost.
4	Road network and Bridge Construction	69.1%	44%	38km of roads opened. Roads in north estate prepared to pavement level, Ongoing works in South A, B and C estates. Some corridors are enchoroached on by industrialists and illegal titles issued by Mukono district and Uganda Land Commission.
5	Water supply network construction	16%	16%	Work on schedule
6	Sewerage network construction	16%	16%	Works delayed to start due difficulty in identification of sewage treatment plant site but now on schedule
7	Industrial Waste water collection & Solid waste treatment facility construction	0%	0%	Land for Solid Waste Treatment Facility is not yet identified/purchased by UIA.
8	Power supply services construction	15%	15%	On schedule however, there are concerns and comments on the power design between contractor and distributor to have the main ring re-designed.
9	Fibre optic and CCTV services construction	15%	15%	On schedule but experienced slow progress before extension of time due to delays in progressing the designs for CCTV & Fibre Optic Network in KIBP occasioned by delayed engagement of NITA-U by the Contractor in NITA-U review of designs, approval and sharing of the as-built network within the KIBP. NITA-U delayed the review and feedback on the designs. Ducting works on-going
10	Street lighting (Solar) and traffic lights construction	10%	10%	The designs for Street lighting (Solar) and traffic lights by the Contractor not fully done

NO.	ACTIVITIES	PLANNED PROGRESS	ACHIEVE D	REMARKS
11	SME workspaces construction	0%	0%	Land for SME Park not yet identified/purchased by UIA.
12	TOTAL	48%	51.75%	A net of Euros 114,157,801.99 (53.08%) has been certified to the Contractor as per IPC 21. The major cause of delay has been the lack of the 3 key sites for the Waste Water Treatment Plant (now identified), Solid Waste Water Treatment Plant and SME Park that contribute to about 30% of the project scope.

Source: UIA 2024, & field findings

It was observed that both the Technical Committee and the Steering committee hardly meet to guide progress and address the issues arising between the contractor and the client.

Up: A section of Paved circular road in South C Estate
Down: Earth work at an interchange in South B Estate in KIBP Namanve

Project Risks

The overall project performance is poor with an anticipated cost and time overruns arising from idle time, delayed payment to the contractor and delayed acquisition of alternative sites for waste treatment facilities and SME Park. Subsequently, the contractor was granted a no cost extension of 20 months. The project is experiencing cost overruns including payments to the Owners Engineers.

Implementation constraints

1. Delayed approval of the site for waste water treatment plant and solid waste treatment plant lasting 13 months and delayed commencement of construction by the contractor even after the approval was obtained on 18th April 2023.
2. Encroachment on park land and green spaces by some tenants and issuance of illegal titles on KIBP land by Mukono DLG. This is common in the South C8 section where three titles were issued and were overlapping on the drainage way.
3. Failure by the project technical and steering committees to regularly convene meetings which delayed settling of some disagreements between the contractor, the supervisor and client.
4. Absence of an Independent Environmental and Social Consultant (IESC) – Ramboll UK Ltd at site. The absence of an IESC risks the continued breach of a financing obligation which may eventually lead to a stop to funding and or eventual cancellation of the loan.
5. Expiry of the commercial facility, and availability period for the UKEF facility on 4th September 2023 leading to failure to pay cleared certificates (No 16 – 21).

Conclusion

The overall project performance is poor against the target with all the planned outputs behind schedule and several outputs yet to commence. The main reason for the poor performance is the delayed acquisition of sites for the WWTP, SWTP and the SME Park which contribute to 30% of the project work. This points to lack of project readiness by the client. The Cost Performance Index of 0.67 (Table 3.6.3) shows that the project shall be completed above the budget while the negative Schedule variance and Schedule Performance Index shows that the project is behind schedule. The delay in commencement of the pending works shall result in time and cost overruns. Industrial and Business Parks should not be located in wetlands, otherwise compliance requirements are tedious.

Development of brown field Industrial and Business Parks (operational industrial and business parks) before detailed studies and master planning is done causes lots of delays in the development of infrastructure. For example, the project suffered a lot of insufficient corridor spaces and in some area lack of space especially for drainage, encroachment issues among others. For the development of other Industrial and Business Parks, it is important that complete studies and designs informing the master planning are done before land is allocated to Investors for development.

Recommendations

1. The Government of Uganda should provide adequate counterpart funding to meet the financial obligations of the owner's engineer and project management team. The lack of sufficient funds to meet the Project Management Team's expenses as well as the Supervising Consultant's fees have grossly affected the implementation of the KIBP infrastructure development.
2. The Mukono DLG land office should desist from issuance of titles on the KIBP land. Additionally, individual officers involved in the illegal titling should be prosecuted.
3. The Project Steering Committee should take a more vigilant oversight role in the implementation of the project by holding periodic meetings to address the concerns from stakeholders.
4. The NEMA should be engaged at all stages of acquiring the land for the infrastructure in fragile and sensitive eco systems.

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Annexes

Annex:1.1: Externally funded projects excluded from the assessment

Project code	Project name	Reasons for omission
1539	Italian support to Health Sector Development Plan- Karamoja Infrastructure Development Project Phase	Insecurity in the Karamoja region
1519	Strengthening Capacity of Regional Referral Hospital	Financing agreement not yet signed
1502	Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	Insufficient information on the two components implemented by MWE
1802	Enhancing agricultural production, quality and standards for Market access project	Loan not yet effective, still undergoing Parliamentary scrutiny
No code	Market access upgrade programme mark-up (Coffee and cocoa value chains)	The Project had ended. A successor project (Mark-up II/COCODEV) was assessed
1559	Drought Resilience in Karamoja Sub-Region Project	Insecurity in the Karamoja region
1761	Strengthening Drought Resilience for Smaller household farmers and the Pastoralists in the IGAD region (DRESS-EA Project)	Insecurity in the Karamoja region
1799	Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change Risk in Katonga and Mpologoma Catchments	The project commenced in July 2023 but had not received the external release by March 2024
1041	Kyenjojo- Hoima-Masindi-Kigumba Road	Completed components of the project were not visited. Works for the Market at Kigumba had not commenced.
1097	New Standard Gauge Railway Line	Loan not signed yet
1546	Kisoro-Nkuringo-Rubugiri-Muko Road	Loan not signed yet
1547	Kebisoni-Kisizi-Muhanga Road	Loan not signed yet
1656	Construction of Muko - Katuna Road (66.6 km)	Loan not signed yet
1769	Upgrading of Kitgum-Kidepo Road (115 Km)	Loan not signed yet
1785	Upgrading of Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahunge (68km)/Mpara-Bwizi (37km)	Loan Signed on April 29th 2024, Date of Loan Effectiveness yet to be determined.
1796	Proposed Upgrading of Katine Ochero (72.9km including the Construction of 2.9km of Town road in Kaberamaido and Kalaki	Loan Signed on April 29th 2024, Date of Loan Effectiveness yet to be determined.
1143	Isimba Hydro Power Project (1143)	The Dam was commissioned and the Defects Liability Period ended on 31st March 2023.
1428	Energy for Rural Transformation Phase III (1428)	Loan financing expired on 30th June 2023.The pending works are now funded by GoU
1654	Power Supply to industrial parks and Power Transmission Line Extension (1654)	Financing agreement not yet signed
1655	Kikagati Nsongezi Transmission Line (1655)	Financing agreement not yet signed

Source: Authors compilation

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