THE REPUBLIC OF UGANDA

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

ANNUAL BUDGET MONITORING REPORT

FINANCIAL YEAR 2015/16

September 2016

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Ministry of Finance, Planning and
Economic Development
P. O. Box 8147, Kampala
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ABBREVIATIONS AND ACRONYMS

ACAO	Assistant Chief Administrative Officer
ACF	Agriculture Credit Facility
ADB	African Development Bank
ADF	African Development Fund
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
APF	Agro Processing Facility
ARVS	Anti-Retroviral
ASM	Artisanal and Small Scale Miners
ATC	Appropriate Technology Center
BADEA	Arab Bank for Economic Development in Africa
BADEA	Arab Economic Development Bank in Africa
BBW	Banana Bacterial Wilt
BDS	Business Development Services
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit
BMT	Borehole Maintenance Technician
BMU	Beach Management Units
BMZ	German Federal Ministry of Economic cooperation and Development
Bn	Billion
BoQs	Bills of Quantities
BP	Blood Pressure
BPO	Business Process Outsourcing
BPTs	Break Pressure Tanks
BTVET	Business, Technical, Vocational Education and Training
CAIIP	Community Agriculture Infrastructure Improvement Program
CAO	Chief Administrative Officer
CATIC	China National Aerial-Technology International Engineering Corporation
CBO	Community Based Organization
CCTV	Closed Circuit Television

CDO	Cotton Development Organization
CGV	Chief Government Valuer
CNOOC	Chinese National Offshore Oil Company
COMPLAT	China National Complete Plant
CTC	Commodity Trading Centre
CWE	China International Waters and Electric Corporation
D/CAO	Deputy Chief Administrative Officer
DATIC	District Agriculture Training and Information Center
DCDO	District Community Development Officer
DCPT	Dynamic Cone Penetration Test
DDA	Dairy Development Authority
DHO	District Health Officer
DHT'S	District Health Teams
DLG	District Local Government
DLP	Defects Liability Period
DMCs	Dangerous Mechanical Conditions
DP	Directorate of Petroleum
DSC	District Service Commission
DSIP	Development Strategy and Investment Plan
DWO	District Water Office/Officer
DWSCC	District Water and Sanitation Coordination Committee
DWSDCG	District Water and Sanitation Development Conditional Grant
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
ECG	Electrocardiogram
EDI	Enterprise Development Investment
EEI	Enterprise Expansion Investment
EIA	Environmental Impact Assessment
EIA	Environmental Impact Assessment
EIPL	Energy Infratech Private Limited
EmNOC	Emergency Obstetric and Neonatal Care
ENRP	Enhancing National Food Security through Increased Rice Production

EPC	Engineering Procurement and Construction
EPCC	Engineering Procurement Construction Contractor
ERT	Energy for Rural Transformation
ESC	Education Service Commission
ESDP	Electricity Sector Development Project
EU	European Union
EXIM	Export Import
Ext.	External
F&A	Finance and Administration
FEED	Front End Engineering Design
FEW	Field Extension Workers
FGDs	Focus Group Discussions
Fin.	Financing
FM	Frequency Modulator
FTBIC	Food Technology and Business Incubation Centre
FY	Financial Year
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GFS	Gravity Flow Scheme/System
GIS	Geographical Information System
GIZ	German International Cooperation
GoU	Government of Uganda
Ha	Hectare
HC	Health Centre
HEST	Higher Education Science and Technology
HH	Household
HIV	Human Immune Virus
HMIS	Health Management Information System
HPMA	Hand Pump Mechanics Association
HPP	Hydro Power Project
HR	Human Resource
HSD	Health Sub District
HSE	Health Safety and Environment

HSS	Health Strengthening Support
ICT	Information, Communications Technologies
ICU	Intensive Care Unit
ID	Infrastructure Design
IDA	International Development Association
IDA	International Development Agency
IDB	Islamic Development Bank
IDM	Inter District Meeting
IDPs	Internally Displaced People
IFMS	Intergrated Financial Management System
IP	Internet Protocol
IPC	Interim Payment Certificate
IPFs	Indicative Planning Figures
IPPS	Integrated Personnel and Payroll System
IsDB	Islamic Development Bank
ISP	Internet Service Provider
IT	Information Technology
ITES	Information Technology Enabled Services
ITU	International Telecommunications Union
IVA	Independent Verification Agent
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
JMS	Joint Medical Stores
KCCA	Kampala Capital City Authority
KfW	German Financial Cooperation (KfW Bankengruppe)
Kg	Kilogram
KHPP	Karuma Hydro Power Project
KIBP	Kampala Industrial and Business Park- Namanve
KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
KIS	Kalangala Infrastructure Services
Km	Kilometer
KMC	Kiira Motors Corporation

KOICA	Korean International Cooperation Agency
KTC	Kalangala Town Council
kV	Kilo volts
KyU	Kyambogo University
LGFC	Local Government Finance Commission
LGs	Local Governments
LLG	Lower Local Government
LPO	Local Purchase Order
LRDP	Luwero Ruwenzori Development Project
M	Million
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MAN	Metropolitan Area Network
MATIP I	Markets and Agriculture Trade Improvement
MBSA	Microsoft Business Services Agreement
MDAs	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MDIs	Microfinance Deposit taking Institutions
MEACA	Ministry of East African Community Affairs
MEMD	Ministry of Energy and Mineral Development
MFIs	Microfinance Institutions
MFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoICT	Ministry of Information and Communications Technology
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MPS	Ministerial Policy Statement
MRI	Magnetic Resonance Imaging
MSCL	Microfinance Support Centre Ltd
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework

MTTI	Ministry of Trade, Tourism and Industry
MUBS	Makerere University Business School
MUK	Makerere University Kampala
MW	Mega Watts
MWE	Ministry of Water and Environment
MWMID	Mineral Wealth and Mining Infrastructure Development
NAADs	National Agriculture Advisory Services
NARO	National Agriculture Research Organization
NBI/EGI	National Backbone Transmission Infrastructure/E-Government Infrastructure
NCD	New Castle Disease
NCDC	National Curriculum Development Centre
NCHE	National Council for Higher Education
NDP	National Development Plan
NDP II	Second National Development Plan
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGOs	Non-Governmental Organizations
NISAG	National Information Security Advisory Group
NISF	National Information Security Framework
NITA-U	National Information Technology Authority
NMS	National Medical Stores
NOC	Network Operating Centre
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
NRCA	National Archives, Records Centre
NRM	Natural Resources Management
NSSF	National Social Security Fund
NTR	Non Tax Revenue
NWSC	National Water and Sewerage Corporation
NWSC	National Water and Sewerage Corporation
NYDC	National Youth Development Centre
O&M	Operation and Maintenance

OBT	Output Budgeting Tool
OE	Owner's Engineer
OFC	Optical Fibre Cable
OFID	OPEC Fund for International Development
OPD	Out Patient Department
OPD	Out Patent Department
OPEC	Organization of Petroleum Exporting Countries
OPM	Office of the Prime Minister
OVOP	One Village One Product
OWC	Operation Wealth Creation
PAPs	Project Affected Persons
PAU	Petroleum Authority Uganda
PDHs	Physically Displaced Households
PEPD	Petroleum Exploration and Production Department
PFIs	Participating Financial Institutions
PFT	Project Facilitation Team
PHRO	Principal Human Resource Officer
PIBID	Presidential Initiative on Banana Industrial Development
PIP	Public Investment Plan
PIRT	Presidential Investors Round Table
PKI	Public Key Infrastructure
PMC	Project Management Consultant
PMG	Production and marketing Grant
PO	Private Operator
PPDA	Public Procurement and Disposal of Assets
PPP	Public Private Partnership
PPP	Public Private Partnership
PPSS	Policy, Planning and Support Services
PRDP	Peace Recovery and Development Programme
PREEP	Promotion of Renewable Energy and Energy Efficiency Programme
Pre-FID	Pre- Final Investment Decision
PSA	Production Sharing Agreements
PSC	Public Service Commission

PSM	Public Sector Management
PSP	Public Stand Post
PTC	Primary Teachers College
PWD	Person with Disability
Q	Quarter
Q1	Quarter One
Q2	Quarter Two
Q3	Quarter Three
Q4	Quarter Four
RAP	Resettlement Action Plan
RCIP	Regional Communication Infrastructure Project
RDP	Refinery Development Program
REA	Rural Electrification Agency
RFS	Rural Financial Services
RGCs	Rural Growth Centers
RIEEP	Rural Income and Employment Enhancement Project
RMSP	Rural Microfinance Support Project
ROW	Right of Way
RRH	Regional Referral Hospital
RWHTs	Rain Water Harvesting Tanks
RWSS	Rural Water Supply and Sanitation
S/C	Sub County
SACCO	Savings, Credit and Cooperative Organization
SDR	Special Drawing Rights
SMEs	Small and Medium Enterprises
SO	Scheme Operator
SOCO	School of Clinical Officers
SPT	Standard Penetration Test
SPV	Special Purpose Vehicle
STs	Small Towns
TA	Technical Assistance
TC	Town Council
TSUs	Technical Support Units

TV	Television
UBOS	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusion Services
UCC	Uganda Communications Commission
UCE	Uganda Commodity Exchange
UCI	Uganda Cancer Institute
UCSCU	Uganda Cooperative Savings and Credit Union
UDC	Uganda Development Corporation
UDET	Uganda Development Trust
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Uganda Shillings
UGCEA	Uganda Ginners and Cotton Export Association
UHI	Uganda Health Institute
UHSSP	Uganda Health Sector Strategic Plan
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Insititute
UMA	Uganda Manufactures Association
UMI	Uganda Management Institute
UNATU	Uganda National Teachers Union
UNBS	Uganda National Bureau of Standards
UNEB	Uganda National Examination Board
UNICEF	United Nations International Children Emergency Fund
UNMHCP	Uganda National Minimum Health Care Package
UNOC	Uganda National Oil Company
UPE	Universal Primary Education
UPIK	Uganda Petroleum Institute Kigumba
UPPET	Uganda Post Primary Education and Training
URA	Uganda Revenue Authority
US$	United States Dollars
USADF	United States African Development Foundation
USE	Universal Secondary Education
UTC	Uganda Technical College

UWSS	Urban Water Supply and Sanitation
VAT	Value Added Tax
VF	Vote Function
VHTS	Village Health Teams
VIP	Ventilated Improved latrines
VT	Valley Tank
VTI	Vocational Training Institute
WAs	Water Authorities
WB	Water Board
WES	Water and Environment Sector
WfP	Water for Production
WSDF-E	Water and Sanitation Development Facility-East
WSDF-N	Water and Sanitation Development Facility-North
WSDFs	Water and Sanitation Development Facilities
WSDF-SW	Water and Sanitation Development Facility-South West
WSS	Water Supply and Sanitation
WSS	Water Supply System
WUCs	Water User Committees

FOREWORD

Uganda's desire to attain middle-income status by 2020 has made the government invest substantially in various sectors, that are key to achieving social and economic transformation. This projected growth is still constrained by inadequate infrastructure; low productivity in agriculture, weak public service delivery and monitoring of government projects/programmes, among others.

The Budget Monitoring and Accountability Unit (BMAU) in the Ministry of Finance, Planning and Economic Development, monitors and prepares monitoring reports that assess progress of implementation for selected programmes/projects. This report therefore gives an overview of financial and physical performance during FY 2015/16 for selected programmes in the priority sectors of Agriculture; Education, Energy, Health, Information and Communication Technology, Industrialization; Microfinance, Public Sector Management, Roads, and lastly Water and Environment.

The findings in this report are meant to inform various decision makers, and actions of implementers of government programmes/projects. I urge you to ensure that there is value for money in all public investments.

Keith Muhakanizi

Permanent Secretary/Secretary to the Treasury

EXECUTIVE SUMMARY

This report reviews selected key vote functions and programmes within the sectors, based on approved plans and significance of budget allocations to the votes. The focus is on 10 sectors, including: Agriculture, Education, Energy, Health, Industrialization, Information and Communication Technology (ICT), Microfinance, Public Sector Management, Roads, and Water and Environment. In addition some aspects under the Ministry of Finance, Planning and Economic Development are reviewed. Attention is on large expenditure programmes with preference given to development expenditure, except in the cases of Agriculture, Education, Health, ICT, Public Sector Management and Road maintenance, where some recurrent costs are tracked.

Projects selected for monitoring were based on regional representation, level of capital investment, planned annual outputs, and value of releases during the Financial Year 2015/16. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations or physical verification of reported outputs. Physical performance was rated using weighted achievement of the set targets by end of FY 2015/16.

FINDINGS

Overall Financial Performance

(a) Central Government Ministries/Agencies

Overall financial performance is provided for ten priority sectors of, Accountability, Agriculture, Education, Energy, Health, ICT, Industrialization, Public Sector Management, Works and Transport, and Water and Environment.

Financial performance

The overall Government of Uganda (GoU) approved budget for FY 2015/16 was Ug shs 23,972 trillion including external financing, appropriations in aid (AIA) and arrears.

The approved budget excluding[1] external financing, AIA and arrears was Ug shs 17,753 trillion. This was revised to Ug shs 18,794 trillion occasioned by a supplementary budget of Ug shs 1,041 trillion. The release performance was 96% of the revised budget of which Ug shs 17,512 trillion (98% of release) was spent. The Local Governments (LGs) constituted 13% (Ug shs 2,445 trillion) of the revised budget which was all released.

[1] External Financing and AIA Ug shs 6,219 trillion was 25% of the budget and is not included in this report.

Sector Performance

At least 90% of the approved budgets for the 10 priority sectors were revised as at 30th June 2016 with the exception of the ICT sector. The most significant revision was towards the Education and Accountability sectors each of which was Ug shs 27 billion. The sectors of Tourism, Trade and Industry, and Water and Environment had the least release performance of 89%. The overall absorption for the sectors was 99% of the funds released.

Key challenges

- Reallocations and supplementary budgets for the sector votes pointed to poor budgeting especially for wages, pensions, gratuity and domestic arrears.
- Delays in finalization of warrants was registered under 5% of the votes which affects the timeliness of availability of fund.

Recommendations

- Sector votes should ensure inclusion of all possible areas of expenditure for the subsequent year.
- The Ministry of Finance, Planning and Economic Development (MFPED) Budget Directorate should enforce finalization of warrants by sector votes and observation of release schedules to enable the timely availability of funds.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

(b) Districts Local Governments (DLGs) Conditional Grants

The development grants assessed include; Primary Health Care- (PHC) - Development, School Facilities Grant (SFG), Rural Water, Rural Roads, Local Government Management and Service Delivery (LGMSD), Production and Marketing Grant (PMG) and Uganda Road Fund (URF).These grants augment the key sectors of Health, Agriculture, Education, Water and Environment, Roads, Public Sector Management, and Agriculture at the local governments

Financial Performance

The release performance of funds to the selected districts was excellent as all the development budget was released by end of third quarter to all DLGs. The unconditional grant non-wage was released fully to all DLGs. For the votes on the IFMS, warrants took averagely three working days to complete and access funds on the Treasury Single Account (TSA). Despite one month delay in the release of the non-wage recurrent grants from MFPED to the respective DLGs, release performance was good. On average, five working days delay in transfer of funds from the General Fund Account (GFA) to the sector accounts was observed. Cases of Unspent balances have significantly reduced, only two districts of Lyantonde (Ug shs 2.8 million) and Sembabule (Ug shs 47.3 million) registered unspent balances.

Key challenges included;

- Staff in some LGs who were recently connected to the TSA operations lacked adequate training. This caused delays in the payments for services and utilization of funds on - wrong activities as was the case in Pallisa and Kiryandongo DLGs where funds were wrongly spent on pensions.
- Delayed release of funds especially for Q1 after announcement of cash limits by Permanent Secretary/Secretary to the Treasury. These are at times sent in the second month of the quarter instead of the second week of the quarter.

Recommendations

- The Accountant Generals Office should organise refresher training courses on the IFMS to bridge the skills gap.
- The MFPED and Bank of Uganda should ensure that bank statements on the TSA accounts are sent to the LGs automatically and communicate the breakdown and purpose of the funds (advice slips) as they are sent.
- The MFPED (Budget Directorate and Accountant Generals Office) should ensure timely releases (first two weeks of every quarter) of funds to the LGs to enable proper and timely implementation of activities.

Overall Physical Performance

The achievement of outputs was generally good across sectors, although it was not commensurate with the high level of resource absorption.

Agriculture

The overall performance of the agriculture sector during FY2015/16 was good at 73%. Performance, however, was lower and not matching the high resource absorption level (99.45%); some programmes and projects performed well while others did not achieve the planned outputs and targets due to several implementation bottlenecks. The district decentralized (Operation Wealth Creation-OWC) and managed (Production Marketing Grant -PMG) grants were better implemented than the centrally managed grants that were handled by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and Dairy Development Authority (DDA).

Examples of good performing projects and programmes were the National Agricultural Advisory Services (NAADS)/OWC, PMG, Agricultural Credit Facility (ACF) and Uganda Cotton Development Organisation (UCDO). The OWC physical performance was very good (109%) in line with the excellent funds release (102.6%) and full absorption. However, the survival or functionality rate of the inputs in OWC was low (17% for mangoes and 55% for oranges, maize and beans each). Wastage of inputs was highly prevalent. Access to the ACF scheme remained very low reflected in the very poor resource absorption level (25.15%). Despite the good performance, the UCDO experienced large outstanding debts due to failure to recover credits given to farmers for inputs.

Good performance in the sector was attributable to timely release, disbursement and absorption of government funds in line with the approved estimates; early initiation of procurements and implementation; and access and use of agricultural inputs and services by farmers. Releases above approved estimates and setting of less ambitious targets by the implementing agencies were other factors that explained the good performance.

Examples of poor performers included some of the MAAIF projects and DDA. For instance, the Enhancing National Food Security Project performed poorly (24.63%) despite full absorption of the government counterpart funding. The performance of the Northern Uganda and Medium Livelihood Improvement Project was poor (46.07%) and not in line with the resource absorption level (99.9%). The DDA performance was lower (52%) despite the high resource absorption level (99.5%). The poor performance was due to several implementation challenges presented below.

Implementation challenges

1. Wastage and low survival rates of inputs due to: a) poor quality and low pests and drought tolerance of planting and breeding materials b) poor agronomic practices at farm level c) inadequate monitoring and supervision of programme implementation, associated with an ineffective extension service in local governments.
2. Partial implementation of programmes due to poor planning and communication between the MAAIF agencies and LG Accounting Officers, District Production Staff and OWC officers.
3. High absorption of counterpart funding but with low outputs due to delayed declaration of project effectiveness of externally funded projects and disbursement of donor funds;
4. Late and inadequate government funds disbursements by MAAIF and agencies to implementing departments and regional/field offices;
5. Hiring of incompetent contractors by MAAIF and agencies and Local Governments who fail to complete works within the financial year.
6. Low access to and absorption of the ACF and slow implementation of projects due to: i) irregularities in the application of the loan terms by the commercial banks ii) delayed processing and approval of loans after submission of applications by up a year iii) limited information dissemination about the facility as banks instead promote commercial loans.
7. Low outreach of the PMG and monitoring of agricultural programmes at LG level due to inadequate allocations from the sector.

Recommendations

1. The MAAIF and LGs should fast track implementation of the single spine extension system and build capacity, equip and facilitate the District Production staff, extension workers and OWC Officers.
2. The MAAIF, NAADS Secretariat and National Agricultural Research Organisation (NARO) should step up multiplication and dissemination of high breeding disease and drought tolerant planting and stocking materials and soil enhancing nutrients to farmers.
3. The Ministry of Finance, Planning and Economic Development (MFPED) should avail counterpart funding to externally funded projects that are effective.

4. The MFPED should hold accountable the MAAIF and agencies to ensure that they disburse released funds on time to the implementing departments and regional offices.
5. The MAAIF and agencies and LGs should improve contract planning and management to ensure competent contractors are hired and all projects are executed within the planned period.
6. The Bank of Uganda (BoU) and MFPED should design and implement a publicity and marketing strategy for the ACF especially targeting the North and East of the country.
7. The BoU should strengthen supervision of the commercial banks and institute punitive measures to ensure proper application of the ACF loan terms.
8. The MFPED and MAAIF should re-allocate and increase PMG to enhance service delivery and programme supervision at the local government level.

Education

The overall performance of the Education Sector during FY2015/16 was good at 74.9% achievement of outputs. Good performers included -Makerere University (100%) and Ministry of Education and Sports (74.4%) while Makerere University Business School was the worst at 50.5%.

Good performance was noted in the Basic Education Programme which had very good performance (124.2%). Instructional Materials for primary schools were procured and funds worth Ug shs 5billion transferred to the UNATU Apex SACCO**.** The over performance was mainly under instructional materials which performed over and above the planned target. The extra instructional materials procured were as a result of rolled over contracts from FY 2014/15.

In addition, the Support to Higher Education, Science and Technology Project peromed well; new lecture facilities, libraries, laboratories were under construction and different structures rehabilitated in public universities of Makerere, Makerere University Business School, Kyambogo and Gulu. This was achieved despite a significant initial delay in setting up a fully staffed Project Coordination. Projects - Development of Uganda Petroleum Institute Kigumba (UPIK); and Improving the Training of BTVET Technical Instructors, also exhibited good performance.

Three colleges of Kaliro, Mulago and Muni were completed under the Health Tutors and Secondary Teachers in Uganda Project, while works at Abilonino were 80% complete.

Food Technology Incubations II Project also exhibited very good performance, achieving all its outputs. The contract for supply of texture analyser was signed, rapid-visco analyser procurement contract awarded and retort received. Variousequipment was delivered and installed. Seven incubate firms were linked to business support service providers, 27 farmers and extension staff in Yumbe district trained in mango post-harvest and value addition. A women's group in Bududa district mobilised to start value addition to beans and vegetables. A total of 96 students of food science and technology, and 96 students of agricultural engineering received hands-on training on aspects of agro processing.

Poor performance was noted under the : Ministry of Education and Sports (MoES), Emergency Construction and Rehabilitation Project Phase II which planned to construct/rehabilitate 21 primary schools but only achieved 8 (38%), despite receipt and expenditure of all the budget. Nakawa Vocational Training Institute achieved only 27.1% of targets, while Development of BTVET did not procure the specialized equipment for the technical institutions and nor construct/rehabilitate accommodation facilities for BTVET. Construction of government funded technical institutes performed poorly, achieving only 47% of the planned targets.

Key Sector Challenges

1. A number of donor funded projects experienced delays in receipt of counterpart funding. This affected the progress of civil works/activities (e.g The Arab funded projects under the BTVET sub-sector and the HEST project).
2. Poor planning as many projects become effective before all necessary preparatory activities had been undertaken.
3. Budget cuts affected operations of institutions such as the National Curriculum Development Centre and universities (particularly with regard to payment of allowances, food and utilities, cuts to these line items lead to riots in universities).
4. Delays in transfers of funds to beneficiary institutions. Much as MFPED released all development funds by Q3, many schools/institutions reported receipt of development funds from MoES and transfers from LGs towards the end of Q4.
5. Poor compliance as the MoES continued to implement a number of activities outside the approved work plan especially under Development of Secondary Education Project where Ug shs 360m were disbursed to Kyogo S.S which was not in the work plan.
6. Delays in initiating the procurement process, as institutions claimed to be waiting for funds to accumulate before starting the process.

Recommendations

1. MoES should adequately budget for counterpart funds for all its donor supported projects and also prioritize it in warrants.
2. Government should delay loan effectiveness of new projects until completion of the planning phase when all the necessary structures have been put in place.
3. All schools receiving funds under the Presidential Pledges should receive them directly from MFPED. This will reduce on implementation delays caused by delays in transfers from the district consolidated accounts.
4. Accounting Officers should be accountable for delayed procurement processes.

Energy

The overall sector performance was good at 74%.

Good performance was noted in; Refinery Construction, Rural Electrification, Free Household Connections, and Strengthening of Oil and Gas Sector Projects. Despite the good performance of the projects in the petroleum subsector, some activities vital for the value addition to the crude oil like final establishment of the special purpose vehicle were still lagging behind. Other activities for the Pre-Final Investment Decision for refinery development could not take place until execution of the agreement between the Lead Investor and government.

Other projects that performed well amidst critical implementation challenges were; Karuma Hydro Power Project (HPP) and Isimba HPP. In Karuma HPP, cracks were identified in the spillway and power intake and concrete works suspended. The cracks had not been repaired by August 2016. The excavation works however continued thus registering good performance by the end of June 2016. Similarly at Isimba HPP, whereas cracks were identified in the stilling basin of the spillway, powerhouse, gravity dams, and drainage galleries, the works continued as the cracks were repaired. Concreting works exceeded the annual target for the FY2015/16.

The government component of the Promotion of Renewable Energy and Energy Efficiency Promotion (PREEEP) performed below average (48%), followed by, UETCL projects (54.6%), and Downstream petroleum infrastructure (58%) respectively.

Key implementation challenges included;

1. Inadequate release of funds which affected the UETCL projects, PREEEP Project, the downstream infrastructure project and the restocking of the petroleum reserve tanks.
2. Poor procurement and contract management.
3. High-energy losses resulting from installation of faulty transformers and theft of power by the local communities.
4. Delayed acquisition of the Right of Way (ROW) for the transmission line projects has hampered project implementation.
5. Inappropriate designs of the pilot wind mills and limited diagnosis of the identified faults on some windmills.

Recommendations

1. The sector should harmonize the administration of the contracts at Isimba HPP and Karuma HPP.
2. The Public Procurement and Disposal Authority should train the Contract committees on the criteria to consider during selection of best bidders for different projects.
3. The Rural Electrification Agency should always carry out complete commissioning tests on all the installed equipment to ensure timely repairs.
4. Government should acquire uniform corridors for government projects to reduce on the time lost during land acquisition for the different projects.
5. The renewable energy department in Ministry of Energy and Mineral Development should carry out more due diligence during designs of windmills and troubleshooting activities to ensure a sustainable resource.

Health

The overall sector performance was good at 71%, although this did not match the high resource absorption of 93%. Good performance was noted under Butabika hospital and Health Centre Remodeling/Construction which achieved 99% of its targets, Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital at 92.8%. These two outputs lacked clear targets and were not explicitly planned for during FY2015/16.

Although some projects achieved their annual set targets by 90%, defects and quality issues were noted. The Uganda Health Systems Strengthening Project, Support to Rehabilitation of Mulago, and PHC/PRDP projects under local governments-infrastructure were characterized by shoddy works including big cracks in the floors, verandas, failing ceilings, and patient benches among others.

Regional referral hospitals achieved 80.3% of their development targets. However, Mbarara got only 53%, yet payments to suppliers and contractors were fully made.

Poor performance was noted under the African Development Bank and the Uganda Cancer Institute development project at 31.3%. Support to Recruitment of Health Workers at HCIII and IV achieved 47%. All the allocated funds were spent, however most expenditures were on activities not related to the main output of the project. These were: guard allowances, facilitation of medical teams during Papal visit, verification of pensioners, emoluments for a number of politicians and technical staff, travel expenses abroad among others.

Under the District Infrastructure Support Programme funds meant for procurement of beds were reallocated to other activities like; facilitation dinner for South Korean President, travel abroad, improvement of Ministry of Health (MoH) reception area, refunds to Global Fund among others. The reallocation enormously affected implementation of development plans of various health facilities.

The Global Alliance for Vaccines Initiative (GAVI) achieved 56%, with most of its construction targets as well as procurement of medical supplies not achieved. The Public Health Laboratory Strengthening Project also performed fairly at 62.5%. The Health Sector Reforms including Financing and National Health Accounts under MoH achieved 50.4%. The National Accounts were finalized but not printed and disseminated. Payments over and above the released funds on some line items were noted.

Implementation challenges

- Inadequate health supplies and infrastructure.
- A number of entities flouted Public Finance Management laws.
- Irregular disbursement of non-wage grant to various health facilities. Some Private Not for Profit Facilities (PNFPs) were over paid, others received allocations meant for government facilities, while a number of government health facilities were under paid.
- Procurement delays hence GAVI project and DISP did not achieve their planned targets.
- Poor supervision on a number of projects especially local government PHC development projects.

Recommendations

1. The MoH, MFPED, Ministry of Local Government and District LGs should strengthen supervision and inspection of government projects at all levels. Health facility in-charges, parish and sub-county chiefs should be involved at Lower LGs to minimize cases of shoddy works.
2. The Auditor General and Inspector General of Government should undertake a forensic audit on some of the MoH projects under the District Infrastructure Support Programme. These include; Support to Recruitment of Health Workers and Health Sector Reforms including Financing and National Health Accounts.

3. The Procurement Disposal Units should adjust their specifications on both retention fees and Defects Liability Period (DLP). Retention should be raised to at least about 15% and DLP from six months to one year to allow ample time to beneficiaries and contractors rectify any defects that appear thereafter.
4. The MoH should prioritize maintenance of newly established infrastructure through a clear budget line to avoid depreciation of structures beyond repair.

Information and Communications Technology

The ICT sector is primarily financed domestically (80%) through direct budget allocation and Non-Tax Revenue (NTR).

Overall Sector Performance

The performance of the ICT sector was rated as good (82%). The overall sector budget for the FY2015/16 performed at 50%. This was largely due to poor performance of the projected Non-Tax Revenue for both NITA-U and Ministry of Information, Communication Technology (MoICT), and delayed take off of the National Transmission Backbone Infrastructure (NBI) phase III which started in March 2016.

The targets under NITA-U recurrent programmes of: Regulations and Legal, and Planning, Research and Innovations were surpassed and performance was at 100%. This was partly explained by the measures taken by NITA-U management to jointly undertake related activities, whilst some targets were not ambitious enough. Phase III of the NBI project targets were rated at 65% and the project was on course to being achieved with more than 450Km of the optic fiber cable completed; and the three transmission sites in Masaka, Mutukula and Kabale were estimated at 65%.

Fair performance was observed under the development project of the MoICT as 51% of the annual development targets were achieved. This was due to poor budget performance where only 37% of the funds were realised. Performance was affected by low staffing level in the Ministry of ICT especially in technical departments, delayed and inadequate release of Non-Tax Revenue, Weak sector working group, delayed execution of phase III of the NBI by two years, High taxation of ICT devices and services, and inadequate ICT complimentary services.

Recommendations

1. The MoICT and Ministry of Public Service should review the staffing requirements in technical departments to attract skilled staff.
2. The government should review the taxation policy on ICT devices and international calls to make them attractive and affordable to stimulate innovation.
3. The MoICT should constitute a sector working secretariat to coordinate the sector activities and avoid overlaps and duplication of effort.
4. The NITA-U should fast track the implementation of phase III of the NBI to create a second link to the undersea cable through Tanzania and increase bandwidth capacity across the country.
5. The MFPED should release the NTR budget to the sector agencies in a timely manner to avoid delayed execution of planned activities.

6. The MoICT and NITA U should formulate IT certification regulations.
7. The ICT Sector working group should appropriately project the Non-Tax Revenue and budget accordingly to avoid over estimation which affects work plan execution.

Industrialisation

The overall sector performance was at 68% which was fair. Performance varied across projects with some registering very good rating like the United States African Foundation (USADF), Kalangala Infrastructure Services (KIS), Kiira Ashok Leyland pre-investment analysis and construction of Uganda National Bureau of Standards (UNBS) headquarters), while others had fair rating (Value Addition Tea, and Soroti Fruit Factory).

Sector Challenges

- Inadequate funding: The sector is underfunded and as such unable to effectively execute and achieve the mandate as prescribed by the National Development Plan and sector strategic plans. For example, servicing an industrial park like Kampala Industrial and Business Park with roads, electricity, water and ICT infrastructure requires on average Ug shs 500 billion but only Ug shs 7 billion or less is allocated per annum. Under Uganda Industrial Research Institute (UIRI), there is lack of counterpart funding for the development of a US$ 30 million industrial training institute at Namanve and the US$ 2 million for the essential oil project partly funded by the government of South Africa. The capitalization of Uganda Development Corporation (UDC) remains pending.
- Cost overruns resulting from accumulated arrears: The Presidential Initiative on Banana Industrial Development (PIBID) had accumulated arrears to the tune of Ug shs 11.2 billion part of which arose from delayed payments to the contractor over the years and interest.
- Low uptake and commercialization of industrial research results: The Uganda Industrial Research Institute (UIRI) has invested in research and piloting of several value addition initiatives, however, there is low uptake of results and thus few commercialized projects.
- Lack of an automotive policy: Although government through the Uganda Development Corporation (UDC) is desirous to establish vehicle manufacturing capability in the country, there is lack of an automotive policy to support this process.
- Poor quality raw materials for value addition due to low levels of extension services: Although government has supported the establishment of tea factories in Kigezi and a fruit factory in Soroti, there was low delivery of extension services to the farmers in the area to ensure high productivity.
- Inadequate staffing and analytical laboratory infrastructure and equipment for the Uganda National Bureau of Standards (UNBS)leading to proliferation of counterfeit goods in the country and domestic manufacturing of substandard goods. This is affecting Uganda's quality of exports.

Recommendations

- The government should commit and allocate the prerequisite funds for industrial parks development and counterpart funding to the sector to ensure successful execution of projects.
- The UDC and Ministry of Works and Transport should expedite the formulation of an automotive policy and develop investment prospectus to encourage other stakeholders to come on board.
- The government through OWC and MAAIF should provide extension services to ensure quality raw materials for value addition processors especially in the tea sub sector to enhance productivity.
- The MFPED and Ministry of Public Service should review the wage ceiling for UNBS to allow recruitment of critical staff to undertake surveillance of domestic manufactures and post standards officials at all points of entry to counter importation of counterfeits. The development budget for the agency should be enhanced to facilitate equipping of laboratories.
- The UDC should be capitalized to undertake its mandate.

Microfinance

The Microfinance Support Centre (MSC) achieved good performance.

Cumulatively, in the FY2015/16 MSC disbursed loans worth Ug shs 34.455 billion against a target of Ug shs 40.750 billion[2] representing 85% performance. Uptake of loans by Small and Micro- Enterprises was 49% of the total value of loan disbursed in the period and 36% in terms of number disbursed. MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for Agricultural loans, 13% for the commercial loans and 11% for teachers' SACCO. This is below the going market rate ranging between 20 to 36%.

The MSC achieved a repayment rate of 72%, which was a decline from 93% from the prior year. The annual percentage growth in portfolio outstanding was 0.4% (to Ug shs 61 bn) below the annual target of 10%. MSC registered a decline in value of loans disbursed of 8%. The centre mobilized resources and disbursed credit funds from reflows 100%. Performance by loan products registered a new line-group product.

Special interest group loans were issued and business development services offered to clients across the zones. MSC did not receive credit funds from government in the FY 2015/16.

Challenges

- Poor governance and management in several SACCOs. This contributes to misappropriation of funds, theft, collusion, and endemic fraud.

- Minimal support from DLGs. District Commercial Officers tend to be disinterested in the microcredit funds work and in some instances they are indebted to these SACCOs which undermines their ability to supervise them.

[2] Based on reflows

Recommendations

- The MSC and MFPED should enforce the recently passed Micro Finance Institutions (MFIs) and Money Lenders Act to regulate all SACCOs and MFIs. This will improve compliance and governance issues.
- The MFPED through Project for Financial Inclusion in Rural Areas (PROFIRA) should enforce compulsory training of MFI and SACCO managers before accessing credit.
- The Ministry of Local Government should include in their appraisal instrument of districts a target for microcredit performance.
- Business Development Services (BDS) should continue to be offered by MSCL to the SACCOs on the importance of maintaining good governance principles. The purpose of BDS is to enable MSCL clients upgrade their capacities to manage their businesses profitably and sustainably.

Public Sector Management

The overall Public Sector Management (PSM) performance was poor (below 50%), although the release for both development and recurrent budgets was Ug shs244.081billion and absorption capacity at Ug shs236.98billion (97%).

Good physical performance was noted under the Post War Recovery and Presidential Pledges Project in under the Office of the Prime Minister (OPM).

Fair physical performance under the loan component was noted under MoLG - Community Agriculture and Infrastructure Improvement (CAIIP III) and Markets and Agriculture Trade Improvement (MATIP I). Others include Support to Luwero Rwenzori Development Programme (LRDP) under OPM and the Ministry of Public Service (MoPS).

Poor physical performance was noted under the recurrent budget namely; Local Government Finance Commission; Public Service Commission; Ministry of East African Affairs; National Planning Authority; while under the Development budget; Karamoja Integrated Development Programme (KIDP); Humanitarian Assistance and Support to Teso project under OPM. The CAIIP III, MATIP I, Millennium Village Project and Support to Ministry of Local Government.

Implementation Challenges

- Apart from National Planning Authority (NPA), Public Service Commission and LGFC, other sectors under PSM lack strategic plans to guide them in annual work-plans and budgets.
- Inadequate staff in strategic positions at district levels, agricultural and veterinary extension staff in Lower Local Governments.
- Delayed payments to contractors due to lengthy beauracratic processes in clearing payment certificates for completed construction works hence affects completion of projects as scheduled, for example in MATIP1 and CAIIP III projects.
- Lack of a National Human Resource Planning and development framework to guide the implementation of capacity building, Human Resource Planning, Performance Management and the Balanced Score Card in the Public Sector.

Recommendations

- The MoPS, NPA and sector planning units should develop sector strategic investment plans in Ministries and Local Governments (LGs).
- The MFPED, MoPS and LGs should ensure that strategic positions are filled and more veterinary and agricultural extension staffs are recruited at the Lower Local Governments.
- The Ministry of Local Government and OPM should address the issue of delayed payments to contractors that impacts on projects on schedule.
- The MoPS and NPA should hasten the development of the National Planning development framework in the Public Service.

Roads

The overall roads sub-sector financial performance was good as the budget release and absorption performance were about 74 % and 99% respectively. The three Votes (016-Ministry of Works and Transport (MoWT), 113-Uganda National Roads Authority (UNRA), and 118-Uganda Road Fund (URF) had a combined release of Ug shs 2,345.225 billion of which Ug shs 2,323.393 billion was spent.

The sub-sector's physical performance was estimated at 66.5% of the annual targets representing fair performance. This was attributed to a budget shortfall of about 25%.

The National Roads Construction/ Rehabilitation Programme under UNRA exhibited good performance at 76.2%. Substantially completed roads and those on schedule included:Atiak-Nimule; Packwach-Nebbi; Ishaka-Kagamba; Mukono-Kalagi-Kayunga and Bukoloto-Njeru roads. However many roads were behind schedule including: Acholibur – Kitgum – Musingo; Gulu-Acholibur; Iganga-Kaliro; Kanoni - Sembabule -Villa Maria; Mpigi –Kanoni; Mukono-Kyeume-Katosi/Kisoga-Nyenga; Musita-Lumino-Majanji; Nebbi-Pakwach ; and Olwiyo / (Anak)-Gulu road.

The National Roads Maintenance Programme funded by URF but implemented by UNRA Stations had a fair performance at 50%. All the UNRA stations did not achieve their targets which were mainly attributed to the restructuring programme at UNRA and reallocation of force account funds for payment of IPCs at UNRA headquarters.

Fair performance was noted under Ministry of Works and Transport whose overall performance was at 62%. It suffered from budget cuts of about 79%.

- *Interconnectivity Project* achieved 88.7% of its annual targets and the works were visually satisfactory.
- *District Roads Rehabilitation Programme* –only 26% of the annual targets were achieved against 49.2% release of the annual budget. Furthermore, the absorption was poor at 62% despite the budget cuts. This was partially attributed to intermittent and late release of funds.

- *East African Trade and Transport Facilitation Project* achieved 70% of its annual targets. Busia One Stop Border Post (OSBP) was completed. Elegu OSBP was behind schedule by 27% thus, it was not likely to meet the completion date of 20th October. Katuna OSBP's completion date is 6th December 2016. However, this will not be possible because the contractor had acquired only about 62% of the Right of Way (ROW) by end of June 2016.

Sector challenges

- Delayed payments by the government to contractors which affected work progress and likely to attract more interest.
- Lack of complete sets of road equipment at LGs and UNRA stations. In addition, areas with rocky and mountainous terrain require specialized equipment (bulldozers and heavy graders) to carry out works on their roads.
- Unsatisfactory mobilization of equipment and personnel by the contractors for prevailing activities and this was predominant on projects.
- Inadequate designs for tendered road works which led to an increase in quantities due to re-scoping and consequently in project cost.
- Delayed acquisition of the ROW on projects affected the progress of works and will result in delayed completion.
- Scarcity of some road materials like gravel due to depletion and unfavourable land policies where the owners dictate exorbitant prices and terms for gravel purchase.
- Fixed road maintenance budget for the ever increasing road network and dilapidated road network that requires rehabilitation instead of routine maintenance.
- Understaffing within the district works departments leading to underperformance as some districts have District Water Officers acting as District Engineers.
- Weak coordination and communication between public institutions and programmes continued to hamper effective implementation of programmes at both the operational and results levels. For example new power lines of REA erected in the roads project Right of Way.

Recommendations

- The MFPED should ensure that all contractors' outstanding Interim Payment Certificates in the FY 2015/16 are paid.
- The government should expedite the procurement process of road equipment for Force Account units. The equipment procured should be in complete sets and meet required specifications of road works.
- Coordination between government institutions should be improved through integration of systems as well planning.
- The District Service Commissions should ensure that the staffing structures are filled.

Water and Environment

The overall sector performance was fair at 61% achievement of planned outputs. The districts performed well because they received all of the development budget and utilized 93% of the release. Some districts like Nwoya and Kiryandongo had all the planned works well completed. More boreholes (6% of the planned) were rehabilitated due to savings made using the Hand Pump Mechanics compared to companies. By the end of Quarter four, all the planned outputs were completed and paid for.

However, under the local governments, 2% of the boreholes and shallow wells constructed or rehabilitated were non-functional. Community participation in Operation and Maintenance of old sources still remains the biggest challenge as most rehabilitated boreholes are not fenced, sanitation around the sources is poor and collection of water user fees is not done.

Good performance was noted under the Ministry of Water and Environment in Kinuuka and Dokolo systems that were completed and functional. Bukwo Piped System was completed as planned, but functionality awaited the treatment plant completion which is under another project. The works on these projects were extremely good. Fair performance was seen in Andibo dam where the community vandalized the ball valves and covers for chambers although the project was still under the defects liability period. Under the piped systems, Kagoma office had cracks on the ceiling and in Amulator, the dosatron valves had a leakage. The works at Nyarwodho were generally not good although the system was substantially complete at 92%.

Major implementation challenges

1. There was a financial deficit with an overall short fall of 35% of the budget.
2. Unavailability of land for project implementation (mainly big projects) which caused delays in project initiation or completion. The Nakivubo-Kinawataka sewer line laying was delayed by hiked compensations of the titled land in Kinawataka wetland.
3. Poor mobilization and sensitization of communities about the Rain Water Harvesting Tanks (RWHTs).
4. Poor quality materials most especially the GI galvanized pipes for handpump installations on the market which affect their lifespan. The pipes easily develop holes and thus contributing to non-functional boreholes.
5. Low ground water potential in parts of districts like Kyankwanzi, and Gulu which makes it difficult to have safe water in some places, thus construction of valley tanks whose water may not necessarily be safe to drink.
6. Difficulty in providing safe water to the communities living in the outskirts of towns due to rigidity in implementation guidelines. The guidelines do not allow the district to provide point water sources yet the piped systems sometimes do not reach all parts of the town board/council. Individual connections become very difficult because of the costs involved.
7. Mineralised underground water sources with unpalatable water in some DLGs. Sometimes the water sources provided get partially abandoned as their water may only be used for washing but not cooking and drinking.

Recommendations

1. The MWE/district local governments should promote the agreed policy of securing land and sign MoUs with land owners prior to project initiation.
2. The MWE should streamline planning and have bankable projects ready for implementation with approved designs.
3. Communication between public institutions should be stepped up by use of *e-governance*.
4. The districts should use the uPVC stainless for hand pump installations which are long lasting compared to GI galvanized pipes. In addition, the Uganda National Bureau of Standards should quality check the local and imported materials on the market thus make approvals to guide the users.
5. The National Water and Sewerage Corporation (NWSC) or MWE through the umbrella organizations should continue to boost water supply to cover communities living in the outskirts of town councils.
6. The MWE/WRM should carryout water quality testing and design suitable technologies for the highly mineralized ground water sources. Low water potential cheaper options like Rain Water Harvesting Tanks should be promoted.

PART 1: INTRODUCTION

CHAPTER 1: BACKGROUND

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

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

The Budget Monitoring and Accountability Unit (BMAU) was established in FY2008/09 in MFPED to provide comprehensive information for removing key implementation bottlenecks. The BMAU is charged with tracking implementation of selected government programmes or projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through semi-annual and annual field monitoring exercises to verify receipt and application of funds by the user entities. Where applicable, beneficiaries are sampled to establish their level of satisfaction with the public service.

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

- Agriculture
- Infrastructure (Energy and Roads)
- Industrialization
- Information and Communication Technology
- Social services (Education, Health, and Water and Environment)
- Microfinance; and
- Public Sector Management

CHAPTER 2: METHODOLOGY

2.1 Scope

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

- Significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes. Preference is given to development expenditure; except in agriculture, education, health, PSM and ICT where some recurrent costs are tracked.
- The programmes that had submitted progress reports by the end of FY2015/16 were followed up for verification as they had specified output achievements.
- Programmes that had been monitored in the Semi- annual monitoring but were having major implementation issues were also visited.
- Potential of projects/programmes to contribute to sector and national priorities.

Physical performance of projects and outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure. For completed projects, monitoring focused on value for money, intermediate outcomes and beneficiary satisfaction.

2.2Methodology

Across all the projects and programmes monitored, the key variables assessed included: performance objectives and targets; inputs and outputs, implementation processes and the achievement of intermediate outcomes.

2.2.1 Sampling

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

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

2.2.2 Data Collection

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

- Review of secondary data sources including: Ministerial Policy Statements for FY2015/16; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), Sector Quarterly Progress Reports and workplans, District Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.

- Review and analysis of data from the Integrated Financial Management System (IFMS) and legacy system; Quarterly Performance Reports (Performance Form A and B) and bank statements from some implementing agencies.
- Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government level;
- Field visits to project areas for observation and photography.
- In some cases call-backs were done to triangulate information.

2.2.3 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Comparative analysis was done using weighted scores and percentages. Project performance was rated in percentages according to level of achievement of the planned outputs and targets, and overall utilization of funds for multi-year projects. The performance was rated on the basis of the following criterion.

Table 2.1: Assessment guide to measure performance of projects monitored in FY2015/16

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

2.3 Limitations of the report

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

- Most of the financial information in the Energy Sector is not captured on the IFMS accounting system because the sector is mainly donor or privately financed. This makes analysis of planned versus actual expenditure, absorptive capacity and operational efficiency problematic.
- Lack of detailed work plans and targets for some programmes.
- Lack of disaggregated financial information by outputs which might have affected the weighted scores.
- For cases where technical officers were not available, information obtained was inadequate.
- Donors and private firms are at times unwilling to provide detailed financial information.
- Incomplete information especially where respondents were new in offices or relevant documents were not readily available.
- Difference in reporting calendars of the NGOs implementing the Rain Water Harvesting Strategy made it difficult to analyze annual progress. Some NGOs like the Katosi Women Development Trust run two semesters (March – September and October to February) thus

plans and progress of works could not be compared with the annual targets set for the sector.

- Difficulty accessing financial information. There is disparity between financial information from IFMS, project performance reports and from the project coordinators.

2.4 Structure of the Report

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

PART 2: FINANCIAL PERFORMANCE

CHAPTER 3: FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

3.1 Introduction

This chapter discusses the overall sector financial performance for 10 priority sectors of, Accountability, Agriculture, Education, Energy, Health, and Information and Communication Technology. Others include Industrialization, Public Sector Management, Water and Environment, and Works and Transport.

3.2 Scope

Analysis was conducted for 10 priority sectors and was based on releases and expenditures for sector votes that are on the Integrated Financial Management System (IFMS). The budget operations table of Ministry of Finance, Planning and Economic Development (MFPED) was reviewed to triangulate the IFMS budget, release/warrants and expenditure figures. The analysis excluded external financing, appropriations in aid (AIA) and Bank of Uganda recapitalization as these are not on the IFMS. Votes with expenditures off the IFMS such as Uganda Revenue Authority, Universities and Local Governments were given 100% level of performance at expenditure level.

3.3 Financial Performance of Sectors

The Overall Government of Uganda (GoU) approved budget for FY 2015/16 was Ug shs 23,972 trillion including external financing and appropriations in aid (AIA).

The approved budget excluding[3] external financing and AIA was Ug shs 17,753 trillion. This was revised to Ug shs 18,794 trillion occasioned by a supplementary budget of Ug shs 1,041 trillion. The release performance was 96% (Ug shs 17,977 trillion) of the revised budget of which Ug shs 17,512 trillion (98% of release) was spent. The Local Governments (LGs) constituted 13% (Ug shs 2,445 trillion) of the overall revised budget and was realized 100%.

The overall GoU budget performance is shown in Table 3.1 (excl external financing and AIA).

[3] External Financing and AIA Ug shs 6,219 trillion was 25% of the budget and is not included in this report.

Table 3.1: Budget and Release Performance FY 2015/16

S/N	Category	Approved Budget Ug shs	Revised Budget Ug shs	Release Ug shs	Release Spent Ug shs	%of Release Spent
1	Wage	2,894,068,799,502	3,138,353,059,973	3,003,165,287,887	3,002,165,200,230	99
2	Non Wage	11,303,684,803,713	11,427,181,267,785	11,031,945,546,110	10,607,654,483,945	96
3	Development	3,555,396,472,705	4,228,746,747,406	3,942,246,307,586	3,902,823,844,510	99
	Total	17,753,150,075,920	18,794,281,075,164	17,977,357,141,583	17,512,643,528,685	98

Source: IFMS, Approved Estimates of Revenue and Expenditure FY 2015/16 and BOT[4]

3.3.1 Accountability Sector

The approved GoU[5] budget for the accountability sector for the FY 2015/16 was Ug Shs 928.601 billion and was revised to Ug Shs 956.358 billion. The sector had a supplementary budget of Ug shs 27.756 billion of which Ug shs 18.501 billion was to Vote 130 Treasury Operations. Other sector votes with supplementary budgets included 008 – MFPED Ug shs 7.020 billion, 103 Inspectorate of Goverrnment (IGG) Ug shs 1.109 billion, 133 Office of Auditor General Ug shs 840.50 million, and 112 Ethics and Integrity Ug shs 285.053 million.

Vote 008 MFPED had 52% (Ug shs 488.048 billion) of the sector budget. The Local Governments and Kampala Capital Authority (KCCA) had Ug shs 15.670 billion (1.64% of the sector budget). The release performance for the sector was Ug shs 873.198 billion representing 93% of the sector budget. The supplementary budget under Vote 130 Treasury Operations was to cover domestic arrears and the one under Vote 008 MFPED was for contributions to autonomous institutions and pension for general service. The sector expenditures were Ug shs 837.841 billion representing 94% of the release.

All sector votes absorbed at least 96% of the funds released for wage, non-wage and development activities, except for vote 153 PPDA that spent just 40% of the development funds released as shown in table 3.2.

[4] Budget Operations Table FY 2015/16

[5] Excluding interest payments, external financing and AIA,BOU Capitalisation

Table 3.2: Budget Performance of the Accountability Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
008 MFPED	4.36	110.36	366.31	121.083	322.796	120.764	122.593	100	100
103 Inspectorate of Government	17.76	17.82	3.14	36.435	3.141	36.418	3.140	100	100
112 Directorate of Ethics and Integrity	0.48	4.67	0.21	5.420	0.211	5.395	0.207	100	100
130 Treasury Operations	-	-	`27.858	39.218	-	39.218	N/A	96	-
131 Audit Statutory	19.59	22.29	4.94	42.555	4.940	42.421	-N/A	100	-
141 URA	107.13	84.09	45.66	-	4.941	-	4.922	-	100
143 Uganda Bureau of Statistics	8.63	23.31	33.60	27.522	25.899	-	18.319	-	71
153 PPDA	3.68	4.79	2.26	7.759	1.748	7.759	0.426	100	40

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
501-850 District Grant for Monitoring and Accountability	-	15.24	-	-		15.24		-	
122 KCCA Accountability Grant	-	0.43	-	-	46.820	-	46.674	-	100
Total Accountability	161.62	327.759	456.12	550.16	410.496	514.462	358.736	99.3	87.2

Source: IFMS & Approved Estimates of Revenue & Expenditure FY 2015/16

3.3.2 Agriculture Sector

The approved GoU budget for the sector was Ug shs 388.979 billion and was revised to Ug shs 401.183 billion. The revision was occasioned through a supplementary budget of Ug shs 12.204 billion. The supplementary was made to votes; 152 NAADS Secretariat Ug shs 6 billion, 155 Uganda Coffee Development Authority (UCDA) Ug shs 3.8 billion, 010 Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) Ug shs 2.33 billion.

The central government votes had 90.83% (Ug shs 364.413 billion) of the sector budget with the LGs taking up 9.17% (Ug shs 36.770 billion).

The sector realized Ug shs 385.642 billion representing 96% of the revised sector budget and spent 99% (Ug shs 381.197 billion) of the funds released.

Overall vote 152 NAADS had a revised budget of Ug shs 184.975 billion representing 46% of the sector budget and was followed by vote 010 MAAIF with a revised budget of Ug shs 95.550 billion which was 23.82% of the sector budget.The revision was for agricultural supplies and pensions for general civil service respectively.

The sector expenditures were Ug shs 46.547 billion (12%) on wages, Ug shs 102.065 billion (26%) on recurrent non wage activities and Ug shs 237.028 billion (61% of sector expenditure) on development activities

The performance of the sector votes at 30th June 2016 is shown in table 3.3.

Table 3.3: Budget Performance of the Agriculture Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
010 MAAIF	5.59	42.36	45.27	45.126	39.126	43.656	37.573	97	96
121Dairy Development Authority	1.57	2.47	1.00	3.093	0.825	3.075	0.822	99	100
125 National Animals Genetic Resource Centre and Data Bank	1.90	2.25	-	3.893	-	0.831	-	100	-
142 National Agricultural Research Organisation (NARO)	18.97	8.77	9.13	27.215	9.130	27.215	9.130	100	100
152NAADS Secretariat	2.18	4.09	172.70	6.213	178.441	6.203	177.359	100	100
155 Uganda CottonDevelopment Organisation	-	1.39	3.91	5.079	3.286	5.079	3.286	100	100
160 UCDA	-	27.91	-	27.211	-	27.517	-	100	-
501-850 District Agricultural Extension	16.28	-	-	16.28 -	-	16.28 -	-	100	

Vote	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
501-850 Production and Marketing Grant	-	14.14	-	14.14	-	14.14	-	100	
122 KCCA Agricultural Grant	0.5	0.08	6.22	80.940		79.941		100	
Total Agriculture	46.54	103.46	238.23	148. 614	237.028	147.02	228.17	99.6	99.2

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.3 Education Sector

The approved GoU budget for the Education Sector for the FY 2015/16 was Ug Shs 1,829.229 trillion and was revised to Ug Shs 1,859.306 trillion. The sector had a supplementary budget of Ug shs 30.076 billion of which Ug shs 27.271 billion was for Vote 013 Ministry of Education and Sports (MoES). Other sector votes with supplementary budget included, 132 Education Service Commission (ESC)Ug shs 323.192 million and vote 111 Busitema University Ug shs 236.736 million. The Local Government Education budget was Ug Shs 1,324.360 trillion representing 71% of the sector budget.

The sector realized Ug shs 1,806 trillion (97% of revised budget) and spent Ug shs 1,801 trillion (100% of the release).

Vote 013 MoES with 14% of the sector budget realized Ug Shs 230.085 billion which was 91% of the vote revised budget.

The sector expended Ug shs 1,039 trillion on wages, Ug shs 415.229 billion on recurrent non-wage activities and Ug shs 135.445 billion on development activities

Ug Shs 145.49 billion was spent on recurrent activities, Ug Shs 72.146 billion on development projects and Ug Shs 12.401 billion on wages. Table 3.4 shows the budget performance of the sector votes as at 30th June 2016.

Table 3.4: Budget Performance of the Education Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
013 MoES	11.22	131.23	81.48	24.039	72.186	24.036	72.152	100	100
132 ESC	1.27	4.57	0.65	5.767	0.198	5.302	0.198	92	18
136 Makerere University	72.48	21.47	21.11	72.483	-	72.483	-	100	-
137Mbarara University	17.34	3.31	3.89	16.197		16.197		100	
138Makerere University Business School	11.43	2.96	2.80	11.43		11.43		100	
139 Kyambogo University	23.23	7.29	0.22	23.23		23.23		100	
140Uganda Managemen t Institute	1.23	0.30	1.50	-		-		-	
149Gulu University	13.19	5.09	2.82	12.564		12.564		100	
111Busitem a University	12.15	7.24	1.10	11.83		11.82		100	
127 Muni University	2.64	3.33	4.76	2.486		2.030		100	

Vote	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
128 UNEB	3.45	27.50	-	30.954	-	30.953	-	100	-
501-850 LG Education	997.53	231.58	63.06	1,229	63.06	1,229	63.06	100	100
122 KCCA Educ Grant	24.82	6.07	1.30	30.89	1.3	30.89	1.3	100	100
Total Education	1,191.98	451.92	184.69	1,470	136.744	1,454.229	135.445	99	99

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.4 Energy and Mineral Development Sector

The GoU approved budget for the Energy Sector for FY 2015/16 was Ug Shs 364.910 billion and was revised to Ug Shs 441.583 billion. This was on account of supplementary budget to Vote 017 Ministry of Energy and Minerals Development (MEMD) of Ug Shs 76.422 billion mainly for land acquisition. The sector realized Ug Shs 418.637 billion (95%) of the budget. Vote 017 MEMD had a revised budget of Ug Shs 394.179 billion which was 89% of the sector budget and realized Ug Shs 371.233 billion (94% of the vote budget). Overall the sector spent Ug Shs 9.783 billion on wage and non-wage activities (95% of the release) and Ug shs 405.67 billion (100% of release) on development Projects. Table 3.5 shows the budget performance of the sector votes as at 30th June 2016.

Table 3.5: Budget Performance of the Energy Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
017MEMD	5.15	5.64	307.88	10.302	360.450	9.782	358.48	95	99
123Rural Electrification Agency	-	-	47.403	-	47.403	-	47.192	-	100
Total Energy and Mineral Development	4.06	5.35	355.28	10.302	407.852	9.783	405.67	95	99.5

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.5 Health Sector

The GoU approved budget for the Health sector for FY 2015/16 was Ug Shs 829.834 billion but was revised to Ug shs 852.277 billion. The sector realized Ug Shs 841.078 billion (98%) of the budget with all votes in the sector spending at least 91% of the funds released to them. The LGs had 38% (Ug shs 319.470 billion) of the revised budget while Vote 116 National Medical Stores (NMS) had 26% (Ug shs 218.614 billion) of the sector budget and was the highest. Vote 014 Ministry of Health (MoH) had the highest supplementary budget of Ug Shs 13.431 billion which was recurrent expenditure transferred to other government units. This raised the MoH budget to Ug Shs 116.248 billion.

The sector expenditures were Ug shs 714.871 billion on wage and non-wage activities and Ug Shs 107 billion on development projects. Table 3.6 shows the budget performance of the sector votes as at 30th June 2016

Table 3.6: Budget Performance of the Health Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
014 MoH	6.99	64.37	29.68	81.44	32.22	72.055	28.404	95	91
107Uganda Aids Commission	1.38	6.24	0.13	7.119	0.127	7.053	0.057	99	45
114 Uganda Cancer Institute	2.35	2.05	8.72	4.117	9.209	3.959	8.926	96	97
115Uganda Heart Institute	2..29	4.70	4.56	7.573	4.684	6.524	4.564	92	100
116 NMS	-	218.61	-	218.615	-	218.615	-	100	-
134Health Service Commission	1.15	2.77	0.45	4.503	0.447	-	0.447	-	100
151Uganda Blood Transfusion Service (UBTS)	2.17	6.10	0.37	8.460	0.370	8.402	0.370	99	100
161Mulago Hospital Complex	20.04	16.70	5.02	45.508	5.020	45.014	5.020	99	100

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
162Butabika Hospital	3.80	3.66	1.86	7.168	1.711	7.115	1.711	100	100
163-176 Regional Referral hospitals	42.67	26.62	13.91	70.721	12.877	69.29	13.91	100	100
501-850 District NGO Hospitals/Primary Health Care	-	17.19	-	17.19	-	17.19	-	100	
501-850 District Primary Health care	244.52	20.54	18.08	265.06	18.08	265.06	18.08	100	100
501-850 District Hospitals	-	5.94	8.20	5.94	8.20	5.94	8.20	100	100
501-850 District Health Sanitation Grant	-	-	-						
122 KCCA Health Grant	3.55	1.32	0.13	4.87	0.13	4.87	0.13	100	100

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
Total Health	330.92	396.84	91.11	774.608	107	714.871	107	92	100

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.6 Tourism, Trade and Industry Sector

The GoU approved sector budget for Tourism, Trade and Industry was Ug Shs 80.674 billion and revised to Ug Shs 90.246 billion. The sector had a supplementary budget of Ug Shs 9.571 billion of which Ug Shs 7.951 billion was for Vote 015 Ministry of Trade, Industry Cooperatives (MoTIC) towards recurrent expenditure. The sector realized Ug shs 80.766 billion which was 89% of the revised budget.

The MoTIC had a revised budget of Ug Shs 31.053 billion representing 34% of sector budget of which Ug Shs 29.362 billion (95% of vote budget) was released and spent 100%.

The sector spent Ug Shs 49.446 billion on wage and non-wage activities and Ug Shs 31.321 billion on development projects.

The detailed performance of sector votes is shown in table 3.7.

Table 3.7: Budget Performance of the Tourism, Trade and Industry Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
015 MoTIC	2.16	8.68	11.85	17.508	11.858	17.455 11.714		100	100
022Tourism, Wildlife and Antiquities	1.33	9.29	8.77	8.128	8.659	7.816	8.659	98	100

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
154Uganda National Bureau of Standards	5.76	3.48	3.28	7.570	2.839	7.570	2.839	100	100
110Uganda Industrial Research Institute	3.72	2.20	8.32	5.905	7.577	5.671	7.577	100	100
117Uganda Tourism Board	1.86	8.99	0.55	10.332	0.411	9.735	0.350	94	85
501-850 District Trade and Commercial Services	-	0.11	-	-	-	-	-	-	-
Total Tourism, Trade and Industry	14.83	32.76	32.78	49.09	31.2	48.247	31.139	98	100

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.7 Information and Communications Technology Sector

The GoU approved budget for the Information and Communications Technology (ICT) sector was Ug shs 22.555 billion of which Ug Shs 20.397 billion (90% of the budget) was released. Vote 126 National Information and Technology Authority (NITA) had a budget of Ug Shs 13.875 billion representing 62% of the sector budget of which Ug Shs 12.892 billion (93% of budget) was released and spent.

The sector spent Ug shs 6.871 billion on wages, Ug Shs 9.498 billion on non-wage activities and Ug shs 4.028 billion on development projects as detailed in table 3.8.

Table 3.8: Budget Performance of the ICT Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage & Non Wage	Dom Devt	Wage &Non Wage	Dom Devt
020Ministry of Information & Communication Technology	0.94	6.51	1.15	6.850	0.656	6.831	0.655	100	100
126 NITA-U	5.96	3.72	4.19	9.520	3.372	9.236	3.322	97	99
Total Information and Communication Technology	6.91	10.23	5.34	16.37	4.028	16.067	3.977	98	99

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.3.8 Water and Environment Sector

The GoU approved sector budget for Water and Environment Sector was Ug Shs 314.312 billion and revised to Ug Shs 317.385 billion. The sector had a supplementary budget of Ug Shs 3.072 billion under Vote 019 Ministry of Water and Environment (MWE) towards pension and gratuity expenses, 22% (Ug Shs 68.23 billion) of the sector budget was for LGs. The sector realized Ug shs 288.822billion which was 91% of the revised budget.

The sector spent Ug Shs 14.365 billion on wages, Ug Shs 29.704 billion on non-wage and Ug Shs 244.753 billion on development projects.

Table 3.9: Budget Performance of the Water and Environment Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget Ug Shs (000,000,000)			FY 2015/16 Releases Ug Shs (000,000,000)		FY 2015/16 Expenditure Ug Shs (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
019 MWE	5.36	19.38	200.79	24.238	181.738	23.815 181.256		98	100
157National Forestry Authority	5.40	0.13	2.22	5.533	1.928	5.3333	1.928	100	100
150National Environment Management Authority	3.78	4.22	1.23	5.937	0.716	5.848	0.716	98	100
501-850 District Water Conditional Grant	-	2.50	60.37	2.50	60.37	2.50	60.37	100	100
501- 850 District Natural Resource Conditional Grant	-	3.35	-	3.35	-	3.35	-	100	-
501-850 District Sanitation and Hygiene Grant	-	2.00	-	2.00	-	2.00	-	100	-
122 KCCA Water, Environment & Sanitation Grant	-	0.01	-	0.01	-	-	0.01	100	-
Total Water and Environment	14.53	34.89	264.61	43.548 244.752		42.856 244.276		98	100

Source: IFMS & Approved Estimates of Revenue & Expenditure FY 2015/16

3.3.9 Public Sector Management

The GoU approved budget for Public Sector Management for the FY 2015/16 was Ug Shs 604.720 billion and was revised to Ug Shs 612.519 billion. The sector realized Ug shs 610.711 billion representing 99.6% of the budget. The LGs had 90% (Ug Shs 550.390 billion) of the sector budget of which 15% (Ug Shs 81.28 billion) was for development projects. Others were 32% (Ug shs 181.29 billion) for wage and 52% (287.82 billion) spent on recurrent non-wage activities.

Table 3.10 shows the detailed performance of the votes for the sector.

Table 3.10: Budget Performance of the Public Sector Management as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
003 Office of the Prime Minister	2.50	46.09	75.45	56.260	73.646	56.251 73.646		100	100
003 Information and National Guidance	-	2.80	0.20						
005 Public Service	3.95	24.02	6.88	26.296 4.425		25.450 4.425		98 100	
005 Public Service Pension/Comp	-	-	-						
011 Local Government	6.74	8.87	36.48	15.755 32.599		15.238		97 100	
021 East African Community Affairs	0.84	25.91	0.54	33.400	0.269	33.202 .269	0	99	100
108 National Planning Authority	5.76	9.94	0.41	15.699	0.405	15.694		100	
146 Public Service Commission	1.50	3.35	0.70	5.060	0.672	5.035		100	

	FY 2015/16 Approved Budget (000,000,000)			FY 2015/16 Releases (000,000,000)		FY 2015/16 Expenditure (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
147 Local Government Finance Commission	1.12	3.49	0.67	4.144	0.672	4.140		100	
501-850 Unconditional Grant (Urban Authorities)	27.96	23.36	-	51.32		51.32		100	
501-850Unconditional Grant (District)	153.33	81.96	-	235.29		235.29		100	
501-850Local Govt Devt Programme	-	-	70.01	70.01				100	
501-850 District Equalisation Grant	-	3.59	-	3.59		3.59		100	
501-850 Hardship Allowance	-	30.44	-	30.44		30.44		100	
501-850 Local Government IPPS Costs	-	0.20	-	0.20		0.20		100	
501-850 Conditional Grant to LRDP	-	-	6.17		6.17	6.17		100	
501-850 LG-Pensions and Gratuity	-	127.93	-	127.93		127.93		100	
122 Kampala City Authority	24.10	20.34	5.10	44.44 5.10		44.44 5.10		100 100	
Total Public Sector Management	227.79	412.31	202.61	521.894	321.898	520.29	217.54	99.5	100

Source: IFMS & Approved Estimates of Revenue & Expenditure FY 2015/16

3.3.10 Works and Transport Sector

The GoU approved budget for the Works and Transport Sector for FY 2015/16 was Ug shs 2,258.510 trillion but was revised to Ug shs 2,258.418 trillion. The sector realized Ug shs 2,078.050 trillion representing 92% of the sector budget.

The wage was Ug shs 39.878 billion, non-wage Ug shs 408.638 billion and development Ug shs 1,630 trillion. Vote 113 Uganda National Roads Authority (UNRA) realized Ug shs 1,258.917 trillion translating into 61% of the sector release budget of which 100% of the development release to UNRA was spent.

The LGs had Ug shs 277.980 billion which was 13% of the sector release budget and was the least in the sector with 100% performance. All sector votes spent 100% of the development budget as shown in table 3.11.

Table 3.11: Budget Performance of the Works and Transport Sector as at 30th June 2016 (Ug Shs)

	FY 2015/16 Approved Budget Ug Shs (000,000,000)			FY 2015/16 Releases Ug Shs (000,000,000)		FY 2015/16 Expenditure Ug Shs (000,000,000)		Percentage of Release Spent (Expenditure)	
Vote	Wage	Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage & Non-Wage	Dom Devt	Wage &Non-Wage	Dom Devt
016 Works and Transport	8.87	32.32	170.12	36.462	146.533	35.568	146.527	98	100
113 UNRA	18.43	18.23	1,130.12	53.895	1205.021	53.402	1204.250	99	100
118Road Fund URF	1.99	415.94	-	358.158	-	358.078	-	100	-
501-850 District Roads Rehabilitation (PRDP and RRP)	-	-	35.57	- -	35.57	- -	35.57	100	
122 KCCA Road Rehab Grant	-	-	62.90	-	62.90	62.90	-	100	
Total Works and Transport	29.29	466.48	1,578.22	448.44	1,351.55	447.05	1,351	100	100

Source: IFMS & Approved estimates of Revenue & Expenditure FY 2015/16

3.4 Conclusion

The approved GoU sector budgets for 90% of the selected priority sectors were revised as at 30th June 2016.The highest revision in value of Ug shs 27 billion was under the Education and Accountability sectors. Under the Education sector 22% of the supplementary (6 billion) was towards project 1273 Higher Education Science and Technology (HEST) to cover taxes on buildings and structures. The supplementary under vote: 130 Treasury Operations was for domestic arrears and under Vote 008 MFPED was contributions to autonomous institutions. The Accountability Sector registered 93% release of its revised budget while the Tourism, Trade and Industry sector with the least release performance realized 89% of the revised budget.

The absorption of funds was excellent with 100% of the sectors registering over 95% absorption as at 30th June 2016.

Low absorption was registered under the Education Service Commission of 18% for the development budget.

Overall supplementary budgets across sectors point to poor budgeting and sweep backs on the treasury single account point to slow absorption in some sectors

Key challenges constraining the sector performance

- Delays in finalization of warrants by sector votes.
- Inadequate time allocated to the budget process.

3.5 Recommendations

- The MFPED Budget Directorate should enforce finalization of warrants by sector votes and observation of release schedules to enable the timely availability of funds.
- Sector votes should review the budget process to ensure inclusion of all possible areas of expenditure for the subsequent year.
- MFPED Budget Directorate should intensify review of sector budgets especially for the areas that were of concern in the prior year.

CHAPTER 4: FINANCIAL PERFORMANCE OF LOCAL GOVERNMENTS

4.1 Introduction

Financial performance of local government development grants was monitored to track their performance for FY 2015/16. The development grants assessed include; Primary Health Care-(PHC) - Development, School Facilities Grant (SFG), Rural Water, Rural Roads, Local Government Management and Service Delivery (LGMSD),Production and Marketing Grant (PMG) and Uganda Road Fund (URF).These grants augment the key sectors of Health, Agriculture, Education, Water and Environment, Roads, Public Sector Management, and Agriculture at the LGs.

4.2 Objectives

The review had the following specific objectives;

- To assess the release performance and absorption of funds received from the MFPED.
- To establish timeliness of funds released from MFPED for development grants to the districts for the implementation of activities in their work plans and,
- To assess the timeliness of transfer of funds from the district's general fund account to the sector accounts where applicable or warrants are authorized for votes on the treasury single account

4.3 Scope

The monitored districts were purposively selected to reflect regional representation. Districts that were not monitored in the previous annual monitoring for FY 2014/15 were also considered.

A total of 24 districts (21%) were selected from the six regions of the country. Those from the East included; Bugiri, Butaleja,Bulambuli, Jinja, Kumi, Pallisa, Sironko, and Tororo. West; Kabarole, Kamwenge, Kiryandongo, and Kyenjojo. South-west; Kasese, and Mbarara. Central; Gomba, Lyantonde, Masaka, Mpigi,Nakasongola, Rakai, and Sembabule; and North; Dokolo, Nwoya, and Lira.

4.4 Development Grants Monitored

Background

4.4.1 School Facilitation Grant (SFG)

The GoU has committed funds to provision of free education to all children of primary school going age. The SFG is channeled to the districts as a conditional grant and utilized in accordance with the poverty action fund general guideline. The Ministry of Education and Sports (MoES) is charged with formulation of policies, setting national standards and monitoring outputs within the context of minimum quality standards. Local governments' are mandated to plan and implement the SFG under the decentralized medium term budget framework. The SFG being a development grant is used to procure and supply furniture, construct classrooms, teacher's houses and pitlatrines.

The districts have the discretion to utilize the resources according to their local priorities. They however, must adhere to the nationally set minimum quality standards for instance: pupil to teacher ratio; pupil to classroom ratio; and pupil to book ratio requirement

4.4.2 Rural Water Grant

The Rural water and sanitation grant is GoU commitment to provision of safe and adequate water to the LGs. The support is geared towards achieving safe water access to 77% of the population in rural areas by 2015.The MWE guidelines stipulate allocation of the fund as; at least 70% to construction of rural water supply facilities, 8% to community based management systems, 13% to rehabilitation of boreholes, 3% construction of sanitation facilities, and 6% to supervision, monitoring and District Water Office operational costs.

4.4.3 Production and Marketing Grant (PMG)

Effective Financial Year 2010/11 PMG was introduced to support both development and recurrent expenditures for activities relating to regulatory services, quality assurance services and agricultural statistics and food security information functions in LGs. The non-wage being for operations for the staff at the district and development expenditure for infrastructure undertakings.

4.4.4 Primary Health Care-Development (PHC-Dev't) Grant

The PHC-Dev't grant is transferred to LGs for enhancing health service delivery. It is used for construction and rehabilitation of infrastructure, procurement of, medical and hospital equipment, communication systems, and transportation facilities. The general strategy on implementation of the grant is to consolidate the existing health facilities for improved effectiveness to deliver services. The grant should also be used in construction of facilities in areas which are underserved to enable increased accessibility.

4.4.5 Rural Roads Rehabilitation Grant

The rural roads rehabilitation grant comprises of GoU`s funding (PRDP and URF) and Danish support through Rural Transport Infrastructure (RTI). The RTI focuses on the northern districts where the civil war lasted for two decades. The RTI grant is currently supporting 18 districts[6] selected by the Ministry of Works and Transport (MoWT).

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

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

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

4.4.6 Uganda Road Fund (URF)

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

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

4.4.7 Local Government Management Service Delivery (LGMSD) Grant

The Local Government Management & Service Delivery (LGMSD) aims at harmonizing service delivery at the local level. The objective of the grant is to enhance Local Governments (LGs) ability to plan and manage human and financial resources for effective and sustainable delivery of local government services.

The specific objectives of the LGMSD are;

- Strengthen Public Financial Management at central and local government levels and ensure the efficient, effective, transparent and accountable use of public resources.
- Facilitate interface between the lowest level of Local Governments and communities to demand better services from their LGs, strengthen participatory planning processes, strengthen transparency in the LG service delivery process
- Support LGs infrastructure development.
- Support the Local Government capacity building activities through the Capacity Building Grants (CBGs).

Findings

Overall GoU approved budget for LGs was Ug shs 2,288.31 trillion but was revised to Ug shs 2,445 trillion. This was allocated to development expenditure Ug shs 261.44 billion (11%), wages Ug shs 1,596.62 trillion (65%) and recurrent non-wage Ug shs 587.24 billion (24%).

The release performance of funds to the selected districts was excellent as 100% of the development budget was released by end of third quarter to all DLGs. Further to this the unconditional grant non-wage was released 100% to all DLGs monitored. Sixteen (66%) of the DLGs monitored are on the Integrated Financial Management System (IFMS) and Treasury Single Account (TSA). For these votes the warrants took averagely three working days to complete and access funds on the TSA. Despite one month delay in the release of the non-wage recurrent grants from MFPED to the respective DLGs, release performance was excellent. On average, five working days delay in transfer of funds from the general fund account (GFA) to the sector accounts was observed as shown in table 4.1.Cases of Unspent balances have significantly improved , only two districts of Lyantonde (Ug shs 2.8 million) and Sembabule (Ug shs 47.3 million) registered unspent balances.

Table 4.1 highlights the detailed performance of the grants as at 30th June 2016.

Table 4.1: Detailed Budget Performance of the Development Grants, FY 2015/16 (Ug shs Billions)

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
Bugiri	PHC Dev't	34.706	34.761	34.761	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-21/8/2015 Q2-29/10/2015 Q3-2/2/2016 Q4-
	SFG	773.13	773,14	773,14	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-21/8/2015 Q2-29/10/2015 Q3-2/2/2016 Q4-
	PMG	115.47	115.47	115.47	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-21/8/2015 Q2-29/10/2015 Q3-11/2/2016 Q4-26/5/2016
	Rural Water	674.70	674.70	674.70	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-21/8/2015 Q2-29/10/2015 Q3-11/2/2016 Q4-
	URF	1,216.86	1,103.03	1,103.03	Q1-27/8/2015 Q2-27/7/2015 Q3-18/3/2016 Q4-24/5/2016	Q1-29/7/2015 Q2-29/10/2015 Q3-20/3/2016 Q4-26/5/2016
	LGMSD	728.06	728.06	728.06	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-21/8/2015 Q2-29/10/2015 Q3-11/2/2016 Q4-
Bulambuli	PHC-Dev't	183.06	171.07	171.07	Q1-3/8/2015 Q2-30/10/2015 Q3-04/2/2016 Q4-	Q1-11/8/2015 Q2-16/11/2015 Q3-09/2/2016 Q4-
	SFG	329.48	329.48	329.48	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-11/8/2015 Q2-16/11/2015 Q3-09/2/2016 Q4-
	PMG	96.16	96.16	96.16	Q1-29/7/2015 Q2-28/10/2015 Q3-2/2/2016 Q4-6/5/2016	Q1-11/8/2015 Q2-28/10/2015 Q3-2/2/2016 Q4-6/5/2016
	Rural Water	400.92	400.92	400.92	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-11/8/2015 Q2-16/11/2015 Q3-09/2/2016 Q4-
	Rural Roads	87.09	87.09	87.09	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-11/8/2015 Q2-16/11/2015 Q3-09/2/2016 Q4-

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	LGMSD	394.53	337.12	337.12	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-11/8/2015 Q2-16/11/2015 Q3-09/2/2016 Q4-
	URF	543.64	371.18	371.18	Q1-6/8/2015 Q2-30/10/2015 Q3-18/1/2016 Q4-2/5/2016	Q1-12/8/2015 Q2-2/11/2015 Q3-20/1/2016 Q4-3/5/2016
Butaleja	PHC Dev't	21.94	21.94	82.73	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
	SFG	206.73	228.9	228.9	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
	PMG	62.65	62.65	62.65	Q1-8/7/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-4/6/2016	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-9/5/2016
	Rural Water	455.85	455.85	455.85	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
	URF	246.00	941.16	941.16	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
	Rural Roads	113.73	113.73	113.73	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
	LGMSD	394.82	293.46	152.89	Q1-3/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-10/11/2015 Q3-2/2/2016 Q4-
Dokolo	PHC Dev't	312.28	312.28	312.28	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016 Q4-
	SFG	612.45	612.45	612.45	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016 Q4-
	PMG	97.81	97.81	97.81	Q1-29/7/2015 Q2-23/10/2015 Q3-28/1/2016 Q4-4/5/2016	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016 Q4-
	Rural Water	579.71	579.71	579.71	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
					Q4-	Q4-
	Rural Roads	718.73	718.73	718.73	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016 Q4-
	LGMSD	672.83	672.83	672.83	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/7/2015 Q2-7/11/2015 Q3-9/2/2016 Q4-
	URF	569.90	453.37	453.37	Q1- Q2-17/11/2015 Q3- 4/2/2016 Q4-2/5/2016	Q1- Q2-19/11/2015 Q3- 6/2/2016 Q4-5/5/2016
Gomba	PHC Dev't	13.45	13.45	13.45	Q1-3/8/2015 Q2-29/10/2015 Q3- 4/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/15 Q3-9/2/2016 Q4-
	SFG	293.18	293.18	293.18	Q1-3/8/2015 Q2-29/10/2015 Q3- 4/2/2016 Q4-	Q1-6/8/2015 Q2-13/11/15 Q3-9/2/2016 Q4-
	PMG	45.48	45.58	45.58	Q1-29/7/2015 Q2-23/10/2015 Q3-29/1/2016 Q4-3/5/2016	Q1-6/8/2015 Q2-29/10/2015 Q3-3/2/2016 Q4-10/5/2016
	Rural Water	331.45	331.45	331.45	Q1-3/8/2015 Q2-29/10/2015 Q3- 4/2/2016 Q4-	Q1-6/8/2015 Q2-13/11/15 Q3-9/2/2016 Q4-
	Rural Roads	333.06	182.64	179.45	Q1-25/8/2015 Q2-29/10/2015 Q3- 18/1/2016 Q4-3/5/2016	Q1-31/8/2015 Q2-17/11/15 Q3-3/2/2016 Q4-10/5/2016
	LGMSD	244.88	244.88	244.88	Q1-3/8/2015 Q2-29/10/2015 Q3- 4/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/15 Q3-9/2/2016 Q4-
	URF	333.06	399.33	284.88	Q1-25/8/2015 Q2-2/11/2015 Q3- 28/1/2016 Q4-3/5/2016	Q1-31/18/2015 Q2-17/11/2015 Q3- 2/2/2106 Q4-10/5/2016
Jinja	PHC	33.97	33.97	33.97	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4--
	SFG	273.18	273.18	273.18	Q1-11/8/2015	Q1-13/8/2015

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
					Q2-28/10/2015 Q3-31/1/2016 Q4-	Q2-30/10/2015 Q3-2/2/2016 Q4-
	PMG	102.40	102.40	102.40	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-11/5/2016
	Rural Water	678.87	678.87	678.87	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	URF	1,067.23	788.61	788.61	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-11/5/2016
	LGMSD	667.03	667.03	667.03	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
Kabarole	PHC	387.64	382.90	382.90	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-13/8/2015 Q2-16/11/2015 Q3- Q4-
	SFG	846.61	808.00	808.00	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-13/8/2015 Q2-16/11/2015 Q3- Q4-
	PMG	136.741	136.74	136.74	Q1-29/7/2015 Q2-23/10/2015 Q3-4/2/2016 Q4-2/5/2016	Q1-13/8/2015 Q2-3/11/2015 Q3- Q4-
	Rural Water	467.25	487.17	487.17	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-13/8/2015 Q2-16/11/2015 Q3- Q4-
	Rural Roads	1,372.48	1,010.34	1,010.34	Q1-6/8/2015 Q2-30/10/2015 Q3-18/1/2016 Q4-29/4/2016	Q1-13/8/2015 Q2-3/11/2015 Q3- Q4-
	LGMSD	733.67	582.19	582.19	Q1-3/8/2015 Q2-30/10/2015 Q3-4/2/2016 Q4-	Q1-13/8/2015 Q2-16/11/2015 Q3- Q4-
Kamwenge	PHC	224.87	224.87	224.87	Q1-3/8/2015 Q2-3/11/2015 Q3-4/2/2016 Q4-	Q1-10/8/2015 Q2-9/11/2015 Q3-8/2/2016 Q4-
	SFG	286.73	286.73	286.73	Q1-3/8/2015 Q2-3/11/2015 Q3-4/2/2016 Q4-	Q1-10/8/2015 Q2-9/11/2015 Q3-8/2/2016 Q4-

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	PMG	118.51	118.51	118.51	Q1-30/7/2015 Q2-23/10/2015 Q3-14/1/2016 Q4-30/4/2016	Q1-8/8/2015 Q2-30/10/2015 Q3-19/1/2016 Q4-3/5/2016
	Rural Water	372.29	372.29	372.29	Q1-3/8/2015 Q2-3/11/2015 Q3-4/2/2016 Q4-	Q1-10/8/2015 Q2-9/11/2015 Q3-8/2/2016 Q4-
	Rural Roads	654.03	654.03	654.03	Q1-3/8/2015 Q2-3/11/2015 Q3-4/2/2016 Q4-	Q1-10/8/2015 Q2-9/11/2015 Q3-8/2/2016 Q4-
	LGMSD	546.92	546.92	546.92	Q1-3/8/2015 Q2-3/11/2015 Q3-4/2/2016 Q4-	Q1-10/8/2015 Q2-9/11/2015 Q3-8/2/2016 Q4-
Kasese	PHC	38.47	38.47	38.47	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/8/2015 Q2-3/11/2015 Q3-11/2/2016 Q4-
	SFG	484.48	484.48	484.48	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/8/2015 Q2-3/11/2015 Q3-11/2/2016 Q4-
	PMG	222.44	222.44	222.44	Q1-3/8/2015 Q2-23/10/2015 Q3-29/1/2016 Q4-4/5/2016	Q1-5/8/2015 Q2-17/11/2015 Q3-30/2/2016 Q4-17/5/2016
	Rural Water	551.54	551.54	551.54	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/8/2015 Q2-3/11/2015 Q3-11/2/2016 Q4-
	Rural Roads	1,546.29	1,389.35	1,389.35	Q1-7/8/2015 Q2-2/11/2015 Q3-18/1/2016 Q4-4/5/2016	Q1-12/8/2015 Q2-19/11/2015 Q3-22/1/2016 Q4-11/5/2016
	LGMSD	1,116.59	950.47	950.47	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-5/8/2015 Q2-3/11/2015 Q3-11/2/2016 Q4-
Kiryandongo	PHC	242.35	242.35	242.35	Q1-14/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-
	SFG	438.38	438.38	438.38	Q1-14/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-
	PMG	200.30	200.30	200.30	Q1-14/8/2015	Q1-18/8/2015

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
					Q2-29/10/2015 Q3-28/1/2016 Q4-2/5/2016	Q2-5/11/2015 Q3-9/2/2016 Q4-5/5/2016
	Rural Water	628.39	628.39	628.39	Q1-14/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-
	Rural Roads	318.88	318.88	318.88	Q1-14/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-5/11/2015 Q3-9/2/2016 Q4--
	LGMSD	533.48	558.55	558.55	Q1-14/8/2015 Q2-29/10/2015 Q3-28/1/2016 Q4-	Q1-5/8/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-
Kumi	PHC	307.26	216.79	216.79	Q1-03/08/2015 Q2-29/10/2015 Q3- Q4-04/02/2016	Q1-13/08/2015 Q2-17/11/2015 Q3- Q4-04/02/2016
	SFG	430.22	430.23	430.23	Q1-03/08/2015 Q2-29/10/2015 Q3- Q4-04/02/2016	Q1-13/08/2015 Q2-17/11/2015 Q3- Q4-04/02/2016
	PMG	141.37	141.37	141.37	Q1-23/07/2015 Q2-23/10/2015 Q3-29/01/2016 Q4-02/05/2016	Q1-05/08/2015 Q2-18/11/2015 Q3-29/01/2016 Q4-
	Rural Water	563.34	563.34	563.34	Q1-03/08/2015 Q2-29/10/2015 Q3- Q4-04/02/2016	Q1-13/08/2015 Q2-17/11/2015 Q3- Q4-04/02/2016
	Rural Roads	1,105.82	497.08	497.08	Q1-13/08/2015 Q2-30/10/2015 Q3-18/01/2016 Q4-29/04/2016	Q1-28/08/2015 Q2-24/11/2015 Q3-08/04/2016 Q4-29/04/2016
	LGMSD	618.13	585.21	585.21	Q1-03/08/2015 Q2-29/10/2015 Q3- Q4-04/02/2016	Q1-13/08/2015 Q2-17/11/2015 Q3- Q4-04/02/2016
Kyenjojo	PHC	32.28	31.17	31.17	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-14/8/2015 Q2-6/11/2015 Q3- Q4-
	SFG	539.63	520.98	520.98	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-14/8/2015 Q2-6/11/2015 Q3- Q4-
	PMG	93.27	93.27	93.27	Q1-27/7/2015 Q2-23/10/2015 Q3-29/1/2016 Q4-2/5/2016	Q1-14/8/2015 Q2-5/11/2015 Q3- Q4-

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	Rural Water	535.49	516.99	516.99	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-14/8/2015 Q2-6/11/2015 Q3- Q4-
	Rural Roads	1,212.42	881.14	881.14	Q1-13/8/2015 Q2-30/10/2015 Q3-26/2/2016 Q4-29/4/2016	Q1-9/9/2015 Q2-6/11/2015 Q3-22/1/2016 Q4-1/4/2016
	LGMSD	636.51	529.26	529.26	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-14/8/2015 Q2-6/11/2015 Q3- Q4-
	LRDP	302.59	292.13	292.13	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-14/8/2015 Q2-6/11/2015 Q3- Q4-
Lira	PHC	299.89	299.89	299.89	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
	SFG	741.60	741.60	741.60	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
	PMG	329.00	329.00	329.00	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
	Rural Water	741.54	741.54	741.54	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
	Rural Roads	648.73	648.73	648.73	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
	LGMSD	642.87	642.87	642.87	Q1-10/8/2015 Q2-12/11/2015 Q3-14/2/2016 Q4-9/5/2016	Q1-13/8/2015 Q2-15/11/2015 Q3-17/2/2016 Q4-11/5/2016
Lyantonde	PHC	31.85	31.85	31.85	Q1-3/8/2015 Q2-17/11/2015 Q3-4/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-29/1/2016 Q4-
	SFG	206.73	206.73	206.73	Q1-3/8/2015 Q2-17/11/2015 Q3-4/2/2016 Q4--	Q1-6/8/2015 Q2-30/11/2015 Q3-29/1/2016 Q4-
	PMG	25.97	25.97	25.97	Q1-29/7/2015 Q2-23/10/2015 Q3-29/1/2016	Q1-6/8/2015 Q2-30/11/2015 Q3-29/1/2016

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
					Q4-4/5/2016	Q4-
	Rural Water	439.17	439.17	439.17	Q1-3/8/2015 Q2-17/11/2015 Q3-4/2/2016 Q4-	Q1-7/8/2015 Q2-10/12/2015 Q3-9/3/2016 Q4-
	Rural Roads	386.21	333.03	333.03	Q1-26/8/2015 Q2-2/11/2015 Q3-18/1/2016 Q4-2/5/2016	Q1-18/8/2015 Q2-30/11/2015 Q3-18/1/2016 Q4-
	LGMSD	143.87	143.87	143.87	Q1-3/8/2015 Q2-17/11/2015 Q3-4/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-29/1/2016 Q4-
Masaka	PHC	29.36	27.68	27.68	Q1-4/8/2015 Q2-10/11/2015 Q3-3/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/2015 Q3-5/2/2016 Q4-
	SFG	376.77	376.77	376.77	Q1-4/8/2015 Q2-10/11/2015 Q3-3/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/2015 Q3-5/2/2016 Q4-
	PMG	80.17	80.17	80.17	Q1-4/8/2015 Q2- Q3-3/2/2016 Q4- 4/5/2016	Q1-6/8/2015 Q2- Q3-5/2/2016 Q4- 6/5/2016
	Rural Water	364.68	360.44	360.44	Q1-4/8/2015 Q2-10/11/2015 Q3-3/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/2015 Q3-5/2/2016 Q4-
	URF	496.92	358.63	358.63	Q1-7/8/2015 Q2-26/10/2015 Q3- Q4-4/5/2016	Q1-9/8/2015 Q2-28/10/2015 Q3- Q4- 6/5/2016
	LGMSD	101.16	101.16	101.16	Q1-4/8/2015 Q2-10/11/2015 Q3-3/2/2016 Q4-	Q1-6/8/2015 Q2-12/11/2015 Q3-5/2/2016 Q4-
Mbarara	PHC	34.33	34.33	34.33	Q1-3/8/2015 Q2-3/11/2015 Q3-9/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-11/2/2016 Q4-
	SFG	140.28	140.28	140.28	Q1-3/8/2015 Q2-3/11/2015 Q3-9/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-11/2/2016 Q4-
	PMG	110.75	110.75	110.75	Q1-3/8/2015 Q2-3/11/2015 Q3-9/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-11/2/2016 Q4-
	Rural		673.53	673.53	Q1-3/8/2015	Q1-6/8/2015

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	Water	673.53			Q2-3/11/2015 Q3-9/2/2016 Q4-	Q2-30/11/2015 Q3-11/2/2016 Q4-
	URF	699.62	574.60	574.60	Q1-3/8/2015 Q2-3/11/2015 Q3-9/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-11/2/2016 Q4-
	LGMSD	215.44	215.44	215.44	Q1-3/8/2015 Q2-3/11/2015 Q3-9/2/2016 Q4-	Q1-6/8/2015 Q2-30/11/2015 Q3-11/2/2016 Q4-
Mpigi	PHC	35.54	35.54	35.54	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4-	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
	SFG	206.73	206.73	206.73	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4-	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
	PMG	57.39	57.39	57.39	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4-	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
	Rural Water	404.77	404.77	404.77	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4-	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
	URF	1,132.03	365.96	365.96	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4- -	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
	LGMSD	361.41	275.38	275.38	Q1-30/7/2015 Q2-27/10/2015 Q3-29/1/2016 Q4-	Q1-2/8/2015 Q2-29/10/2015 Q3-31/1/2016 Q4-
Nakasongola	PHC	37.72	37.72	37.72	Q1-27/8/2015 Q2-30/10/2015 Q3-10/2/2016 Q4-	Q1-27/8/2015 Q2-17/11/2015 Q3-10/2/2016 Q4-
	SFG	206.73	206.73	206.73	Q1-27/8/2015 Q2-30/10/2015 Q3-10/2/2016 Q4-	Q1-27/8/2015 Q2-17/11/2015 Q3-10/2/2016 Q4-
	PMG	64.09	64.09	64.09	Q1-27/8/2015 Q2-29/10/2015 Q3-10/2/2016 Q4-2/5/2016	Q1-27/8/2015 Q2-17/11/2015 Q3-10/2/2016 Q4- 2/5/2016
	Rural Water	424.12	424.12	424.12	Q1-27/8/2015 Q2-30/10/2015 Q3-10/2/2016 Q4-	Q1-27/8/2015 Q2-17/11/2015 Q3-10/2/2016 Q4-

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	URF	877.63	634.11	634.11	Q1-27/8/2015 Q2-30/10/2015 Q3-16/2/2016 Q4- 29/4/2016	Q1-27/8/2015 Q2-17/11/2015 Q3-16/2/2016 Q4- 29/4/2016
	LGMSD	217.41	217.41	217.41	Q1-27/8/2015 Q2-30/10/2015 Q3-10/2/2016 Q4-	Q1-27/8/2015 Q2-17/11/2015 Q3-10/2/2016 Q4-
Nwoya	PHC	251.17	251.17	251.17	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
	SFG	621.89	621.89	621.89	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
	PMG	143.09	143.09	143.09	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
	Rural Water	312.68	312.68	312.68	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016-	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
	Rural Roads	798.82	798.82	798.82	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
	LGMSD	229.34	229.34	229.34	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4- 4/2/2016	Q1-19/8/2015 Q2-9/11/2015 Q3-9/2/2016 Q4- 9/2/2016
Pallisa	PHC	590.91	590.88	590.88	Q1-3/8/2015 Q2-29/10/2015 Q3-1/2/2016 Q4-	Q1-10/8/2015 Q2-26/10/2015 Q3-30/3/2016 Q4-
	SFG	453.11	453.11	453.11	Q1-3/8/2015 Q2-29/10/2015 Q3-1/2/2016 Q4	Q1-10/8/2015 Q2-26/10/2015 Q3-30/3/2016 Q4-
	PMG	298.43	298.43	298.43	Q1-29/7/2015 Q2-26/10/2015 Q3-1/2/2016 Q428/4/2016	Q1-10/8/2015 Q2-26/10/2015 Q3-1/2/2016 Q4-28/4/2016
	Rural Water	884.32	884.32	884.32	Q1-3/8/2015 Q2-29/10/2015 Q3-1/2/2016 Q4	Q1-10/8/2015 Q2-26/10/2015 Q3-30/3/2016 Q4-
	Rural Roads	86.56	86.56	86.56	Q1-3/8/2015 Q2-29/10/2015 Q3-1/2/2016	Q1-10/8/2015 Q2-26/10/2015 Q3-30/3/2016

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
					Q4	Q4
	URF	578.31	578.31	578.31	Q1-6/8/2015 Q2-30/10/2015 Q3-18/1/2016 Q415/6/2016	Q1-10/8/2015 Q2-26/10/2015 Q3-30/3/2016 Q4-
	LGMSD	604.29	604.29	604.29	Q1-3/8/2015 Q2-29/10/2015 Q3-1/2/2016 Q4	Q1-10/8/2015 Q2-26/10/2015 Q3-18/1/2016 Q4-
Rakai	PHC	40.37	40.37	40.37	Q1-30/7/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-9/2/2016	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
	SFG	655.63	655.63	655.63	Q1-30/7/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-9/2/2016	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
	PMG	151.67	151.67	151.67	Q1-30/7/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-9/2/2016	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
	Rural Water	683.22	683.22	683.22	Q1-30/7/2015 Q2-5/11/2015 Q3-9/2/2016 Q49/2/2016	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
	URF	2,142.13	1,829.368	1,829.368	Q1- Q2-22/1/2016 Q3-22/1/2016 Q4-	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
	LGMSD	639.83	639.83	639.83	Q1-30/7/2015 Q2-5/11/2015 Q3-9/2/2016 Q4-9/2/2016	Q1-10/8/2015 Q2-17/11/2015 Q3-9/2/2016 Q4-9/2/2016
Sembabule	PHC	28.54	82.00	82.00	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3- Q4-
	SFG	140.28	137.64	137.64	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3- Q4-
	PMG	73.62	73.62	73.62	Q1-29/7/2015 Q2-23/10/2015 Q3-27/1/2016 Q4-2/5/2016	Q1-3/8/2015 Q2-3/11/2015 Q3- Q4-
	Rural Water	672.53	659.85	659.85	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3- Q4--
	Rural		627.95	627.95	Q1-23/8/2015	Q1-29/8/2015

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	roads	835.77			Q2-30/10/2015 Q3-18/1/2016 Q4-29/4/2016	Q2-16/11/2015 Q3-4/2/2016 Q4-
	LGMSD	362.73	327.84	327.84	Q1-3/8/2015 Q2-29/10/2015 Q3-4/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3- Q4-
Sironko	PHC	227.53	227.53	227.53	Q1-29/7/2015 Q2-30/10/2015 Q3-25/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
	SFG	747.23	747.23	747.23	Q1-29/7/2015 Q2-30/10/2015 Q3-25/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
	PMG	81.93	81.93	81.93	Q1-29/7/2015 Q2-23/10/2015 Q3-29/1/2016 Q4-11/5/2016	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-18/5/2016
	Rural Water	437.85	437.85	437.85	Q1-29/7/2015 Q2-30/10/2015 Q3-25/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
	URF	742.01	742.01	742.01	Q1-29/7/2015 Q2-29/10/2015 Q3-25/2/2016 Q4-6/5/2016	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
	Rural roads	118.04	118.04	118.04	Q1-3/8/2015 Q2-30/10/2015 Q3-25/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
	LGMSD	640.09	564.86	564.86	Q1-29/7/2015 Q2-30/10/2015 Q3-25/2/2016 Q4-	Q1-3/8/2015 Q2-3/11/2015 Q3-2/3/2016 Q4-
Tororo	PHC	150.51	150.51	150.51	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	SFG	419.67	419.67	419.67	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	PMG	262.29	262.29	262.29	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	Rural Water	672.53	672.53	672.53	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-

Districts	Grants	Approved Budget	Cumulative Release	Cumulative Expenditure	Date received from MFPED	Date sent to Sectors from GFA
	Rural Roads	417.90	417.90	417.90	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	LGMSD	936.65	936.65	936.65	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4--	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-
	URF	952.46	697.23	697.23	Q1-11/8/2015 Q2-28/10/2015 Q3-31/1/2016 Q4-	Q1-13/8/2015 Q2-30/10/2015 Q3-2/2/2016 Q4-

Source: Field Findings

Absorptive Capacities for the development grants of the Selected Districts, FY 2015/16

The absorption of funds was excellent for the selected districts as 23 of the selected 24 averaged at 100% for all the grants. The district of Butaleja had an average absorption of 146%, this is attributed to the expenditure under PHC that was above the budget. Table 4.2 shows the absorptive rates for the different grants for the DLGs under review.

Table 4.2: Absorptive Rates for the development grants of Selected DLGs FY 2015/16

No	District	PHC Dev't	SFG	PMG	Rural water	Rural Roads	URF	LGMSD	Average absorptio n rate
1	Bugiri	100	100	100	100	N/A	100	100	100
2	Bulambuli	100	100	100	100	100	N/A	100	100
3	Butaleja	377	100	100	100	100	100	100	146
4	Dokolo	100	100	100	100	100	100	100	100
5	Gomba	100	100	100	100	98	71	100	95
6	Jinja	100	100	100	100	N/A	100	100	100
7	Kabarole	100	100	100	100	100	N/A	100	100
8	Kamwenge	100	100	100	100	100	N/A	100	100
9	Kasese	100	100	100	100	100	N/A	100	100
10	Kiryandongo	100	100	100	100	100	N/A	100	100
11	Kumi	100	100	100	100	100	N/A	100	100
12	Kyenjojo	100	100	100	100	100	N/A	100	100
13	Lira	100	100	100	100	100	N/A	100	100

No	District	PHC Dev't	SFG	PMG	Rural water	Rural Roads	URF	LGMSD	Average absorption rate
14	Lyantonde	100	100	100	100	100	N/A	100	100
15	Masaka	100	100	100	100	N/A	100	100	100
16	Mbarara	100	100	100	100	N/A	100	100	100
17	Mpigi	100	100	100	100	N/A	100	100	100
18	Nakasongola	100	100	100	100	N/A	100	100	100
19	Nwoya	100	100	100	100	100	N/A	100	100
20	Pallisa	100	100	100	100	100	100	100	100
21	Rakai	100	100	100	100	N/A	100	100	100
22	Sembabule	100	100	100	100	100	N/A	100	100
23	Sironko	100	100	100	100	100	100	100	100
24	Tororo	100	100	100	100	100	100	100	100
	Average absorption rate	111	100	100	100	99	98	100	101

Source: Field Findings

Absorption rates for the Unconditional grant non-wage for the selected districts, FY 2015/16

The release and absorption for the unconditional grant non-wage for the sampled districts was excellent at 100% as shown in table 4.3. However, the districts of Mbarara, Kiryandongo, Butaleja, and Bulambuli received more than their budgets for the year and all the funds were expended.

Table 4.3: Absorption of the Unconditional grant non-wage FY 2015/16

District	Approved budget	Release	Expenditure	%age release	Absorption
Bugiri	623,928,000	623,928,000	623,928,000	100	100
Bulambuli	315,923,000	322,530,000	322,530,000	102	100
Butaleja	396,058,000	805,181,586	805,181,586	203	100
Dokolo	318,446,000	318,446,000	318,446,000	100	100
Gomba	371,778,000	371,778,000	371,778,000	100	100
Jinja	754,106,297	754,106,140	754,106,140	100	100
Kabarole	996,341,000	996,341,000	996,341,000	100	100
Kamwenge	826,913,000	826,913,000	826,913,000	100	100

District	Approved budget	Release	Expenditure	%age release	Absorption
Kasese	1,547,823,000	1,547,824,000	1,547,824,000	100	100
Kumi	473,104,000	473,103,257	473,103,257	100	100
Kiryandongo	348,529,000	546,096,000	546,096,000	157	100
Kyenjojo	855,364,995	855,364,995	855,364,995	100	100
Lira	515,318,608	515,509,419	515,509,419	100	100
Lyantonde	845,531,000	845,531,000	845,531,000	100	100
Masaka	577,847,098	577,846,760	577,846,760	100	100
Mbarara	995,624,000	1,028,624,000	1,028,624,000	103	100
Mpigi	626,356,000	626,355,094	626,355,094	100	100
Nakasongola	662,258,000	562,259,852	562,259,852	85	100
Nwoya	310,592,491	310,592,491	310,592,491	100	100
Pallisa	86,564,000	86,564,000	86,564,000	100	100
Rakai	1,241,476,000	1,241,476,000	1,241,476,000	100	100
Sembabule	685,261,961	686,062,027	686,062,027	100	100
Sironko	387,676,000	395,802,984	395,802,984	102	100
Tororo	725,382,000	725,381,000	725,381,000	100	100

Source: Field findings

General challenges in service delivery

- Budget cuts and shortfalls especially URF for example there was an unexplained shortfall in URF releases of Ug shs 116 million in Dokolo DLG. In Kyenjojo DLG, 96% of the URF budget was released.
- Low capacity (financial and technical) of contractors and service providers. Some contractors do not adhere to the contract schedule which slows progress of works.
- Introduction of TSA without guidance for example all funds are put on one account without guidance on how to spend on source or late communication of breakdown and use (advice slips) thus affecting timely utilization of grants. Secondly the process is long and requires a number of approvals.
- Delayed release of funds especially for Q1 after announcement of cash limits by PS/ST. sometimes sent in the second month of the quarter instead of the second week of the quarter.
- Limited participation of stakeholders in the planning process affecting service delivery.
- High staff absenteeism in education and health sectors.
- Taxes on funds (18% VAT and 6% WHT) erode the funds available for project works.

- Limited local revenue base which increases dependency on central releases.

Conclusion

Government released 100% of the development grants to the DLGs by third quarter which was a remarkable improvement. The DLGs absorbed 100% of the funds released by 30th June 2016. Sixteen (66%) of the DLGs monitored are on the IFMS and TSA. For these votes the warrants took averagely three working days to complete and access funds on the TSA. The non-TSA votes on average took five working days to transfer funds from the district general fund accounts to the departments

The DLGs of Mbarara, Kiryandongo, and Butaleja registered higher releases for the unconditional grant non wage.

Recommendations

- The MFPED should ensure that budgets are released timely (first two weeks of every quarter) and as per the Indicative Planning Figures (IPFs) without cuts to the LGs to enable proper and timely implementation of activities and avoid delay in payment of salaries and other operational expenses.
- The MFPED and Ministry of Public Service should considerer hard-to-reach allowances for some categories of workers for example teachers and health workers to avoid staff absenteeism.
- The MFPED should consider bulk procurement of vehicles for LGs to easy the monitoring of works in districts.
- There should be refresher training courses for the IFMS organized by the Accountant Generals Office to bridge the skills gap.
- The heads of departments for education, works and technical services, and health at the DLGs should initiate the procurement processes in time. Have a prioritized procurement plan.
- The MFPED and Bank of Uganda should ensure that bank statements on the TSA accounts are sent to the LGs automatically and communicate the breakdown and purpose of the funds (advice slips) as they are sent.
- The MFPED should timely communicate any budget shortfall to enable the LGs adjust and plan accordingly.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 5: AGRICULTURE

5.1 Introduction

5.1.1 Sector objectives and priorities

In the National Development Plan (NDPII) 2015/16-2019/20[7], agriculture is identified as a key growth opportunity for enhancing the development momentum and increasing economic impact. In the medium term, the agriculture sector aims to achieve two development outcomes: a) enhance rural incomes and livelihoods, b) improve household food and nutrition security. The key development results that are expected are: a decline in subsistence farming; an increase in production and productivity, commercialization, total exports and manufactured exports as a percentage of total exports; and growth in labour productivity.

During FY 2015/16, the key sector priorities were: development of research; implementation of the single spine agriculture extension system; provision of seed, stocking, breeding and planting materials; pest, vector and disease control; provision of water for production and value addition.

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

5.1.2 Overall agricultural sector financial performance

The approved budget for the sector for FY 2015/16 was Ug shs 368.641 (excluding arrears and taxes) of which Ug shs 257.596 (92.82%) was released and 340.281 (99.45%) was spent. This was very good financial performance.

Table 5.1: Agricultural sector annual financial performance by 30th June 2016 (billions excluding Arrears and Taxes)

Vote/ grant	Approved budget (Ug shs billion)	Releases (Ug shs billion)	Expenditure (Ug shs billion)	% budget released	% release spent
MAAIF	89.605	80.774	79.32	90.1	98.2
DDA	5.04	3.809	3.223	75.5	84.6
KCCA	6.22	5.657	5.668	90.95	100
NAGRC & DB	4.95	3.056	3.294	61.7	66.5

[7] GoU, 2014.

NARO	36.686	35.601	35.601	96.6	100
NAADS Secretariat	178.68	183.362	183.278	102.6	100
UCDO	5.301	8.366	8.359	157.8	99.9
UCDA	27.91	27.211	27.206	97.5	10
LGs	14.249	14.249	14.249	100	100
	368.641	342.179	340.281	92.82	99.45

Source: MFPED, 2016.

5.1.3 Scope

The report presents annual performance for selected agriculture sector programmes in FY 2015/16. The monitoring work covered nine projects/interventions in six out of the ten programmes in the agriculture sector (Table 5.2).

Table 5.2: Agriculture programmes monitored

Vote	Project/Intervention	Sampled districts/Institutions
DDA (Vote 121)	DDA Headquarters (Recurrent)	DDA Headquarters, Kayunga, Mbarara, Soroti, Tororo, Wakiso
	Project 1268: Dairy Market Access and Value Addition (Development)	DDA, Pader
LGs – District Production Services (Vote 501-850)	Production Marketing Grant	Arua, Bugiri, Buikwe, Bukomasimbi, Bundibugyo, Bushenyi, Gulu, Isingiro, Kibaale, Kyenjojo, Maracha, Mbale, Mpigi, Mukono, Nebbi, Pader, Soroti, Tororo, Wakiso, Zombo
MAAIF (Vote 010)	Project 1316: Enhancing National Food Security Through Increased Rice Production in Eastern Uganda	MAAIF
	Project 0104: Support for Tea Cocoa Seedlings Project	MAAIF, Buikwe, Bundibugyo, Jinja, Kibaale, Kyenjojo, Mayuge, Mukono
	Project 1329: The Goat Export Project in Sembabule District	MAAIF, Sembabule
	Project 1324: Northern Uganda and Medium Livelihood Improvement Project	MAAIF
NAADS Secretariat (Vote 152)	National Agricultural Advisory Services/Operation Wealth Creation (OWC)	NAADS Secretariat, Arua, Bugiri, Buikwe, Bukomasimbi, Bundibugyo, Bushenyi, Gulu, Isingiro, Kibaale, Kyenjojo, Maracha, Mbale, Mpigi, Mukono, Nebbi,Omoro, Pader, Soroti, Tororo, Wakiso, Zombo

Cotton Development (Vote 155)	UCDO Headquarters (Recurrent)	UCDO Headquarters, Bukedea, Gulu, Iganga, Kumi, Lira, Nebbi, Oyam,
	Project 1219 Cotton Production Improvement Project (Development)	UCDO Headquarters, Pader
Other in Ministry of Finance, Planning and Economic Development	Agricultural Credit Facility	MFPED, Bank of Uganda (BoU), Isingiro, Kiruhura, Lira, Mbarara, Mubende, Mukono, Wakiso

Source: Authors Compilation

5.1.4 Limitations

1) Poor disaggregation of programme financial data by expenditure items and outputs in the Out Based Budgeting Tool and performance reports.
2) Lack of detailed workplans and performance targets for some of the agricultural sector programmes.

5.2 Agriculture Credit Facility

5.2.1 Background

The Agricultural Credit Facility (ACF) is a GoU loaning scheme that commenced in 2009 to facilitate provision of subsidized credits to farmers/firms engaged in agriculture and agro-processing for commercializing the sector. The implementing agencies are MFPED, Bank of Uganda (BoU) and Participating Financial Institutions (PFIs). The ACF is implemented in phases with varying terms as follows: ACF I: October 2009-June 2010 (10% interest rate); ACF II: July 2010-June 2011 (12% interest rate); ACF III: July 2011-February 2013 (10% interest rate); ACF IV: March 2013- date (12% interest rate) and ACFV: November 2015 to date (12% interest rate) and includes the Grain Facility (15% interest rate)[8].

The ACF is a revolving fund: by 1st July 2015, the bank balance was Ug shs 42,040,389,000 of which Ug shs 14,699,792,000 (35%) was disbursed to projects; repayments from PFIs totaled Ug shs 16,395,897,000. By 30th June 2016, the bank balance was Ug shs 43,736,494,000.

Cumulatively between 2009 and 30th June 2016, a total of 354 farmers/firms had benefitted from the ACF. The total funds disbursed were Ug shs 215.682 billion of which Ug shs 106.550 billion (49%) was GoU contribution and Ug shs 109.132 billion (51%) was contributed by PFIs[9]. The monitoring work focused on beneficiaries whose multi-year projects were initiated in FY 2014/15 and FY 2015/16 and were still under implementation for three to four more years. A total of 15 projects were monitored.

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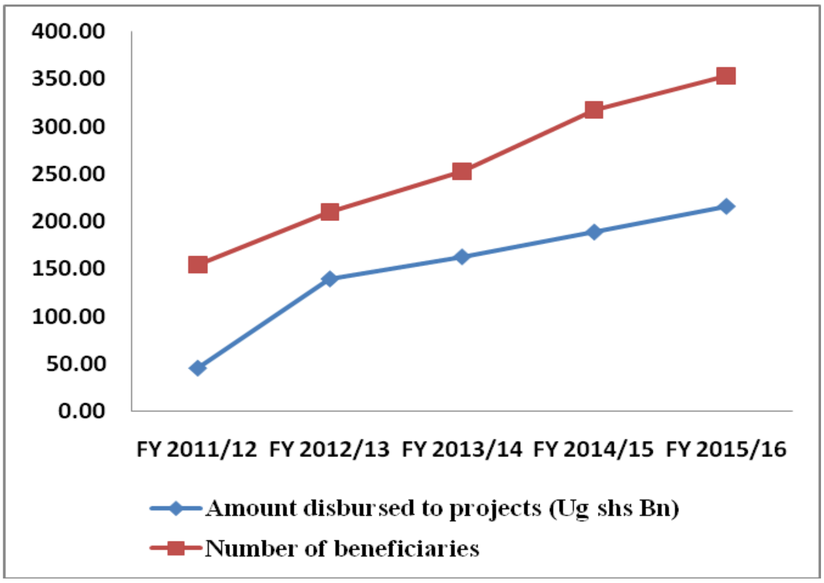
[8] BoU/MFPED Addendum to the Memorandum of Understanding for ACFV November 2015.
[9] BoU financial data as at 30th June 2016.

5.2.2 Performance

Table 5.3 presents the overall performance of the ACF projects by 30th June 2016. The project performance was very good (89.510%) while the financial performance was poor (25.15%).

5.2.3 Overall performance

Figure 5.1: Trends in ACF performance FY 2011/12 to FY 2015/16



Source: BoU data base; BMAU Monitoring Reports for Various Years: Field findings

During the initial years of ACF implementation, the volume of funds that were disbursed to beneficiaries grew at an exponential rate; by FY 2015/16, the growth in funds disbursed had slowed considerably (Figure 5.1).

Although the number of beneficiares of the ACF more than doubled from 154 in FY 2011/12 to 354 in FY 2015/16, there has been slow growth in new beneficiaries accessing the loan. For example, during FY 2015/16, only 36 additional farmers/firms accessed the ACF compared to 65 in FY 2014/15.

Table 5.3: Performance of the Agricultural Credit Facility by 30th June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs million)	Weight Based on Budget	Weighted Score (%)	Remark
Physical performance							
Tractor and Plough for Mr. Kanaginangi	1	1	100	150	0.072	7.153	The PFI initially charged 22% interest rate for the first year; The down payment of 25m made by the beneficiary was not reflected in the bank accounts.
Tractor and implements for Mr. Musinguzi	1	1	100	150	0.072	7.153	The PFI charged interest for the first seven months at 23% on a declining balance and applied 12% interest in remaining months, an anomaly
Tractor and plough for Mr. Kasaija	1	1	100	99	0.047	4.721	Beneficiary had challenges in paying back the loan and was in arrears by 2 months
Poultry house for Mr. Lubega	1	0.7	70	50	0.024	1.669	The bank declined to provide Ug shs 150 million that the farmer applied for; promoted the commercial loan
Dairy Cows Stocking at Kakiika Eco Farm	30	26	87	100	0.048	4.133	Low project profitability due to underestimation of input costs and loss of two animals.
Dairy cows stocked for Mr. Okeyamba	40	32	80	100	0.048	3.815	Less animals procured due to raising unit costs associated with delayed processing of loan by one year from date of application.
Farm improved for Mr. Kananura - two dams, Spray race, milking parlour, 50 cows, 100 acres cleared/ paddocked, 5 acres	7	7	100	200	0.095	9.537	Difficulties in repaying the loan due to low product prices and lower yields associated with drought and labour constraints.

bananas planted							
Dairy farm improved for Mr. Katushabe - two dams, underground tank, 10 cows, paddocks and water system	5	3	60	30	0.014	0.858	Lower outputs due to inadequate loan funds; the bank declined to approve Ug shs 100 million that was required and advised the beneficiary to use a commercial loan.
Poultry farm modernised for Mr. David Kibiika - 2 poultry houses, 2 commercial cages, grilling machine, feed meal and poultry stock	7	4	57	100	0.048	2.725	Underperformance as less money were disbursed than requested (Ug shs 150 million). The 12% interest rate was applied for the first six months of the loan facility; thereafter, a 14% interest rate was applied, an anomaly.
Dairy farm improved for Mr. Kagame - tractor and implements, 10 heifers, cattle shed	3	3	100	150	0.072	7.153	
Agro-processing equipment procured for Agro Health Products Ltd - 1 boiler, water treatment plant, juice production line, packaging machinery	4	4	100	540	0.258	25.751	The loan funds were disbursed by the commercial bank before reciept of funds from BoU on the request of the beneficiary.The first installment repayed in June 2016 was at 25% interest rate; the 12% rate was applied in July 2016 after receipt of BoU funds. The project lacked operational funds as less funds than required were applied for.
Dairy farm improved for Mr. Kabalega - procurement of dairy animals	80	38	48	100	0.048	2.265	Underperformance as less funds were disbursed than what was requested for (Ug shs 200 million). Due to a poor project planning, 13 ACF animals were sold off.
Yorghut processing equipment at Ms. Nabimanya farm - 6 units of equipment and	7	4	57	150	0.072	4.087	Underperformance of project as less funds were disbursed as the beneficiary was a first time borrower than what was requested (Ug shs 250

working capital for milk purchase							million)
Milk Cooler and Generator procured for Mr. Mugyenyi Milk Collection Centre	2	2	100	96	0.046	4.578	The project stalled for six months due to closure of premises by DDA. Loan repayment was done by selling off other assets.
Tractor for Abutoadi Farmers Cooperative Society	1	1	100	82	0.039	3.910	Low project profitability due to frequent breakdown of weak tractor implements supplied by MASCOR Corporation Ltd
Total				**2,097**		**89.51**	**Very good**

Financial performance

Annual Programme Budget (Ug shs)	Cumulative Receipts (Ug shs)	Cumulative expenditure (Ug shs)	Financial Performance Score (%)	Remark
60,000,000,000	58,436,286,000	14,699,792,000	**25.15**	**Poor, low absorption of available funds**

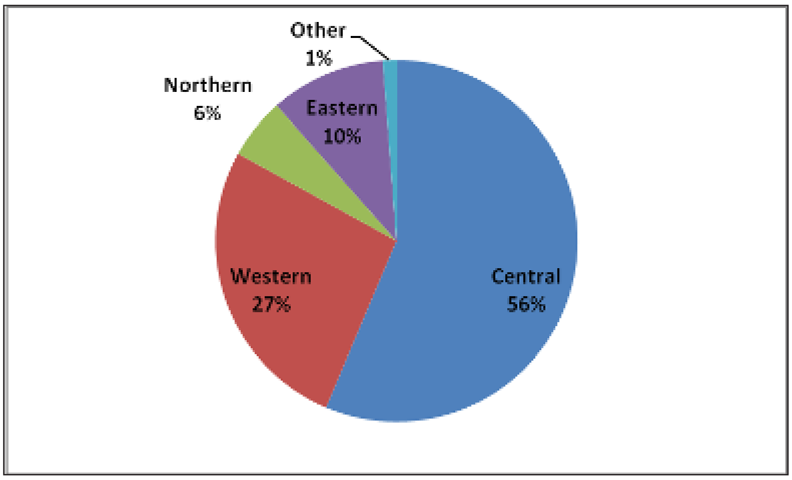
Source: Field findings

ACF tractor at work at Mr. Kanaginagi's farm in Bokwe village Masindi district

ACF funded poultry house at Mr. Lubega's farm in Bakijulula village Mubende district

Agro-processing equipment being offloaded at factory premises of Agro Health Products Ltd in Rwenziringiro, Isingiro district

Figure 5.2: Regional Access to ACF by beneficiaries by 30th June 2016



Source: Analysis of BoU financial data; 165 beneficiaries of ACF IV and V

There was regional disparity in access to the ACF, with most loans accessed by beneficiaries from Central and Western regions (Figure 5.2). The disparity had increased for the North and East when compared to performance in FY 2014/15 (Central 39%, Western 43%, Northern 11% and Eastern 7%).

All the farmers that were visited had received the ACF funds as approved and used it for the intended purpose. However, in some cases, the funds that were provided were less than what was required to deliver the planned outputs. Processing of funds delayed for more than six months to one year since submission of applications which affected the projects viability. There were several cases of anomalies in application of ACF terms which impacted negatively on the ACF funds absorption and project implementation.

A tractor part that got broken 2 months after delivery of the tractor and implements for Abutoadi Farmers Cooperative Society in Lira district

Some of the tractor equipment that was procured by farmers, with the support of commercial banks, was of poor quality leading to slow project implementation.

5.2.4 Challenges

i) Low access to and absorption of ACF loans by farmers/firms due to: a) Limited information disseminated about the facility b) Banks indicating unavailability of ACF and instead promoting commercial loans c) Stringent procedures.

ii) Slow implementation and lower outputs of ACF projects due to delayed processing and approval of loans by BoU and commercial banks, by up to a year since the submission of applications; and less funds disbursed than what is requested for.

iii) Irregularities in the application of ACF terms by PFIs, especially the interest rate resulting in low project viability. Many applicants paid commercial rates for the initial periods of the ACF implementation.

iv) Regional disparities in access to the ACF with the East and North having the lowest access.

5.2.5 Recommendations

i) The BoU and MFPED should design and implement a publicity and marketing strategy for the ACF especially targeting the North and East of the country.
ii) The MFPED should set a standard for BoU and commercial banks to process, approve and disburse loans within a fixed period not exceeding one to two months from date of submission of application and in adequate quantity as per the planned outputs.
iii) The BoU should strengthen supervision of the commercial banks and institute punitive measures to ensure proper application of the ACF loan terms.
iv) The BoU and commercial banks should review and simplify the procedures for accessing ACF loans.

5.3 Dairy Development Authority

5.3.1 Background

In the NDPII, the government has committed to increase access to critical farm inputs and strengthen quality assurance, regulation and safety standards of agricultural products to enhance household production, incomes, and food and nutrition security. The dairy industry, which is regulated by the Dairy Development Authority (DDA), was prioritized as key to the achievement of this goal. The DDA is mandated *"to provide development and regulatory services that will ensure increased production and consumption of milk, and a sustainable and profitable dairy industry sector that will contribute to economic development and improved nutritional standards in Uganda"*[10].

Uganda's annual milk production has increased from 1.83 billion litres in 2011 to 2.09 billion litres in 2015; and the value of dairy exports have almost tripled from US$ 17.92 million to US$ 50.12 million over the same period[11]. During FY 2015/16, the DDA implemented interventions to enhance dairy development, quality assurance and regulation, market access and value addition under the recurrent budget; and rehabilitated and equipped Entebbe Dairy Training School and one of the milk collection centres under the development project 1268 Dairy Market Access and Value Addition.

[10] Dairy Industry Act 1998; DDA, 2016.
[11] DDA data 2016.

The approved recurrent budget was Ug shs 4.044 billion of which Ug shs 3.092 billion (76.40%) was released and Ug shs 3.074 billion (99.4%) was spent. The approved budget for Project 1268 was Ug shs 1 billion of which Ug shs 824.558 million (82.4%) was released and Ug shs 822.034 million (99.6%) was spent. Monitoring was undertaken at DDA Headquarters (including Central, Eastern 1, Northern and Mid Western regions and Countrywide), Entebbe Dairy Training School, Bbaale Milk Collection Centre and the three regional offices (Soroti Eastern 2, Busia/Malaba and Mbarara).

5.3.2 Performance

i. Recurrent Dairy Development Programme

Table 5.4 summarises the performance of the DDA Recurrent programme during FY 2015/16. Overall, the performance of DDA recurrent programme was fair (54.405% although the funds absorption was very good (99.41%). Most of the planned outputs were not delivered due to the release of less funds (76.4%) than the approved budget, inadequate resources disbursed to regional offices, delayed procurements and expenditure on spillover projects from the previous financial year. Resourcing, implementation and reporting was partial for regions that did not have a physical office and their activities were instead directly managed/implemented by the DDA Headquarters.

Table 5.4: Performance of the DDA Recurrent Programme by 30th June 2016

Performance							
Output	Annual Planned Qty or Target	Cum. Achieved Qty	Score (%)	Annual Budget (Ug shs million)	Weight Based on Budget	Weighted Score (%)	Remark
Dairy stakeholders (farmers, processors, traders) trained in good practices	1,828.00	2,480.00	135.67	26.120	0.045	6.140	Over-performance due to high stakeholder mobilisation and additional support from other private sector stakeholders
Pasture seeds procured and distributed (kgs)	2,230.00	2,296.00	102.96	66.700	0.011	1.190	
Dairy stakeholders learning visits and information sharing platforms held	6.00	5.00	83.33	7.957	0.013	1.149	Cooperatives complemented GoU funds with own funds on this activity
Dairy premises and equipment inspected, meetings held and enforcement operations undertaken	1,375.00	2,177.00	158.33	91.647	0.158	25.144	

Market survelliance visits conducted	223.00	80.00	35.87	19.391	0.033	1.205	Underperformance on output due to inadequate funding
Milk samples procured and analysed	1000.00	1465.00	146.5	3.960	0.006	1.005	
June Dairy Month celebrated	1.00	1.00	100	63.120	0.109	10.937	
Brocures produced	1000.00	2000.00	200	2.000	0.003	0.693	
Talk shows /campaigns held	4.00	3.00	75	3.200	0.005	0.415	
Surveys conducted on status of dairy cooperatives	4.00	2.00	50	5.851	0.010	0.506	
Established pasture establishments followed up	40.00	16.00	40	2.450	0.004	0.169	Underperformanc due to inadequate funding
Milk cans procured and distributed	105.00	0.00	0	22.250	0.038	0	Procurements were ongoing in Eastern1; Inadequate funds for other regions
In-calf heifers procured and distributed	10.00	0.00	0	38.617	0.066	0	Procurements were ongoing
Quality and safety feedback meetings held	9.00	9.00	100	10.245	0.017	1.775	Inadequate funds
Milk Collection Centre Rehabilitated	1.00	0.00	0	202.400	0.350	0	Funds were not disbursed to Northern region
Security seals, stickers, protective wear and certificate booklets procured	7201.00	0.00	0	24.200	0.041	0	Inadequate funds
National Dairy Laboratory Accreditated	1.00	0.50	50	47.000	0.081	4.072	Process was initiated; TORs for Consultancy were approved
Total				577.080		54.405	
Financial performance							
Annual Programme Budget (Ug shs)		Cumulative Receipts (Ug shs)		Cumulative expenditure (Ug shs)		Financial Performance Score (%)	Remark
4,044,202,179.00		3,092,881,748.00		3,074,739,699		99.41	

Note: Based on the performance of South Western, Eastern 1, Eastern 2, MidWestern, Northern and entral regions and countrywide.

Source: Field findings

There was evidence at field level of farmers who benefitted from DDA pasture seeds during FY 2015/16. For instance in Soroti district, Arapai Dairy Farmers Association got 5 kgs of LabLab and 1 kg of Bracharia pasture seeds; Ms Abego Florence an individual farmer in Soroti Municipality confirmed having received 2.5 kgs of Chloris Gayana and 1kg of LabLab pasture seeds.

DDA pasture seeds planted in Ms. Abego's garden in Senior Quarters Soroti Municipality

In Mbale district, Mbale Dairy Farmers Cooperative Society received 5 bags of Napier grass, 5 kgs of Chrolis Gayana, 9kgs of LabLab and 1.5kgs of Bracharia pasture seeds. The two key challenges faced by the beneficiaries were: i) late delivery of seeds by DDA leading to late planting and low survival of the pasture ii) small quantities provided that hindered quick seed multiplication.

ii. Dairy Market Access and Value Addition Project

The performance of the DDA development project during FY 2015/16 is presented in Table 5.5. The physical performance of the project was poor (49.59%), despite the resource absorption being very good (99.69%). Most of the planned activities were not achieved due to insufficiency of funds. This was due to the fact that part of the funds that were released for activities of FY 2015/16 were spent on spill-over uncompleted works from FY 2014/15.

Table 5.5: Performance of the Dairy Market Access and Value Addition Project by 30th June 2016

Physical performance							
Output	**Annual Planned Quantity or Target**	**Cum. Achieved Quantity**	**Score (%)**	**Annual Budget Ug shs million**	**Weight Based on Budget**	**Weighted Score (%)**	**Remark**
Entebbe Dairy School rehabilitated (three key activities)	3	1	33.33	114.62	0.245	8.18	Ceiling works were completed (100%); Fencing and windows/doors were not rehabilitated due to inadequate funding. Only Ug shs 47,553,174 (41.4%) was disbursed
Dairy School equipped with four units	4	1	25	161.00	0.345	8.62	One unit -yoghurt semi-atomatic cup filling machine was procured and installed. Three units were were not procured due to inadequate funds. Only Ug shs 38.816 million (24%) was disbursed

Bbaale Milk Collection Centre Rehabilitated	1	0.8	80	191.48	0.410	32.79	80% of the planned activities were implemented. Pending were electrical installations, fixing doors, plastering and painting
Total				**467.10**		**49.59**	

Financial performance				
Annual Programme Budget (Ug shs)	**Cumulative Receipts (Ug shs)**	**Cumulative expenditure (Ug shs)**	**Financial Performance Score (%)**	**Remark**
1,000,000,000	824,558,154	822,034,970	99.69	
Source: Field findings				

The ceiling works that were undertaken at Entebbe Dairy School were a spillover from FY 2014/15, after Honest Contractors failed to complete them. The firm Base General Contractors Ltd that was contracted by DDA for a three months period ending in March 2016, took longer to fully mobilize operations and completed the works in June 2016.

For the rehabilitation of Bbaale Milk Collection Centre, it was planned that the works would commence in September 2015. The DDA signed a contract with Out-Vie Investments Ltd for the period September 2015 to April 2016. The contract expired before commencement of works. This was attributable to inadequate funding and delays by the Bugerere Dairy Cooperative Society to clear and vacate the premises for contractors to commence works. A second contract for the period June to December 2016 was signed for the same contractor and works commenced in June 2016. By 16th August 2016, the works were at 80% completion level.

L-R: Bbaale Milk Collection Centre undergoing rehabilitation in Bbaale sub-county Kayunga district; Yorghut making machine and rehabilitated ceiling in administration block at Entebbe Dairy School in Vet village Entebbe Municipality, Wakiso district

5.3.2 Overall performance

The overall performance of DDA in FY 2015/16, taking into account the recurrent and development programmes, was fair (52%) despite the good funds disbursement and absorption (99.55%). The physical performance was lower due to three key constraints: i) delayed completion of works that spilled over from FY 2014/15 and used up the funds in FY 2015/16 iii) Less funds disbursed compared to the approved estimates iii) inadequate recurrent funding disbursed to the regional offices. For example, Mbarara and Soroti regional offices jointly accounted for 3.34% of total funds disbursed yet they were responsible for planned activities in 46 districts (Table 5.6).

Table 5.6: DDA Recurrent budget by sub-regions and spending entity

Region	Budget	% Budget	Spending Entity
Central	59,720,000	1.48	Headquarters
SouthWestern	70,076,460	1.73	Mbarara Regional Office
Eastern 1	41,748,413	1.03	Headquarters
Eastern 2	65,241,000	1.61	Soroti Regional Office
Midwestern	39,745,000	0.98	Headquarters
Northern	238,867,936	5.91	Headquarters
Head Office	2,594,306,400	64.15	Headquarters
Countrywide	934,498,970	23.11	Headquarters
Total	4,044,204,179	100.00	

Source: DDA financial data

5.3.3 Challenges

i) Inadequate funding for planned activities due to delayed completion and spillover of infrastructure works from one financial year to another. The slow completion of works was attributed to the low capacity of contractors hired by DDA.
ii) Partial implementation of planned activities and low outreach of DDA programmes due to limited funds decentralized to the regional offices to meet the operational expenses. This particularly affected the regions that did not have offices and their activities were directly implemented by DDA.
iii) Low survival (30%) of pasture crops due to delayed planting associated with late delivery of planting materials when the rains had ended.

5.3.4 Recommendations

i) The DDA should improve contract planning and management to ensure that competent contractors are hired and all projects are executed within the planned period.
ii) The DDA should fast track establishment of offices for Eastern 1, Mid-Western and Northern and de-concentrate funds from Headquarters to regional offices to enable implementation of planned outputs.
iii) The DDA should ensure timely delivery of pasture seeds to farmers at the onset of the rain season.

5.4 Ministry of Agriculture, Animal Industry and Fisheries

5.4.1 Background

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is charged with creating an enabling policy environment in the agricultural sector for the private sector to private sector to prosper. The ministry's mission is to transform subsistence farming to commercial agriculture. The intended outcomes are: i) enhanced agricultural production and productivity ii) increased household incomes, nutrition and food security iii) improved exports.

The ministry coordinates interventions in the nine votes (refer to section 4.1.1) and implements specific projects and programmes at central and local government level. In this monitoring round, four projects were selected to assess MAAIF performance during FY 2015/16 namely: i) Enhancing National Food Security Through Increased Rice Production in Eastern Uganda Project ii) Northern Uganda and Medium Livelihood Improvement Project iii) Support for Tea Cocoa Seedlings Project iv) The Goat Export Project in Sembabule District. Their performance is presented below.

5.3.4 Performance

i. **Enhancing National Food Security Through Increased Rice Production in Eastern Uganda Project**

Introduction

Rice is among the 10 commodities that were prioritized in the MAAIF DSIP for the enhancement of national food security. The Parliament approved the Enhancing National Food Security through Increased Rice Production (ENRP) project in 2013 following confirmation by GoU of funding from the Islamic Development Bank (IDB). The project was premised on a public private partnership (PPP) approach with M/s Peal Rice Ltd and Tilda Rice Ltd as the key partners.

The four year project (2014-2018) aims to increase rice production, marketing and consumption of rice for improved nutrition, food security and incomes in Eastern Uganda (Bugiri and Iganga districts). The project is constituted of four major components; i) Establishing water infrastructure for irrigation within the areas of Bugiri (Naigobwa wetland) and Iganga (Igogero wetland) ii) Provision of inputs such as improved seeds, fertilizers chemicals, processing facilities and storage facilities, iii) Capacity building through farmer organization and strengthening the out growers, and iv) Project Coordination and management.

The approved budget for FY 2015/16 was Ugshs 3.806 billion of which Ug shs 3.106 billion (81.6%) was expected external funding from IDB and Ug shs 700 million (18.4%) from GoU. The loan was approved by (IDB) Islamic Development Bank in 2012 and the project was approved by Parliament for implementation in 2013. By 30th June 2016, only GoU counterpart funding of Ug shs 215 million was released.

Performance

The overall performance of the project during FY 2015/16 was poor (24.63%) despite the 100% absorption of the GoU counterpart funding (Table 5.7). This was attributed to failure by one of the private partners (M/s Tilda Rice Company Limited) to execute the MoU, leading to non-release of the donor funds.

By 4th February 2016, the Government had signed a new MoU with M/s Busowa Traders and Farmers Cooperative Society to replace M/s Tilda Rice Ltd, met all conditions for project effectiveness and had forwarded the relevant documents to IDB for signature.

Table 5.7: Performance of the Enhancing National Food Security through Increased Rice Production in Eastern Uganda Project by 30th June 2016

Physical performance							
Out put	Annual Planned Quantity /Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs billion)	Weight Based on Budget	Weighted Score (%)	Remark
Promotion of production & productivity of priority commodities	Establish water user association in the project area, Undertake four baseline studies, Conduct four awareness creation campaigns for the project, Form two project implementation units, Train and capacity building program farmer organization and out growers arrangements	Three base line surveys were conducted &focused on farmers' acreage and three awareness creations on the benefits, roles and expectations from the farmers, training & capacity building conducted, formed one project implementation unit.	66.7	1.406	0.369	24.63	Insufficient funds were released (Ug shs 215 million) hence target not achieved
Dam Construction	Dredging of key sections of rivers & realigning the cannel to transform them into major trap drain channel, transforming 3,000ha into properly graded irrigation rice fields, detailing engineering design & elaboration of tender documents for procurement of civil works. Initiate supervision requirements for civil works and land development for	Nil	0	1.000	0.263	0	Project has not been declared effective and therefore no funds could be released by IDB and GoU for the activities to deliver these outputs.

	irrigation.						
Construction of irrigation schemes	Establish water storage infrastructure for irrigation through strengthening & increasing capacity of the existing dam at Kibimba& constructing a dam at Naigombwa to support rice production.	Nil	0	1.400	0.368	0	
Total				3.806		24.63	Poor

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,806,500,000	215,000,000	215,000,000	100	Very Good

Source: Field findings

The competence of the new private partner was still under question with the IDB advising a re-scoping of the project. By 30th June 2016, the MAAIF had written to MFPED to formally seek for declaration by IDB of project effectiveness.

Implementation challenges

i) Low achievement of planned outputs due to delayed declaration of project effectiveness and disbursement of donor financing.
ii) Changes in project scope and design with the introduction of a new private partner that would require a re-scoping of the project.

Recommendations

i) The MAAIF and MFPED should expedite the engagement of the IDB to declare the project effective.
ii) The MAAIF and private partners should re-scope the project to take into account the needs of the new private partner.

ii. **Northern Uganda and Medium Livelihood Improvement Project**

Background

Household incomes remain low in in Northern Uganda in areas that were affected by conflict and internal displacement in the 2000s, despite the implementation of the Peace, Recovery and Development Programme (PRDP) by Government since 2007. To address this challenge, the Government with support from Japan International Cooperation Agency (JICA) is implementing the six year (July 2015-June 2021) Northern Uganda and Medium Livelihood Project. The main aim of the project is to establish an effective market oriented agricultural production approach to improving farmers'livelihood in the region.

The project covers seven districts namely: Amuru, Lamwo, Agago, Nwoya, Gulu, Kitgum and Pader. However, it was planned that during the first two years, project implementation would be in three districts (Gulu, Kitgum and Pader) and other districts would come on board in subsequent years. The project cost over the six-year period was estimated at Ug shs 21.050 billion with JICA contributing Ug shs 12.750 billion (61%) and GoU providing counterpart funding amounting to Ug shs 8.3 billion (39%)[12].

The approved budget for the project for FY 2015/16 was Ug shs 2.121 billion of which Ug shs 1.612 billion (75.90%) was released and fully spent.

Performance

The overall performance of the project was poor (46.07%) although the resource absorption (99.90%) was very good. Physical performance was lower due to delayed project commencement and disbursement of external funds that led to late initiation of procurements of equipment for seting up three technology centres. The MAAIF had inadequate staff and vehicles to undertake field activities in time.

Table 5.8: Performance of the Northern Uganda and Medium Livelihood Improvement Project by 30th June 2016

Physical performance							
Output	Annual Planned Qty or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs billion)	Weight Based on Budget	Weighted Score (%)	Remark
Extension workers and farmers in project area trained	2	1	50	1.050	0.49	24.74	Farmers were trained in nutritious foods as one set of outputs. The second set of outputs on training extension workers was not achieved due to staff inadequacy and delayed disbursement of donor funds to procure vehicles and pay field allowances
Vegetable seeds procured and distributed to farmers to increase production and productivity	1	0.5	50	0.571	0.27	13.48	The output was partially implemented due to late initiation of procurements.

[12] MAAIF project data.

Farmers identified, baselines undertaken, materials disseminated to farmers improve market access	3	2	66.67	0.500	0.24	7.85	Due to late commencement of project implementation, farmer identification and baselines were concluded in June 2016. Other activities were differed to FY 2016/17
Total				2.121		46.07	Poor

Financial performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,121,842,000	1,612,247,034	1,612,232,029	99.99	Very Good

Source: Field findings

The Record of Discussions between MAAIF and JICA was signed in August 2015. The GoU component started in August 2015 while the Donor Component commenced in December 2015. By 30th June 2016, the MoU between the participating local governments and JICA had been signed. Two vehicles were procured that were used by JICA staff. Four subcounties were identified in each district where the demonstration centres would be set up. A total of 30 kgs of vegetable seeds were procured and kept in storage for distribution to farmers in FY 2016/17.

Challenges

i) Late disbursement of donor funds that led to delayed initiation of procurements of equipment and commencement of field activities.
ii) Slower/partial project implementation due to lack of schronisation of disbursement schedules between GoU and donor funds. Whereas joint planning was undertaken by MAAIF and JICA staff, GoU funding came much later than donor funds such that ministry staff could not undertake the agreed activities in time. The project vehicles that were procured were only used by JICA staff.
iii) Difficulty in measuring project performance due to lack of concrete outputs and targets.

Recommendations

i) The MAAIF and JICA should review and amend the Record of Discussions to schronise the GoU and donor funding schedules and implementation plan.
ii) The MAAIF should ensure that all projects have concrete outputs and targets.

iii. **Support for Tea Cocoa Seedlings Project**

Background

The Support for Tea-Cocoa project is a GoU funded intervention aimed at increasing tea and cocoa production and value addition in order to enhance household incomes and exports. The project is implemented by MAAIF. The government contracts private nursery operators to produce tea and cocoa seedlings that are distributed to farmers at no cost to them. The private operators are in turn paid Ug shs 300 per seedling in line with the supply orders issued government. The farmers, nursery operators and district staff benefit from training and technical backstopping from the project.

To scale up and schronise government interventions, the MAAIF in May 2014 issued a directive for the function of procuring seedlings to be re-allocated to the NAADS Secretariat. Starting FY 2015/16, the role of the Support for Tea-Cocoa seedlings was scaled back to sensitization, training and mobilization of farmers, nursery operators and district staff; inspection and certification of nurseries and warehouses; production of guidelines, manuals and handbooks on tea and cocoa growing. The project implementation period is 07/01/2004 - 30/06/2018 with the total funding of Ug shs 13,874,312,469 by the Government of Uganda.

The approved budget for the project in FY 2015/16 was Ug shs 2.100 billion of which Ug shs 2.095 billion (99.76%) and Ug shs 1.751 billion (83.57%) was spent. Seven districts (Table 5.2) were monitored to verify the performance of these activities. The performance of the project during FY 2015/16 is presented in Table 5.9.

Performance

The overall performance of the Support for Tea Cocoa Seedlings project was good (70.66%). It was slightly below the financial performance (83.57%) that was also good – Table 5.9. The cocoa seedlings were not procured due to the delayed disbursement of funds (in quarter four) and dry spell in mid-May that could have led to low survival rate of the cocoa seedlings. The long procurement process also affected the implementation of this activity.

Table 5.9: Performance of the Support for Tea Cocoa Seedlings Project by 30th June 2016

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget Ug shs (bn)	Weight Based on Budget	Weighted Score (%)	Remark
Quality Assurance systems along the value chain	24,800 MT of cocoa beans monitored and validated in six ware houses. Mobilization and sensitization meetings of old cocoa farmers held.	6 warehouses were monitored and validated for 26,506MT of cocoa beans in western and central regions. Mobilization and sensitization of old farmers on quality was carried out as planned.	75	0.338.	0.16	16.10	Few farmers were reached due to inadequacy of MAAIF staff.
Crop Production tech. promotion	-5,000 each of tea & Cocoa manuals/hand books printed -Mobilization and sensitization meetings of new cocoa farmers held. -1,200,000 cocoa seedlings procured and distributed to farmers for demonstrations	- Handbooks printed as planned -Mobilization and sensitization meetings of new cocoa growing farmers were held and attended by 1,509 farmers. - Seedlings were not procured	54	0.600.	0.29	15.43	The procurement process for the cocoa seedlings was canceled, because of the dry season
Increased value addition in the sector	-Cocoa primary processing methods monitored. - New cocoa farmers in Luuka, Mukono, Luwero, Masindi, Kamwenge and Mayuge districts trained in primary processing.	The monitoring visits and training of new cocoa farmers were undertaken as planned. - A one day workshop on tea production processing and marketing strategies was held. -The Project Coordinator attended a one day tea stakeholder's workshop in Kabale district.	78	1.162	0.55	55.33	Field findings indicated very low outreach to farmers.
Total				2.100		70.66	Good

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,100,000,000	2,095,394,771	1,751,155,418	83.57	Good

Source: Field findings

Selected farmers, District Agricultural Officials and the Nursery operators monitored received 30 to 40 cocoa and tea growing hand books and were trained in good agronomic practices. Inspection on cocoa quality in warehouses and technical backstopping of nursery operators was conducted. Below are case studies that provide evidence of the project performance at farm level.

Case study one: Mr. Lwanga Henry of Mindi village, Kabimbiri parish, Kasawo subcounty, Mukono district is a cocoa farmer as well as a nursery operator. By 30th June 2016, he had adopted the good practices from the trainings he received from MAAIF on shade construction, gap filling, farm expansion, pruning, spraying, post-harvest handling, proper fermentation, sorting and drying of cocoa beans. The key challenge was low production due to the high prevalence of pests and diseases. The chemicals on the market were noted to be ineffective. He recommended for Government to enhance quality assurance of chemicals.

Mr. Henry Lwanga, spraying his cocoa garden in Kasawo, Mukono district

Case study two: Giant Seed Nursery is located in Agawa village, Abang parish, Aka Sub County in Zombo district. The nursery managers received training from MAAIF and handbooks on shade construction, making of pots, filling of loam soils in pots and nursery bed construction. The MAAIF officials conducted technical backstopping (three times on this nursery) on raising tea seedlings and inspected the tea seedlings that were supplied to farmers.

The Giant Seed Nursery of nine million seedlings ready for distribution to west Nile tea farmers'

During the FY 2015/16, the nursery supplied one million tea seedlings to farmers in the West Nile region under OWC and by 19th July 2016, they had nine million seedlings that were ready for distribution in FY 2016/17. The main challenge was absence of a lead agency to guide farmers in growing tea and offering extension services. The managers recommended for government to contract a lead agency on tea growing for the region.

Challenges

i) Low survival of cocoa seedlings and outreach to farmers due to i) inadequate extension service and technical backstopping by Support for Tea Cocoa Seedlings Project/MAAIF and the local government extension staff ii) delayed call of orders and distribution of seedlings during the dry season.

ii) Poor programme coordination, implementation and follow up due to limited communication, interaction and work planning between the project and the Production Sector staff in districts.
iii) Poor post harvest handling and quality of tea and cocoa produced due to absence of a regulatory authority.
iv) Low production due to failure by farmers to organize themselves to access inputs, fertilizers and credit at affordable rates

Recommendations

i) The MAAIF should either restructure the Support for Tea Cocoa seedlings project or mainstream its functions in the ministry to ensure adequacy of staff and resources for offering technical backstopping services to LGs, nursery operators and farmers.
ii) The MAAIF should improve workplanning and communication to districts with regard to the centrally managed projects that are implemented in local governments.
iii) The Parliament should consider establishing a regulatory authority for the tea and cocoa industry.
iv) The Government should facilitate the creation of community-based institutional arrangements like cocoa-tea cooperative societies among cocoa and tea farmers that will ensure a better organization of farmers to access production support services.

iv. The Goat Export Project in Sembabule District

Background

The Goat Export Project in Sembabule District is the second phase of the pilot five-year Exports Goat Breeding and Production Project that was implemented from 1st July 2009 to 30th June 2014. The pilot project aimed at developing Ssembeguya Estates (U) Ltd into a nucleus goat breeding farm and raising goats for export to the Middle East; the former objective was realized while the latter was not achieved by project end date. The breeding concept was for each of the 108 benefitting farmers to receive 500 indigenous female goats and an exotic back from the project.

The overall objective of the phase II project is to scale up the pilot phase efforts by graduating from the nucleus farm model to developing Sembabule into a nucleus breeding district that produces goats for the local, regional and international markets. The medium term targets for the four year project (FY 2015/16 - FY 2018/19) are to procure and distribute 27,000 local indigenous and 108 exotic goats to 108 beneficiary farmers; provide training, vaccinations and extension services; and to monitor and supervise project performance

Performance

The overall performance of the Goat Export Project during FY 2015/16 was fair (60.82%), commensurate with the financial performance (65.83%). Performance was constrained by the late disbursement of funds in June 2016.

Table 5.10: Performance of The Goat Export Project in Sembabule district by 30th June 2016

Physical performance							
Output	Annual Planned Qty or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs million)	Weight Based on Budget	Weighted Score (%)	Remark
Mubende Goats procured	4,298	2,964	68.96	838.110	0.71	49.27	Delayed initiation of procurement due to late disbursement of funds for Q2, Q3 and Q4 in June 2016
Savannah Goats procured	54	0	0	179.550	0.15	0	Delayed initiation of procurement
Review workshops held	2	0	0	20.000	0.02	0	The activity could not be held before procurement and distribution of goats to farmers
Holding Centre maintained	1	1	100	5.000	0.00	0.43	
Extension Services provided	14	14	100	46.800	0.04	3.99	
Onfarm visits and monitoring done	62	62	100	83.746	0.07	7.14	
Total				1,173		60.82	Fair

Financial performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,200,000,000	1,160,000,000	763,626,449	65.83	Fair

Source: Field findings

The four case study farmers that were monitored in Sembabule district had received goats from Sembeguya Estates by 30th June 2016. They all confirmed that the goats were of good quality. The main challenge was animal mortality due to the high prevalence of diahroea, cough and eye diseases.

L-R: Goats received from Sembeguya Estates on Mr. Rubaduka's farm and Mr. Namanya's farm in Nkooma village, Lugusuulu subcounty, Sembabule district

Challenges

i) Slow project implementation due to delayed disbursement of funds by MAAIF leading to late initiation of procurements.
ii) Increasing goat mortality due to inadequate extension services.
iii) Low access to farm inputs and credits due to poor organization of the farmers.

Recommendations

i) The MAAIF should ensure timely disbursement of funds to the project.
ii) The MAAIF and LGs should expedite implementation of the single spine extension system to complement the advisory services that are offered by Sembeguya Estates.
iii) The MAAIF and Ministry of Trade, Tourism and Industry (MTTI) should promote the formation and growth of a Goat Farmers Cooperative Society in Sembabule district.

5.4.3 Overall performance of MAAIF

The overall performance of MAAIF during FY 2015/16, using a sample of four projects, was fair (51%) – Table 5.11. This was lower than the financial performance (87%).

Table 5.11: Performance of MAAIF by 30th June 2016

Project	Physical
Enhancing Food Security Through Increased Rice production Project	24.63
Northern Uganda & Medium Livelihood Improvement Project	46.07
Support for Tea Cocoa Seedlings Project	70.66
The Goat Export Project in Sembabule district	60.82
Average performance	**51.00**

Source: Field findings

5.4.4 Challenges to MAAIF

i) Partial achievement of outputs due to delayed disbursement of donor and GoU funds leading to late initiation of procurement and implementation of planned activities.
ii) Low survival of planting materials due to inadequate extension services, high prevalence of pests and diseases and poor coordination, implementation and follow up of the interventions.
iii) Low outreach of interventions due to poor designs, change in role and functions of the projects and inadequate staff, such as the Support for Tea Cocoa project.

5.4.5 Recommendations

i) The MAAIF, MFPED and donor agencies should expedite pending agreements for project effectiveness and ensure timely disbursement of funds.
ii) The MAAIF and LGs should fast track implementation of the single spine extension system.
iii) The MAAIF should either restructure the Support for Tea Cocoa Seedlings project or mainstream its functions in the ministry to ensure adequacy of staff and resources for offering technical backstopping services to LGs, nursery operators and farmers.

5.5 National Agricultural Advisory Services/Operation Wealth Creation

5.5.1 Performance

The GoU has been implementing the National Agricultural Advisory Services (NAADS) since 2001 to increase farmers'access to information, knowledge and technology. The programme was restructured in FY 2014/15 to deliver the new mandate of the Operation Wealth Creation (OWC) intervention. The OWC focuses on procurement and distribution of agricultural inputs to farmers that support the interventions across the value chain from production and value addition to agri-business development and streamlining the output marketing structures. The key implementing agency is the NAADS Secretariat that works closely with the DLGs.

The planned outputs for FY 2015/16 included[13]: i) Seeds and seedlings procured and distributed to farmers including maize, beans, apples, pineapples, Irish potatoes, banana, cassava ii) Livestock procured and distributed – heifers, beef cattle, poultry, improved goats, piglets, beehives, fish fries, poultry and fish feeds iii) Agricultural inputs and equipment for value addition procured and distributed.

A total of 21 districts (Table 5.12) were monitored to assess the programme annual performance. The findings are presented below.

[13] MAAIF, 2015.

5.5.2 Performance

The overall performance of the NAADS/OWC programme was very good (109.79%) in line with the very good releases (102.60%) and resource absorption (100%). Planting materials for many commodities were delivered in almost double or above the planned quantities, particularly maize, beans, tea, oranges, mangos, poultry and cocoa seedlings, in line with the national priorities. However, some strategic commodities such as coffee seedlings, cattle and goats were delivered in lesser quantities than the planned levels.

Table 5.12: NAADS/OWC performance by 30th June 2016

Physical performance						
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs million)	Weight Based on Budget	Weighted Score (%)
Maize (Kgs)	438,410	793,985	181.11	2,580	0.045	8.063
Beans (Kgs	459,250	576,989	125.64	1,754	0.030	3.804
Rice (Kgs)	31,334	10,972	35.02	86	0.001	0.052
Cassava cuttings (bags)	14,839	18,629	125.54	738	0.013	1.599
Orange Seedlings	984,112	1,861,162	189.12	3,036	0.052	9.911
Mango seedlings	522,868	887,886	169.81	2,082	0.036	6.103
Coffee seedlings	23,571,847	19,546,667	82.92	6,771	0.117	9.690
Tea Seedlings	19,000,000	21,211,048	111.64	8,667	0.150	16.697
Ginger (bags)	31,900	31,990	100.28	22,330	0.385	38.643
Banana plantlets	167,000	214,000	128.14	386	0.007	0.854
Irish potatoes (bags)	1,173	1,431	121.99	284	0.005	0.599
Simsim seeds (kgs)	7,600	3,350	0.00	22	0.000	0
Soyabean seeds (kgs)	12,000	1,320	0.00	36	0.001	0
Dairy Cattle/Heifers	2,194	1,476	67.27	4,724	0.082	5.485
Beef cattle	50	32	64.00	116	0.002	0.128
Goats	980	486	49.59	268	0.005	0.230
Piglets	5,088	4,848	95.28	246	0.004	0.405
Poultry/layer chicks	61,000	76,500	125.41	1,969	0.034	4.263
Fish fingerlings	807,460	851,518	105.46	511	0.009	0.930
Fish feeds (kg)	86,765	76,387	88.04	304	0.005	0.463
Poultry feeds (Kg)	51,627	52,897	102.46	80	0.001	0.143
Artificial insemination kit	-	3	0.00	-	0	0
Motorised pumps	8	12	150.00	14	0.000	0.038
Thiamethoate (bottles)	270	648	240.00	6,824	0.000	0.028

Apiary Units	34	-	0.00	210	0.004	0
Groundnuts (kgs)	2,870	8,540	0.00	20	0.000	0
Tebucozanole (bottles)	160	320	200.00	11	0.000	0.041
Cocoa Seedlings	920,000	1,690,150	183.71	276	0.005	0.875
Pineapple suckers	80,000	80,000	100.00	24	0.000	0.041
Maize mill	2	3	150.00	38	0.001	0.099
Maize huller	3	3	100.00	34	0.001	0.059
Milk cooler	1	1	100.00	11	0.000	0.020
Apples	30,000	30,466	101.55	300	0.005	0.526
Total				57,947		109.79

Financial performance				
Annual Programme Budget (Ug shs billion)	Cumulative Receipts (Ug shs billion)	Cumulative expenditure (Ug shs billion)	Financial Performance Score (%)	Remark
178.9	183.6	183.5	100	Very good

Note: Total sampled districts were 21.
Source: Field findings

The overperformance of the OWC programme was attributable to timely procurement and distribution of most inputs to farmers, setting of less ambitious targets by the NAADS Secretariat and the release of excess funds above the approved budget. All the sampled 61 (100%) farmers in 21 districts had received the inputs.

However, wastage, low survival and loss of planting materials was widely reported at farm level. A total of 27 (44%) of the farmers reported challenges of low survival, production and productivity of crop enterprises, animal mortality and non-functionality of equipment distributed by NAADS Secretariat. The survival rate of commodities at farm level that were received by the sampled farmers is shown table 5.13.

Table 5.13: Survival rate of OWC inputs distributed to farmers by 30th June 2016

Commodity distributed	Survival rate (%)	Remark
Heifers	94	Mortality due to undue stress during transportation, lack of veterinary services. Abortions and inadequate experience among farmers to manage improved breeds
Maize	55	Poor quality seeds, untimely delivery of seeds and planting during dry seasons. For example in Maracha and Pader districts, the viability level of maize seeds that were delivered was at 30%.
Beans	55	Low germination rates, untimely delivery of seeds. For example, the seeds that were delivered in Mbale district were at 10% germination level. The seeds received by Soroti district had 31% viability and 15,000 kgs were rejected
Poultry	100	
Oranges	55	Poor quality seedlings that were not properly grafted, damaged during

		transportation, not tolerant to drought conditions
Coffee	60	Immature seedlings that could not withstand drought were distributed, untimely delivery of planting materials
Mangoes	17	Poorly grafted seedlings that were damaged during transportation, low torelance of drought conditions, untimely deliveries
Pigs	100	
Goats	100	
Value addition machinery	75	Lower functionality due to delivery of incomplete machine sets; failure by receipients to get sufficient raw materials to process
Cassava	100	However, 50 bags out of the 972 bags that were delivered in Bundibugyo district had dried cassava stems and were rejected.
Bananas	100	
Average	76	

Source: Field findings

The programme outreach still remains low compared to the number of farmers who demanded for the inputs in all districts. Outreach was lower in areas with peculiar geographical features such as Islands due to the high cost of service delivery. For example, less than 30% of the planned outputs for Koome Island in Mukono district were delivered to the farmers due to the unaffordable cost of hiring boats and fuel for water passage. Wastage of enterprises such as coffee, mangoes and oranges was highly prevalent in urban and peri-urban areas where farmers lacked land for expansive farming.


L-R: OWC Heifers that reproduced in Oyutu village Pader Town Council and OWC maize in Nkozi subcounty, Wakiso district

L-R: Part of the 200kg OWC maize seeds that were delivered late, lost viability and abandoned at Kijomoro sub-county offices in Maracha district and a maize huller that was non-functional in Buikwe Zone, Buikwe district

5.5.3 Challenges

i) Wastage of inputs and low survival of crop planting materials that were distributed to farmers due to untimely distribution, poor quality of seeds, limited follow up and extension advice and provision of inputs to farmers who were not ready.

ii) Poor farmer mobilization and selection and uncoordinated programme implementation due to communication gaps and lack of joint planning between the NAADS Secretariat, Chief Administrative Officers (CAOs) and District Production Officers.

iii) Low animal and crop production and productivity due to declining soil fertility, provision of materials with poor tolerance to pests and diseases and drought and high prevalence of fake chemicals on the market.

5.5.4 Recommendations

i) The MAAIF and LGs should fast track implementation of the single spine extension system and build capacity, equip and facilitate the extension workers and OWC Officers.

ii) The NAADS Secretariat and CAOs should ensure that communication is streamlined and joint planning is undertaken among the key implementing partners of the NAADS/OWC programme.

iii) The MAAIF, NAADS Secretariat and National Agricultural Research Organisation (NARO) should step up multiplication and dissemination of high breeding disease and drought tolerant planting and stocking materials to farmers.

iv) The MAAIF, NAADS Secretariat and districts should improve quality assurance of all inputs in the market and those that are distributed to farmers.

5.6 Production Marketing Grant

5.6.1 Background

The Production and Marketing Grant (PMG) supports implementation of MAAIF related functions in LGs. Effective from FY2010/11, the PMG aims to: i) strengthen disease, pest and vector control and quality assurance services; and ii) strengthen the agricultural statistics and information system in local governments. The grant is used to support capital development and recurrent expenditure in all local governments in the crop, livestock, fisheries, entomology sub-sectors, agricultural statistics & information system. For FY 2015/16, districts were guided to spend 55% on development (Non-wage) activities particularly infrastructure and 45% on recurrent expenses, especially operational costs.

In the Northern districts, the PMG is combined with the Peace Recovery and Development Programme (PRDP) funds to address infrastructure bottlenecks in the eligible sub-sectors. The grant that is received in Northern Uganda is named PMG-PRDP while that which is disbursed in other regions is PMG-Normal. The approved budget for PMG in FY 2015/16 was Ug shs 14,249,676,000 (Ug shs 10,168,928,000 is PMG Normal) of which (100%) was released by 31st June 2016. A total of 20 districts (Table 5.2) were monitored to assess performance of the PMG.

5.6.2 Performance

The performance of the PMG during FY 2015/16 was good (85.59%), commensurate with the financial performance (88.53%) – Table 5.14. Some districts like Wakiso, Maracha, Arua, Tororo and Bushenyi implemented the entire development and recurrent activities as planned; some infrastructural development facilities in these districts were complete and functional. In other districts like Pader and Soroti, civil works were incomplete and or not done. Other districts were still executing infrastructural development.

Table 5.14: Performance of the Production and Marketing Grant by 30th June 2016

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs million)	Weight Based on Budget	Weighted Score (%)	Remark
Infrastructural Development	22.00	16.20	78.2	646.883	0.246	18.3	Slow implementation due to procurement issues and late releases; some districts had shoddy works
Production and Management Services	17.00	15.74	92.6	703.537	0.268	24.8	
Crop Disease Control and Marketing	17.00	13.97	82.2	451.977	0.172	14.1	Abrupt weather changes affected crop output performance.
Entomology	15.00	12.14	80.9	168.054	0.064	5.2	Entomological staff were

							few in LGs.
Livestock Health and Marketing	17.00	16.46	96.8	323.514	0.123	11.9	Outreach was low as less than 60% of livestock in each district were vaccinated
Fisheries Regulation	17.00	15.73	92.5	220.403	0.084	7.8	The Presidential Directive to reducing enforcement activities on lakes negatively affected implementation of activities in this sub sector. Lack of funds for field activities also hampered smooth implementation of the planned activities.
Trade development & promotion services	12.00	10.23	85.3	111.584	0.042	3.6	Inadequate funds disbursed to the sub-sector
Total				2,625.95		85.59	Good

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
14,249,676,000	12,786,893,000	12,467,245,721	88.53033543	Good

Source: Field findings

Note: Although 20 districts were monitored, the performance measurement was done for 18 as Bukomasimbi and Wakiso districts lacked work plans, targets and progress reports.

The production, management services and infrastructural developments attracted more funding than the other subsectors while the Trade development and Promotion Services received least resources. A number of development and recurrent outputs were delivered in LGs as highlighted below.

- **Infrastructural development** involved construction of slaughter slabs, cattle markets, cattle dips, water reservoirs, fisheries' infrastructure and irrigation demonstrations.
- **Production and management services:** included agriculture data collection, soil analysis, supervision and monitoring, staff meetings, producing work plans and quarterly progress reports, technical backstopping, and corroboration with MAAIF and other organizations.
- **Crop disease and marketing:** outputs focused on enhancing food security, training and demonstrations on food multiplication, pest and disease surveillance, community mobilization and supervision.
- **Entomology:** outputs included tsetse/entomological monitoring, trap procurement, and deployment and supervision and monitoring.

- **Livestock health and marketing:** included inspections and setting up Mobile check points, follow up of demonstration units, establishment of zero grazing demonstrations, rabies surveillance and Livestock/animal vaccinations.
- **Fisheries regulation:** focused on land and lake patrols against fishing illegalities, advisory and statistical data collection, field visits to fish farmers and landing sites, training of fisher communities and stocking fish ponds and dams.
- **Trade development & promotion services**: included issuance of trade licenses, business inspection for compliance, registration of farmer cooperatives and mobilization, market linkage services and other market outreaches.

Below are examples of the completed and functional infrastructural development facilities in LGs. The facilities were in use and the quality of work done was also good.

A completed Green house and a unit pot at Wakiso district training center in Wakiso District

A completed solar powered irrigation system in Okuko sub county Arua district

Slow implementation of the development activities was mainly due to; late initiation and lengthy procurement processes, low capacity of some contractors and piecemeal releases of funds whereby departments had to accumulate the resources over the quarters to undertake the planned procurements.

For example; construction of Ongany produce store in Karangore South Ongany sub-county in Pader district started in FY 2013/14, by Hard Rock Technical Services Limited at a contract sum of Ug shs 53,710,000. In FY 2014/15, the building was roofed pending plastering, flooring, painting and shuttering. The pending works were completed in FY 2015/16; however, the floor was poorly done and the roof was leaking, hence the retention monies (Ug shs 5 million) was not paid to the contractor.

Ongoing construction of an abattoir at Nagongera Town Council in Tororo district by 13th August 2016

Similarly, civil works for completion of an Abattoir at Nagongera Town Council in Tororo district were still on-going. This was due to low capacity of the contractor. This contract was awarded to Reyo General Agencies Limited at a contract sum of Ug shs 102,295,380 in FY

2014/15. In FY 2015/16, Ug shs 42,020,873 was planned to be expended on this project, which was not yet cleared by 13th August 2016.

In other districts like Mpigi, Mukono, Buikwe, Mbale, Bugiri, Bundibugyo and Kibaale, with low funding, it was hard for them to undertake infrastructural development activities, as per the PMG guidelines.

The performance of the crop sub-sector (82.2%) showed good physical performance by outputs during the FY under review. However, a major challenge was low crop survival and production due to drought and inadequate use of improved inputs. This left most of the crops stressed with and even dried up hence leading to low crop yield/food insecurity, and most crop production takes place without the benefits of modern inputs.

The fisheries sub sector`s performance also had (92.5%) very good physical performance, with almost all the planned activities in all districts visited been implemented, this was because they planned and received 100% of their indicative planning figures. However, the fisheries resources were non-productive and over exploited due to poor management of the natural resources. Key constraints were; lack of pond harvesting gears, equipment that checks the water quality in fish ponds, poor quality feeds, poor stocking of fish feeds and low extension services in almost all districts visited due to under staffing in production departments.

For example; the low productivity of the fish ponds in Tororo districts were mainly due to high stocking densities; the commensal fish ponds of 1000m^2 that should have between 3000 to 5000 fish per pond are over stocked with more than that. Similarly, a farmer (Mr. Anyoleho Blasio) of Ajei central, Pajey parish, Nyapea Sub County in Zombo district received 700 fish fingerlings. By 19th July 2016, the fish were ready for harvesting but he did not have fish harvesting gear to start harvesting.

The performance of the livestock sub sector was very good (96.8%) with almost all the planned activities achieved. All the planned livestock vaccinations were implemented, in line with the approved budget and releases. However, due to the low levels of IPFs, the outreach of the PMG in service delivery was very low. For example, the vaccinations that were undertaken were for less than 60% of the total animals in each district.

5.6.3 Challenges

i) Farmers' access to agricultural extension was low due to understaffing and limited resources allocated to the production departments for transport and other operational expenses.
ii) Late releases leading to partial implementation of the development activities and spill over into the subsequent financial year.
iii) The halting of enforcement activities on water bodies by the presidential directive has increased illegal fishing on lake and rivers.
iv) Survival rates of planting materials were low due to the poor quality of inputs distributed to farmers and lack of enough resources to follow up these inputs at the sub county level.
v) Low crop productivity due to declining soil productivity, high incidence of pests and diseases and erratic weather.

5.6.4 Recommendations

i) The MFPED, MoPS and MAAIF should procure motorcycles and recruit more staff in the production department to fill the gaps in LLGs. The restrictions of 5% for maintenance should be reviewed upwards to enable timely servicing of vehicles and motorcycles.
ii) The MAAIF and MFPED should release all the procurement funds for development activities in the first two quarters of the FY. Districts should initiate procurements early at the start of the financial year. The penalties for the contractors should also be enforced.
iii) The MAAIF and districts should review the terms of offices for the Beach Management Units (BMU) and made functional to enable enforcement of fisheries regulations.
iv) The District officials should be facilitated to follow up, verify and certify inputs distributed in LLGs to a certain quality before distribution to farmers.
v) The MAAIF should ensure that fertilisers are available, accessible and affordable to the farmers.
vi) The MAAIF and LGs should intensify on the surveillance and control of pests and diseases.

5.7 Uganda Cotton Development Organisation

5.7.1 Background

The Uganda Cotton Development Organization (UCDO) was formed in 1994 with the mandate to monitor the production, processing and marketing of cotton so as to enhance the quality of lint exported and locally sold. It promotes the distribution of high quality cotton seed issues export licenses and facilitates the development of the cotton industry. These functions are carried out in collaboration with the Uganda Ginners and Cotton Exports Association (UGCEA) and MAAIF.

The UCDO under the recurrent Programme 01 provides services to 55 cotton growing districts through 10 regions namely: Busoga/South Eastern, Tororo/Busia, Bugisu, Pallisa/North Eastern, Teso, Acholi, South Western, Lango, Western and West Nile. The government cotton seeddressing facilities have traditionally been hosted in ginneries that belong to private processors. The UCDO in 2012 commenced a development Project 1219: Cotton Improvement to establish the first government seed processing plant in Pader district. The project completion date for Phase I was scheduled for June 2016.

The FY 2015/16 approved budget for UCDO was Ug shs 5,301,480,784 of which Ug shs 1,390,480,784 was for recurrent and Ug shs 3,911,000,000 for development budget. During the cotton period under review, the UCDO collected NTR of Ug shs 2,066,541,000 and also received a supplementary budget of Ug shs 3,800,000,000 for agricultural supplies (for processing and distribution of cotton planting seeds to the 59 cotton growing districts).

5.7.2 Performance

i. Cotton Development programme

The UCDO collaborated with the Uganda Ginners and Cotton Exporters Association (UGCEA) to implement the planned activities under the CDO. For the cotton year under review; the largest percentage of the seed cotton was from GoU funding and the cotton ginners contributed about 21%. Other inputs like pesticides, fertilizers, tractor hire services, spray pumps, extension workers were 100% done by the ginners association. The overall performance of UCDO in achieving the planned outputs under the recurrent budget (including NTR) is summarized in table 5.15.

Table 5.15: Performance of the UCDO Recurrent Programme by 30th June 2016

Physical performance							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Process & distribute 1,316 Mt of graded cotton planting seed	1,316Mt	1,316Mt	100	3,993,473,784	0.55	55.03	They distributed 1,256 Mt of cotton planting seed to cotton farmers in the 59 cotton growing districts.
Procure Mt of fuzzy seed, seed delinting, graded & packaging for distribution in 2016, planting season.	1,397Mt	1,397Mt	86.3		0.12	10.37	The procured fuzzy seed, seed delinting, graded & packaging were for preparation for 2016 planting season.
Organize & mobilize 5,500 seed growers to establish about 8,000 acres under seed multiplication to produce 3,000Mt of certified seed.	5,500	4,150	75.45	872,665,000	0.25	24.44	The strategy was to use institutional farms because they have adequate land for large scale seed multiplication instead of concentrating on small holder farmers. This resulted in fewer seed growers registered. Drought also affected the output of certified seed produced.
	8,000	9,050	113.13		0.02	2.19	
	3,000	2,500	83.33		0.01	0.72	
Establish farmer demonstration plots.	3,600	3,714	103.17	1,809,728,000	0.05	4.72	More demonstrations were established for intensive training of bigger numbers due to increased interests of farmers in cotton growing than the planned. An estimated 170,000 acres were planted in all cotton growing regions and 110,707 bales of lint were produced.
Conduct training sessions at demonstration sites.	10,800	11,630	107.69		0.55	55.03	
Train farmers on the recommended agronomic practices for increased crop production	87,000	103,600	119.08		0.12	10.37	

Organize and coordinate the training and deployment of 350 Field extension workers (FEW) in cotton growing regions.	350	338	96.57	164,598,000	0.25	24.44	The 338 FEW were trained & deployed in cotton growing areas. The UCDO also supervised the training & mobilization of farmers by the 338 FEW & nine (9) refresher training session were also conducted.
Organize & coordinate procurement & distribution of production inputs to cotton farmers.	1	1	100.00	55,840,000	0.02	2.19	66Mt of Urea & NPK fertilizers, 749,916 units of Dimethoate, 3,644 liters of herbicides, 2,975 motorized spray pumps, 689,147 units of pesticides were procured & distributed by UGCEA in all cotton growing regions.
procure and distribute ox-ploughs to cotton farmers in the cotton growing regions	1,000	1,000	100	360,718,000	0.01	0.72	5,435 acres were ploughed using tractors & 52,255 acres were ploughed in the first & second rains with 0x-ploughs distributed in the five previous seasons for cotton & food.
				7,257,022,784		97.47	Very Good

Financial performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Score (%)	Remark
1,390,480,784	7,145,607,039	7,138,975,000	99.91	Very Good

Source: Field findings

The overall performance of UCDO recurrent was very good (97.47%) mainly attributable to a supplementary budget of Ug shs 3,800,000,000 received by UCDO for agricultural supplies, complementary support from the private sector and absorption of all the released funds (99.91%).

Five cotton growing regions of; North Eastern, West Nile, West Acholi, Lango and South Eastern were visited to verify performance of the UCDO recurrent activities. Table 5.16 shows the performance on inputs that were financed by the UGCEA and distributed to cotton farmers during the period under review.

Table 5.16: UCDO input distribution performance of the five cotton growing regions by 30th June 2016

Items	Seed (3-Kg bags)	Pesticides (Units)	Spray pumps	Fertilizers (50-kgs bag)	Herbicides (Units)
Quantity supplied	251,567	512,256	804	479	1,022
Quantity sold on cash basis	111,210	98,769	278	35	351
Quantity sold on credit basis	110,135	318,984	237	231	389
Quantity issued for Demonstration	8,986	34,552	159	139	155
Stock balance	21,039	59,339	62	84.5	129

Source: Field findings

Inputs of seed, pesticides, spray pumps, fertilizers and herbicides worth Ug shs 1,862,995,150 were distributed to cotton farmers on cash and credit basis. A total 933 ploughs were also distributed to 933 cotton farmers in the five cotton growing regions in that period.

Under crop establishments: 23 out of 106 fertilizer demonstration gardens, 28,461out of 27,346 agronomy demonstration gardens and 66 out of 77herbicides demonstration gardens were established in the five cotton growing regions.

By 30th June 2016, the five cotton growing regions had established a total of 156,220 out of the planned 187,000 acres of cotton. The UCDO had also recovered Ug shs 594,916,450 from the cotton farmers in the five cotton growing regions visited, for the inputs distributed on credit and on cash basis. A total of Ug shs 1,268,078,700 was still in debts.

A number of beneficiary farmers and institutions engaging in cotton growing were visited in the five cotton growing regions to verify the performance. Findings indicated that; the cotton farmers/institutions received the inputs and extension services presented in the table 5.16 and the demonstration activities were conducted. However, more cotton seeds were distributed and demonstration activities than what was planned due to the increased interest of farmers in cotton growing; drought affected the output of certified seed produced, than what was expected.

For example; during the cotton year FY2015/16, Uganda prisons of Loro in Oyam, Oyam and Ragem barracks in West Nile received 100bags, 16bags and 60bags of seed cotton respectively. They also received pesticides, extension services, motorized sprayers and tarpaulins. They all planted a bag of three Kgs per acre.

A four acre newly planted cotton garden in Oyam Government Prison in oyam district for FY 2016/17

However, germination was over 90% for the three institutions, cotton production was between 35%-

50%. This was due to drought that also increased the incidence of pests that affected the plantation. The labor constraint for weeding the cotton garden, further reduced cotton production in Loro prison. The net profits were Ug shs 12.5million, 2.5million and 12million respectively for the above prison. These funds were used to pay off the debts to the UCDO and catered for the needs of the prisoners.

During the Cotton year FY 2016/17, the three prisons received 10bags of cotton seed for Oyam, 100bags each for Loro and Ragem barracks prisons. By 14th July 2016, the crops were doing well in the gardens.

Similarly; 23 individual farmers were also monitored and received between three to eight bags of 3kgs each of cotton seed. They also received pesticides, herbicides and fertilizers on credit and free for demonstration farmers. Some of them received ox-ploughs and other managed to hire tractor services to open land and planted cotton.

Mr. Ogwan Nixon's permanent house constructed out of cotton sales in Lakwana Sub-County, Omoro district

However, the germination rate was found to be high for almost all cotton gardens and famers interviewed; cotton production was found to be less than 60% of the expected production per acre. This was mainly due to drought that affected the cotton gardens.

Farmers reported that they sold their cotton at an average price of Ug shs 1,300 per Kg and have used the profits to construct permanent houses, pay their debts, pay school fees for their children, kick start other income generating activities and further invested in other agricultural production activities.

ii. Cotton Production Improvement Project

Background

In FY 2013/14, the UCDO acquired 16 acres of land in Pajule sub-county, Pader district; finalized designing of structures; compiled bills of quantities for seed processing facility and construction services were procured in preparation for commencement of contraction.

In FY 2014/15, the UCDO contracted M/s China Jiangxi Corporation for International Economic and technical Cooperation Limited in association with Bikandema and Partners, at a sum of Ug shs 11,130,218,624 to undertake civil works for construction of a cotton seed processing plant, which was later terminated, following guidance from the solicitor General.

On 18th June 2015, the solicitor general cleared another contractor; M/s Bajaj Steel Industry Limited to resume construction of this facility, at sum of Ug shs 14,546,453,414 (vat inclusive). The contract was to run for a period of 12 months starting on 9th September 2015 with the expected completion date set on 8th September 2016. By 12th July 2016, physical and financial performance was as shown in table 5.17.

Performance

The overall performance of the UCDO Development project during FY 2015/16 was fair (59.60%) against the time progress of 83%. However, the physical performance was lower than the resource absorption level (99.99%). This was mainly attributed to the power fluctuation and weather changes that delayed the construction works.

Table 5.17: Physical and financial performance of the cotton seed processing plant in Pader district by 30th June 2016

Physical performance							
Output	Annual Planned Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Comment
Preliminaries	1.00	1.00	100	694,881,606	0.06	5.68	Achieved
Gate House & Main Entrance	1	0.6	60	86,135,807	0.01	0.42	Civil works were behind schedule; due to power fluctuation and weather changes
Ginning Hall & Seed Bagging Area	1	0.46	46	2,107,953,108	0.17	7.92	
Delinting Hall	1	0.65	65	1,323,371,941	0.11	7.03	
Ablution Block	1	0.62	62	368,726,341	0.03	1.87	
Power House	1	0.65	65	543,928,756	0.04	2.89	
Two Underground water Tanks and two tank towers	1	0.95	95	594,890,958	0.05	4.62	
Pump House block	1	0	0	42,282,240	0.00	0.00	
Electrical installation	1	0.55	55	4,272,218,195	0.35	19.20	
mechanical Installation	1	0.4	40	1,497,966,065	0.12	4.90	
External works	1	0.88	88	708,320,588	0.06	5.09	
Total				12,240,675,605		59.60	Fair

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,911,000,000	3,286,645,967	3,286,465,967	99.99	Very Good

Source: Field findings


L-R: A completed super structure of the ginning hall and the ongoing roofing of the ablution block at UCDO dressing station in Pader district


L-R: Ongoing casting of the slab on the two underground water harvesting tanks and a completed super structure of the power house at the UCDO seed dressing station in Pader district

The contractor was to request for an extension period of two months, to complete all the project activities, as he will not be in position to complete the project by 8th September 2016.

Challenges

i) Large outstanding debts in all cotton growing regions arising from failure by UCDO to recover credit given to farmers for inputs (seeds, fertilizers, pesticides, spray pumps and herbicides). For example, by the end of the cotton year April 2015 to March 2016, Ug shs 1,241,541,100 was unpaid in South Eastern, West Acholi, Lango, West Nile and North Eastern regions.

ii) Low crop production/yield due to: i) Drought, ii) Late planting as the farmers planted in the middle of the planting season, and iii) The high ratio of farmers to extension services in Lango, West Nile and Acholi sub region. The drought affected the quality of lint produced. Note one acre of cotton can produce 2 tons but the average production was 400Kgs per acre.

iii) Low viability of seed germination and survival rates due to poor transportation by the contracted Supplier to the fields; some seeds were exposed to rains by the contracted transporters as they lack tarpaulins to cover them. Districts of Nwoya, Omoro, and Adjumani reported low germinations of 700, 800 and 200 bags of seed.

iv) Slow implementation of the development project activities was due to; weather changes, blowing of the transformer and Power fluctuation which also affected the generator.

Recommendations

i) The UCDO should review the implementation approach and strengthen the mechanisms for loan recovery at farm level.
ii) The MAAIF should train communities on small scale water harvesting and irrigation technologies and avail weather forecasts' to farmers.
iii) The MAAIF and agencies should strengthen quality assurance and supervision when sourcing and transporting planting materials.

5.7.3 Overall UCDO Performance

The overall UCDO performance during FY 2015/16, taking into consideration the recurrent and development programmes was good (78%).

5.8 Overall Agricultural Sector Performance

The overall sector performance during FY 2015/16 was good (73%), but lower than the resource absorption level (99.45%). Refer to Table 5.18. The sector performance was constrained by delayed declaration of project effectiveness of externally funded projects leading to non-disbursement of donor funds; spillover of infrastructure and other activities of FY 2014/15 that utilized funds of FY 2015/16; untimely disbursement of funds to spending entities resulting in delayed initiation of procurement processes; inadequate extension services; and inadequate funds disbursed to regional offices by MAAIF agencies.

Table 5.18: Overall Agriculture Sector performance by 30th June 2016

Vote	% physical performance
Agricultural Credit Facility	89.51
Dairy Development Authority	52.00
Ministry of Agricultural, Animal Industry and Fisheries	51.00
National Agricultural Advisory Services	100.00
Production Marketing Grant	85.59
Uganda Cotton Development Organisation	78.00
Average Score (excluding ACF in MFPED)	73.31

Source: Authors compilation

CHAPTER 6: EDUCATION

6.1 Introduction

One of the priority areas of the National Development Plan II is Human Capital Development. The focus is on increasing the stock of a skilled and healthy workforce towards the production of human capital to accelerate the realization of the demographic dividend. The Education and Sports sector has been identified as one of the country's key social service delivery sectors. In line with the NDPII goals, the education sector aims at equitable, accessible, affordable and quality delivery of education and training to Ugandans.

6.1.1 Sector Outcomes and Priorities

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

The priorities broadly focus on providing pre-primary and primary children with literacy, numeracy and basic life skills; producing secondary education graduates with the skills and knowledge required to enter the workforce or pursue tertiary and higher education; and providing equal opportunities to eligible students including those from disadvantaged backgrounds to access quality higher or tertiary education.

6.1.2 Sector Programmes/Votes

The sector comprises of 11 Votes i.e. Ministry of Education and Sports (Vote 013), Education Service Commission (Vote 132), Makerere University (Vote 136), Mbarara University (Vote 137), Makerere University Business School (Vote 138), Kyambogo University (Vote 139), Uganda Management Institute (Vote 140), Gulu University (Vote 149), Busitema University (Vote 111), Muni University (Vote 127) and Uganda National Examination Board (UNEB – Vote 128). In addition, the Sector has five LG grants i.e. the District Primary Education including the School Facility Grant (SFG), the District Secondary School grant, the District Tertiary Institutions Grant, the District Health Training Schools Grant and KCCA Education Grant.

6.1.3 Scope

The report presents progress on implementation of selected projects/programmes in three central votes out of 11 central votes in the Education and Sports Sector (Table 6.1). These are; MoES, Makerere University and MUBS.

Table 6.1: Education projects/programmes monitored

Vote	Vote Function	Programme /Project	Institutions/Districts monitored
MoES	Pre-primary and Primary Education	02:Basic Education	MoES
		1339:Emergency Construction of Primary Schools II	MoES, Mubende, Kamwenge, Budaka, Kibuku, Luwero, Wakiso
	Secondary Education	0897:Development of Secondary Education	MoES, Kyenjojo, Rubirizi, Kabale.
		0942: Development of BTVET (Business Technical Vocational and Educational Training)	Katakwi, Namutumba, Bukedea, Kabale, Ntungamo, Kaliro, Gomba, Luwero, Tororo, Kiboga
		1270 Support to National Health & Departmental Training Institutions	Kabarole, Kabale, Mbale, Gulu
		1241:Development of Uganda Petroleum Institute Kigumba	Kigumba, MoES
		1273:Support to Higher Education, Science and Technology	Gulu, Nwoya, MoES
	Quality and Standards	O4: Teacher Education	MoES
		1340:Development of PTCs phase II	MoES, Kabale, Ibanda, Gulu, Kalungu, Kaliro, Mityana, Rakai
		1233:Improving the training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda	MoES, Kole, Kaliro
	Presidential Pledges		MoES, Bugiri, Kyegegwa, Kyenjojo, Luwero, Mayuge, Nakaseke, Amuria, Katakwi, Butaleja, Bukedea, Hoima
Makerere University	Delivery of Tertiary Education	01: Headquarters	Makerere University
		1341: Food Technology Incubation II	Makerere University
		1342:Technology Innovation	Makerere University
MUBS	Delivery of Tertiary Education	01:Administration	
		0896: Support to MUBS Infrastructure Development	MUBS, Kampala

Source: Author's compilation

6.1.4 Limitation

- A number of project recipients had limited information on scope civil works, costs, contract periods, certificates paid.

6.1.5 Overall Sector Financial Performance

The total approved budget for the Education and Sports Sector FY 2015/16 stood at Ug shs 2,029.07 billion including external financing. This was 11.08% share of the total National Budget. According to the budget financial performance outturn (excluding external financing) a total release of Ug shs 1,836.2 bn (100.41%) was made to the sector. The over performance was on account of supplementary budget releases. The GoU development budget release performed at 95% due to the budget cuts (to Votes 013,132 and 149), out of which 99.36% was spent.

Table 6.2 shows the financial performance of the central votes.

Table 6.2: Performance for the Education and Sports Sector Central Votes by 30th June 2016 (Ug shs in Billions)

Vote	Institution	Budget	Released	Spent	Budget Released %	Budget Spent %	Releases Spent %
013	MOES	425.050	374.110	372.131	88.0	87.5	99.5
111	Busitema University	24.837	24.549	22.320	98.8%	89.9%	90.9%
127	Muni University	11.166	10.860	10.860	97.3	97.3	100
132	ESC	6.490	5.966	5.331	91.9%	82.1%	89.4%
136	Makerere University	227.326	208.124	208.124	91.6%	91.6%	100.0%
137	Mbarara University	33.414	31.437	30.999	94.1%	92.8%	98.6%
138	MUBS	57.917	50.411	50.411	87.0%	87.1%	100.1%
139	Kyambogo University	81.155	81.905	81.579	100.9%	100.5%	99.6%
140	UMI	23.707	19.701	20.778	83.1%	87.6%	105.5%
149	Gulu University	30.763	30.127	30.128	97.9%	97.9%	100.0%
	UNEB	71.09	66.981	66.963	94.2%	94.2%	100%
Total		992.92	904.17	899.6	91.06%	90.60%	99.49%

Source: Author's compilation

6.2. Vote 013: Ministry of Education and Sports

The vote has nine vote functions which are; 0701- Pre-Primary and Primary Education, 0702- Secondary Education, 0704-Higher Education, 0705-Skills Development, 0706 Quality and Standards, 0707-Physical Education and Sports, 0711-Guidance and Counselling and 0749: Policy, Planning and Support services. Five of the nine vote functions were monitored to assess the level of implementation.

The approved budget for Vote 013 was Ug shs 425.05 billion of which Ug shs 374.110 billion was released by the end of FY 2015/16 which represents 88.% of the budget. Ug shs 372.131 billion of the released funds were expended represented 87.5% of the budget and 99.5% absorption.

6.2.1 Performance

i) Pre-primary and Primary Education Vote Function

The vote function has one recurrent programme and three development projects. Of these, one project and the recurrent programme were monitored.

a) Basic Education Programme

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

The outputs for the programme were: i) Instructional materials for primary schools, ii) policies, laws, guidelines, plans and strategies, iii) Monitoring and supervision of primary schools, support to war affected children in Northern Uganda and v) Primary Teacher Development. Of the five outputs, 3 were sampled and table 6.3 details findings.

Table 6.3: Performance of Basic Education Programme by 30th June 2016

Physical performance							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070102: Instructional Materials for Primary Schools	408,000[14]	546,816	134.0	16,837,056,000	0.75	100.7	Very Good Performance
070105: Support to war affected children in	540	0	0	303,451,000	0.014	0	Target not achieved. The school

[14] 39,000 wall charts,330,000 English textbooks, 39,000 song books for Primary 5 to 7

Northern Uganda							was closed (Laroo P.S)
070153: Primary Teacher Development	2[15]	2	100	5,250,000,000	0.23	23.4	Very Good Performance
Total				22,390,507,000		124.2	
Financial Performance							
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure		Financial Performance Score (%)		Remark	
24,277,730,401	24,039,247,600	24,036,380,666		99.9		Financial performance was very good	

Source: Author's compilation

Table 6.3 shows that two outputs had very good performance - Instructional Materials and Primary Teacher Development. Instructional materials performed over and above the planned target. The extra instructional materials procured were as a result of rolled over contracts from FY 2014/15.

In regards to Primary Teacher Development, a report on the verification of head teachers, deputy head teachers and teachers staffing gaps in districts throughout the country was prepared and the teachers' SACCO money was transferred to UNATU Apex Sacco. Overall programme performance was very good.

On the other hand, Output 070105: (Support to War Affected Children in Northern Uganda). The war-affected children in districts of northern Uganda studying in Laroo Primary School for psychological rehabilitation had reduced as the war ended more than ten years ago. The school was no longer serving its intended purpose. During the course of the FY, activities to wind up the school were performed. The school structures for Laroo P/S were henceforth handed over to Gulu School of Clinical Officers (SOCO) in April 2016. The planned target of supporting 540 war affected children was not achieved.

b) Emergency Construction of Primary Schools Phase II

The project started on 1st July 2015 with a projected end date of 30th June 2020. The strategic objectives are: (i) Rehabilitating and strengthening primary schools damaged during disasters; (ii) Improving the pupils to classrooms ratio; and (iii) Supplementing and supporting local initiatives by parents in the rehabilitation and construction of schools in order to achieve UPE.

This project was designed to re-construct and rehabilitate classrooms and latrines, and procure desks in primary schools all over the country. For FY 2015/16, the MoES planned to construct and rehabilitate 21 primary schools under the project. *(Table 6.4 shows the financial and physical performance of the project for FY 2015/16)*

[15] Teachers benefit from the teachers' SACCO and District Service Commission facilitated to recruit

Table 6.4: Performance of Emergency Construction of Primary Schools Phase II Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070172: Government Buildings and Administrative Infrastructure	21	8	38.09	1,754,000,000	1	38.09	Physical performance was poor as less than 50% of the planned target was achieved.
Total				1,754,000,000		38.09	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,864,900,000	1,860,459,240	1,860,459,240	100	Financial performance was very good as all funds were absorbed.

Source: Author's compilation

Table 6.4 shows that project performance was poor (38%). Out of the planned 21 schools for construction/rehabilitation only eight received funds. Of these six schools were monitored and three had not started works (St. Mary's Mubende, Kapyani P/S-Kibuku, and Makamba Memorial P/S- Wakiso). Works were ongoing in two schools (Mityberiri P/S works at finishes level and Gayaza C.o.U at ring beam level). Rwengobe P/S in Kamwenge had not yet received funds by 12th July 2016.

Left: A classroom block at Gayaza CoU at ring beam, Right: A classroom block at Mityebiri SDA at finishes level

The project experienced delays in commencement of civil works due to rollover contracts from FY 2014/15 which were still being paid. Most of the schools received funds between January 2016 and June 2016. It was noted that some schools had no emergency and therefore proper needs assessment was not done. For example Kapyani Primary School did not require additional classrooms as was indicated in the workplan however it required teachers' accommodation.

Much as the project received 99.9% of the funds and spent all of it, physical performance was only 38%. This project therefore did not achieve the annual planned targets.

Conclusion: Basing on the two projects monitored, overall performance of the Pre-primary and Primary Education Vote function was good (81.1%). This was largely on account of over performance the Basic Education Programme which had the bulk of the funds (16.8bn).

6.3 Secondary Education Vote Function

The Vote Function provides technical guidance and policy formulation for matters relating to promotion and development of secondary education in the country. The vote function has two recurrent programmes (Secondary Education and Private Schools Department) and one development project; Development of Secondary Education (0897). Development of Secondary Education (0897) was monitored.

a) Development of Secondary Education Project (0897)

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

The outputs under the project FY2015/16 were: i) Classroom construction and rehabilitation(Secondary), ii) purchase of office and ICT Equipment, including software, iii) instructional materials for secondary schools and iv) Policies, Laws guidelines and Strategies. Two of the four vote function outputs were monitored and the details are as follows;

Table 6.5: Performance of Development of Secondary Education Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070280:Classroom Construction and Rehabilitation	9[16]	9	100	3,863,356,000	0.72	72	50% of the schools delayed to start civil works due to procurement processes.

[16] Completion of incomplete sites under APLI (3 Schools), an administration block at Bukandula Mixed in Gomba. Katungulu Seed, Bufunjo Seed and Kyenjojo S.S constructed, tenancy arrears for Masaka S.S paid to Aghan Foundation and 50 Engineering Assistants facilitated to monitor works in Local Government.

(Secondary)							Certificates for APL 1 selected schools paid
070202:Instructional Materials for Secondary Schools	3[17]	1	33.3	1,500,000,000	0.27	9.32	Procured 4,800 teachers' and 4,800 students' guides for 28 seed schools for S.1 & S.2 to be used in training science and mathematics teachers. The text books for UPPET schools were not procured Science Kits and Reagents were not procured. The ministry did not pay for the renewal of ICT licences.
Total				5,363,356,000		81.4	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
7,783,173,000	7,631,403,012	7,631,403,012	100	Financial performance was very good

Source: Author's compilation

Although project financial performance was very good, physical performance was much less on the classroom construction line item which had the bulk of funds under the Vote Function. Half of the schools delayed to start civil works. Contracts for civil works were signed in May 2016 and therefore constructions were not completed as planned. On the other hand the instructional materials output, which had less funds, over performed in terms of achievement targets. Overall performance of the Vote Function was therefore fair.

Under line item 070280 Classroom Construction, five schools received funds for classroom construction. That is: Bufunjo seed (150m), Katungulu Seed (150m), Bukandula Seed (40m), Kyenjojo S.S. (174m). Works on the administration block at Bufunjo were at roofing while at Kyogo S.S. were at finishes. Works on a storied classroom block with science laboratories at Kyenjojo S.S. were at ground slab. On the other hand civil works at Katungulu Seed had not started and the completion works at Bukandula had not started.

[17] Text Books for 28 seed schools procured.

Funds were still on bank accounts by August 3rd 2016. This was due to the fact that funds were received late thus procurements initiated late.

It is worth noting the MoES continued to implement activities outside the approved work plan. A case in point is Kyogo S.S in Kabale District which received Ug shs 360m for construction of a four classroom block. However the facilities constructed at this school (i.e the science laboratory, a 2 classroom block and a 3 classroom block) were at finishes level.

MoES planned to pay for the rent arrears for Masaka S.S. Ug shs 130 m was paid by the end of FY. However, the bill for the rent arrears continues to increase and as of June was reported to be at Ug shs 300m.

Under line output 070202 Instructional Materials for Secondary Schools, the annual planned targets were not achieved.

The ministry did not pay for the renewal of ICT licences for the 300 government schools under output 070276 purchase of ICT. This line output had a budget of Ug shs 300m all of which was spent. This target was also not achieved.


Left: The administration block at Bufunjo was at roofing level, Right: Works on a storied classroom block with laboratories at Kyenjojo S.S

Conclusion: Basing on outputs monitored, the overall performance of the Secondary education Vote Function was good (81.4%). This was on account of the good performance of the classroom construction output which had the largest amount of money.

6.4 Skills Development Vote Function

The purpose of skills development is to empower individuals through provision of useful and employable skills for self-sustenance and for the benefit of the economy both in the formal and informal sectors. The vote function objectives are to: i) Develop occupational standards and job profiles, develop competency based vocational training modules and accredit institutions as assessment centres; assessment and certifying trainees. The vote function has three recurrent programmes and six development projects. Of these three development projects were monitored.

a) Development of BTVET Project (0942)

The project's start date is 01/07/2015 with an expected completion date of 30th June 2020. The development partners[18] planned to fund the project to the tune of US$ 2.30 million while GoU planned to provide Ug shs 15 billion over the project period.[19] The objectives are to: i) Upgrade the standard of technical education to create more access and (ii) Bring about a better balance between supply and demand for lower level technical manpower.

Project expected outputs are: (i). Technical Institutes, Technical Colleges, College of Commerce and Instructors' College rehabilitated and (ii) Technical Institutes, Technical Colleges, College of Commerce and Instructors' College equipped.

The Vote function outputs under the project for FY 2015/16 were: i) Acquisition of land by Government, ii) Purchase of motor vehicles and other equipment, iii) Purchase of specialised machinery and equipment, iv) Construction and rehabilitation of learning facilities, v) Construction and rehabilitation of accommodation facilities, vi) Training and capacity building of BTVET Institutions and vii) Policies, laws, guidelines, plans and strategies. Of these, four outputs were sampled.

Table 6.6: Performance of Development of BTVET Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070571:Acquisition of Land by Government	10[20]	8	80	500,000,000	0.041	3.3	Very Good performance
070577:Purchase of specialised machinery and Equipment	7[21]	0	0	500,000,000	0.041	0	Poor performance
070580: Construction and rehabilitation of learning facilities (BTEVET)	31[22]	15	48.38	10,970,320,000	0.908	43.9	Good performance
070582: Construction and rehabilitation of accommodation facilities (BTVET)	1	0	0	107,000,000	0.008	0	Construction works at St.Kizito Technical Institute Masaka did not start.

[18] Saudi Arabia, Republic of South Korea, Japan, and Organization of Petroleum Exporting Countries, Islamic Development Bank and Arab Bank for Economic Development in Africa
[19] Public Investment Plan FY 2016/17
[20] Squatters compensated in Ahmed Seguya Memorial Institute-Kayunga.
[21] UTC Kyema,UCC Tororo,Kabasanda TI, Kalera T.I, St.Kizito Masaka, UCC Pakwach and L.Katwe T.I
[22] 25 projects are Arab funded, 1-KOICA funded and 5 are GoU

Total				12,077,320,000		47.2	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score(%)	Remark
13,245,499,000	13,119,261,472	13,127,450,556	100	

Source: ***Author's compilation***

From table 6.6 of the four outputs monitored, only one output performed well. For output 070751 Acquisition of land: 80% (40 out of 50) of the squatters for Ahmed Seguya Technical Institute were compensated and the annual target was achieved. Cumulatively 69.2% of the total budget (Ug shs 1,199,054,736) paid by the end of FY 2015/16.

For Output 070580 Classroom Construction and Rehabilitation of Learning Facilities; all Arab funded projects performed well and 60% of them (15 institutes) had attained practical completion by 30th June 2016. (BADEA-1, SAUDI-3, OPEC-9, IDB I-2). A number of them were operational. On the other hand civil works under a number of GoU-funded technical institutes had stalled. A case in point is Epel T/I and the civil works in Bamunanika had just resumed after a long time.

Two other line items monitored (i.e 070577 Purchase of Specialised Tools and Equipment and 070582 Construction and Rehabilitation of Accommodation Facilities) did not achieve the set targets for the FY. Four institutitions monitored reported non receipt of tools and equipment (i.e UTC Kyema, Kabasanda T/I, St. Kizito Masaka T/I, Lake Katwe T/I) while construction of a dormitory at St. Kizito T/I in Masaka was not undertaken during the period under review respectively.

Overall performance of project 0942 was therefore fair. This is on account of the donor funded projects which performed well and which had the bulk of the funds (10.9billion).

Left: A teaching complex at first floor slab; Right : Hostel block at roofing level Kichwamba T/I


Left: The incomplete administrative complex Right: Inside the incomplete workshop complex at Bukedea T/I. ***Ms Togo construction complex abandoned this site without completing all works complaining of non-payment*****.**

Key challenges

1. Financing of the GoU counterpart obligations has been inadequate and inconsistent, particularly for the civil works for IDB Phase I, OPEC, BADEA and KFAED funded projects. GoU still owes substantial sums of counterpart funding to the contractors.

2. An additional tax burden has been introduced on the GoU as a result of the tax amendments 2014, in effect repealing the VAT-exempt status of donor-funded projects in the education sector. This has affected all new works contracts under IDB Phase II, and the Kuwait-funded projects and supplies contracts under the IDB Phase I and II, Saudi, and BADEA.

3. Long procurement and disbursement procedures have hindered timely delivery of the projects and GoU had to seek extensions of loan disbursement dates for all the six projects. In some cases, no eligible bids were received (e.g. workshop equipment under IDB Phase I) and had to be retendered (under the proposed Open ICD procedure) thereby creating inevitable project delays.

4. The scopes of all the six projects were reduced due to the long time lag between project appraisal and actual financing. For some projects (especially Saudi Fund for Development and OPEC Fund for International Development (OFID), GoU was compelled to reapply for additional funding from the donors in anticipation of completing the sites to full operation levels as centres of excellence.

5. Some of the procured contractors exhibited inadequate capacities during implementation thus leading to delays in achieving the planned project implementation timelines.

6. Two of the OPEC-funded sites were found to have unreliable water sources during site execution (i.e Nakasongola and Yumbe). The alternative sources were a long distance away (up to 2.5km). This requires additional project financing from GoU.

b) Nakawa Vocational Training Institute (1093)

The project started on 1st July 2009 and its expected completion date was 30th July 2015.The objective was to have BTVET institutions and the entire labour market have higher quality instructors, managers and technicians trained through Nakawa VTI as Center of excellence for skill development in the East African Region. The expected target is to roll out 4,000 in service instructor and 1,500 managers in BTVET institutions with the required skills and knowledge competence in their respective occupational fields.

Table 6.7: Performance of Nakawa Vocational Training Institute Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070580: Construction and rehabilitation of learning facilities (BTEVET)	3[23]	1	33.3	600,000,000	1	33.3	About 33% of the planned targets were achieved.
Total				600,000,000		33.3	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
600,000,000	497,762,000	104,000,000	20.89	Poor financial performance as absorption was less than 50%.

Source*: *Author's compilation

From table 6.7; project performance was poor at 27.1%. A discrepancy was noted in the project's financial performance. According to the IFMS, the project's approved budget was Ug shs 702,000,000 of which Ug shs 701,953,200 was released and 100% absorption. The institute on the other hand reported to have budgeted for Ug shs 600,000,000 of which Ug shs 497,762,000 was released and 20.89% absorbed.

Physical performance was affected by delayed initiation of the procurement process. By 17th August, 2016, over 80% of the funds had not been spent although committed. A contract

[23] Expansion and refurbishment of the existing dinning hall to accommodate 2000 trainees continued, 6,000 M^2 of workshops surface rescreaded, and kitchen furnished and equipped.

for the expansion and refurbishment of the dinning hall had been awarded to M/s Marble Builders Limited. The institute had carried out floor re-screeding of the Motor Vehicle workshop (6,000 m^2) and the first coat of paint had been applied.

c) Support to National Health and Departmental Training Institutions Project (1270)

The project's objective is to rehabilitate, expand facilities, equip GoU Health and Departmental training institutions. It is expected that at the end of the project, facilities will be rehabilitated/ or expanded, equipped and functional. The staff will be better trained, competent and effective. The project start date was 7th January 2013 and its completion date is 30th June 2017.

The vote function outputs for FY 2015/16 were to: i) Purchase specialised machinery and equipment, ii) Purchase office and residential furniture and fittings, iii) Construction and rehabilitation of learning facilities (BTVET) and iii) Construction and rehabilitation of accommodation facilities. Three outputs were monitored and table 5.10 details the findings.

Table 6.8: Performance of Support to National Health and Departmental Training Institutions Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070582:Construction and rehabilitation of accommodation facilities (BTVET)	2[24]	1	50	500,000,000	0.17	8.99	Fair performance
070577: Purchase of Specialised machinery and equipment	5[25]	5	100	140,000,000	0.50	5.03	Very good performance
070580: Construction and rehabilitation of learning facilities(BTEVET)	4[26]	3	75	2,148,000,000	0.76	57.7	Good performance
Total				2,780,000,000		71.7	

[24] Construction of boys hostel at Kabale School of Nursing and a girls hostel at Butabika School of Nursing

[25] Procurement of assorted equipment for Mulago Paramedical Schools, Fortportal Socco, Gulu Soco,Mbale Soco, Jinja MLT

[26] Construction of a classroom block at Nsamizi Institute, a classroom block at Tororo. Cooperative College, an administration block at Mbale school of clinical officers and medical laboratory at Mulago paramedical

Financial Performance Chemicals and reagents were not bought. The ministry did not pay for the renewal of ICT licences during the period under review.				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,848,000,000	2,794,731,638	,794,731,638	100	Financial performance was very good.

Overall project performance was good. The outputs monitored achieved between 50% and 100% of the set targets. For Output 070582: Contract for Construction a girls' hostel at Butabika School of Nursing had been awarded to M/s Musuuza Building Contractors and by 30th June 2016, works had started.

Kabale School of Nursing received Ug shs 800m for construction in Q1 FY 2015/16) Civil works for construction of a boys' hostel were awarded to Ms Kwik Construction and Engineering at a sum of Ug. Shs 1.52 billion for a period of eight months. However, works had not started by 3rd August 2016 due to delayed procurement process.

For output:070580; civil works for the Kitchen/dining hall at Butabika School of Psychiatric Clinical Officers were completed, the 4 storeyed multipurpose laboratory block at Mulago Paramedical School was commissioned by the Rt.Hon. Prime Minister and works continued at Tororo Cooperative College. Construction works at Nsamizi Institute did not start.

For output: 070577: equipment was procured for Fortportal SOCO, disbursed funds to Gulu SOCO, FortPortal SoCO, Mbale SOCO and Jinja MLT.

The project achieved most of the annual planned targets.

Conclusion: The overall performance of the Skills Development Vote Function was fair (52%).

6.5 Higher Education Vote Function

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

The vote function has one recurrent programme; Higher Education and two development projects: Development of Uganda Petroleum Institute Kigumba (1241) and Support to Higher Education Science and Technology (1273). Two development projects were monitored and details are below.

a) Development of Uganda Petroleum Institute Kigumba Project (1241)

The project was as a result of a Presidential Directive issued on 21st February 2009 to establish UPIK with the aim to train human resource (i.e. craftsmen, technicians and professionals) needed to provide services for the petroleum Sector once the mining of oil and gas in Uganda commence. The mandate was to train technicians at Certificate and/or Diploma levels, with graduate programs to follow in the medium to long term. The project started on 01st July 2015 and its expected end date is 30th June 2020. The project objective is to have basic infrastructure in place for UPIK to have capacity and offer full menu of programmes in Oil and Gas.

The expected outputs are: enrolment of students; recruitment of instructors, recruitment of a warden and systems administrator, procurement of goods and services for effective day-to-day operation of the institute; renovation of allocated buildings and ancillary utility infrastructure; equipping and furnishing of lecture rooms and dormitories; development of physical infrastructure; acquisition of technical training machinery, equipment and accessories; development of comprehensive educational curriculum.; formulation & implementation of Training of Trainer (ToT) programmes; development of an infrastructure development master plan ; development of a strategic plan; and formulation of effective student apprenticeship initiatives towards international vocational qualifications. Table 6.11 details the status of implementation and financial progress by end of FY 2015/16.

Table 6.9: Performance of Development of UPIK Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070480: Construction and rehabilitation of facilities	6[27]	5	83.3	800,000,000	1	83.3	Very good performance although 2 of the 5 activities were completed in FY 2014/15
Total				800,000,000		83.3	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
8,000,000,000	4,950,533,338	4,950,533,338	100	Financial performance was very good.

Source: Author's compilation

The road network had been completed although civil works for the administration block by Ms China Jiangxi Construction Company Limited had stalled. Two activities were completed in FY 2014/15 although they were included in the FY 2015/16 work plan - (Construction of the local and international staff houses).

[27] Road network and parking constructed, Non-teaching staff duplexes constructed, library and information centre constructed, local staff houses constructed and international staff houses constructed

Construction of the administration block at UPIK that stalled

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

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

The project cost is UA 74.4 million (1 UA=1.55 at appraisal) of which UA 67.00 is the ADF loan and UA 56.56 is GoU counterpart. The outputs under the project were: purchase of office and ICT Equipment, including software, purchase of office and residential furniture and fittings, construction and rehabilitation of facilities, and operational support for private universities. Two outputs were sampled and table 6.10 details the findings.

Table 6.10: Performance of Support to Higher Education, Science and Technology Project FY 2015/16

Physical performance							
Outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070480:Construction and rehabilitation of	8[28]	7	87.0	10,961,679,475	0.673	58.95	Good performance

[28] Construction, rehabilitation and expansion of facilities at 6 public universities namely: Makerere, Kyambogo,Gulu, Busitema,Muni,MUST and two awarding institutions namely Uganda Management Institute and Makerere University Business School.

facilities							
070402: Operational support to private universities	20	20	100	5,307,163,714	0.32	32.62	Very good performance
Total				16,268,843,189		91.5	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative Expenditure	Financial Performance	Remark
16,378,843,189	11,600,203,276	11,589,300,871	99.9	Financial performance was very good

Source*: *Author's compilation

Project performance was very good (95.74%). A total of US$52.9million (UA37.78million), representing 56.4% of loan resources had been committed in terms of signed contracts or Memoranda of Understanding, and were under implementation. GoU released Ug shs 12,910,893,287 for the project related activities for FY2015/16. Despite a significant initial delay in setting up a fully staffed Project Coordination Unit and challenges encountered with the first set of procurement, a significant number of activities have been implemented on all components of the project.

Under Output 070480: Implementation of civil works progressed well. Seven (7) contracts worth USD 47.06 million (inclusive of VAT 18%) were signed for MaK, KyU, GU, BU, MUBS, MUST and MU. All the sites were handed over to the contractors and works are progressing well with rates of completion varying between 95% (for MUBS) to 5%.

The only civil works contract that lagged was the one for Completion of an Office/Classroom Block at UMI where the beneficiary institution had requested for change of procurement mode from National Competitive Bidding (NCB) to Direct Contracting (single sourcing).

Under Output 070402:the project disbursed funds to finance 348 students benefitting from the student merit based scholarship across the eight beneficiary institutions and International Center for Research in Tropical Agriculture (CIAT). Funds were disbursed to Uganda Manufacture's Association to support the placement of 680 interns in various industries internship programs. Disbursed funds to three universities that is Makerere, Kyambogo and MUBS to support development of e-content. Disbursed funds to eight beneficiary institutions to implement cross cutting activities under HIV/AIDS, Gender and Special Needs.

Conclusion: The overall performance of the Higher Education Vote Function was good at 87.4%.

6.6. Quality and Standards Vote Function

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

It has two recurrent programmes and three development projects. The recurrent programmes are: Teacher Education and Education Standards Agency while the development projects are: Relocation of Shimoni PTC (0984), Improving the training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda (1223) and Development of PTCs Phase III (1340). Of these; one recurrent programme and two development projects were monitored.

a) Teacher Education Programme (04)

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

The outputs under the programme are: Curriculum Development and Training (NCDC), Training of Secondary Teachers and Instructors (NTCs), Teacher training in Multi-Disciplinary Areas, Curriculum Training of Teacher, Policies, laws, guidelines, plans and strategies. Of these, two outputs were monitored and table 6.11 shows the details.

Table 6.11: Performance of Teacher Education Programme FY 2015/16

Physical performance							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070654;Curriculum Development and Training (NCDC)	14	9	64.2	8,536,000,000	0.83	53.7	Fair performance.
070652: Teacher Training in Multi-Disciplinary Areas	4,046	4,046	100	1,679,000,000	0.16	16.4	Very Good performance.
Total				10,215,000,000		70.15	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
16,862,325,995	16,855,076,417	16,852,877,958	99.9	Very good performance

Source: Author's compilation

Programme performance was good. Output 070652 had 100% of the targets achieved and these included payment of School practice fees for 3751 students of Kaliro, Kabale, Muni, Unyama and Mubende NTCs, payment of teaching practice exams of 200 students of Abilonino, payment of living out allowances for 120 students of HTC Mulago and payment of allowances for students of Nakawa VTI and Jinja VTI.

Output 070654 on the other hand had fair performance of 64% due to budget cuts. Targets achieved included: preparation and printing of the P.1-P.3 Braille, Draft ECD parenting Education framework for Uganda developed, 14,414 copies of the thematic song book printed, 74 writers trained in textbook writing, prototype text books for S1 for eight learning areas developed, a draft policy on classroom assessment developed, a draft certificate for Uganda lower certificate of education developed, Assessment guidelines for four National Certificates developed, an orientation manual for orienting instructors on the four technical programmes teaching syllabus, in Cosmetology, Records Management, Secretarial studies, catering developed and Orientation manuals and Assessment Guidelines for the four Diploma programmes developed.

b) Development of PTCs Phase III Project (1340)

Government intends to alleviate the status of five (5) of the 27 colleges into Core Primary Teachers' Colleges. This means more resources for rehabilitation, reconstruction and, or expansion of infrastructure and provision of equipment. However, for uniformity of training, Government will rehabilitate/reconstruct and , or expand and equip all the remaining 22 Primary Teachers Colleges, which are training teachers for the same Primary School System to ensure total quality of primary education. Project's start date is 01/07/2015 and completion date is 30/06 2019.

The outputs are: Government Buildings and Administrative Infrastructure, and Policies, laws, guidelines, plans and strategies. One output was monitored and table 6.12 details the status of implementation by 30th June 2016.

Table 6.12: Performance of Development of PTCs Phase III FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070672:Government	15	10	66.6	4,859,938,400	1	66.6	Fair physical

Buildings and Administrative Infrastructure							performance
Total				4,859,938,400		66.6	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
4,899,029,919[29]	4,676,482,019	4,676,482,018	99.9	Very good financial performance

Source*: *Author's compilation

The project performance was good. Over 60% of set targets were achieved. Certificate 1 and 2 for ongoing works at10 sites of Kisoro, Rukungiri, Rakai, Kabukunge, Christ the King, Eperi, Busuubizi, Kabale, Bukinda, Kabwangasi and Kaliro were paid.

Left: A boys' dormitory at Bukinda PTC at finishes, Right: A girls' dormitory completed at Kaliro PTC

c) Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda Project (1233)

Tertiary institutions are currently struggling to produce graduates who have skills for employment and productivity and therefore this requires investments in technical training which will enhance skills for production. In order to achieve the above, GoU in collaboration with the Belgian Government agreed to support selected interventions geared towards improvement of (a) TVET Instructors, Health Tutors Training, and (b) Secondary Teacher Education in the Education sector; which are critical for skills development.

The project started on 1st May 2012 and its completion date is 31st May 2017. The project cost is Euro 17,500,000. The outputs include: i) Government Buildings and Administrative

29 Revised Budget

Infrastructure, ii) Policies, laws, guidelines, plans and strategies and curriculum training of teachers. Of these; one output was monitored (*See table 6.13*).

Table 6.13: Performance of Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
070672:Government Buildings and Administrative Infrastructure	4	3	75	2,376,596,288	1	75	Good performance
Total				2,376,596,288		75	

Financial Performance				
Annual programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,498,263,065	1,720,433,665	1,720,031,281	99.9	Financial performance was very good

Source: Author's compilation

As noted in table 6.13, project performance was good. Project exhibited good financial and physical performance. Three colleges of Kaliro, Mulago and Muni were completed and Abilonino was 80% complete by 8th August 2016.


Left: One of the lecture blocks constructed, Right: a renovated office block at Kaliro NTC

Top left: Kitchen and Dining block, Top Right: Multi purpose block

Down: Administration block completed at Abilonino Instructors' College

Conclusion: The overall performance of the Quality and Standards Vote Function was good at 70.5%.

Overall conclusion of Vote 013: The overall Vote performance was good at 74.4%.

6.7 Vote 138: Makerere University Business School

The vote mission is to enable the future of our clients through creation and provision of knowledge. The vote has one vote function.

6.7.1 Performance

i) Delivery of Tertiary Education Vote Function (0751)

The vote function's objective is to provide high quality programmes in volume and high value of Business and Management Education programmes at diploma, undergraduate and postgraduate levels in the country. The vote function has one recurrent programme and support to MUBS Infrastructural Development. The development project was monitored.

a) Support to MUBS Infrastructural Development Project (0896)

The project started on 1st July 2015 and its expected end date is 30th June 2020. The project expected outputs are: Construction of a faculty of commerce to expand lecture space; replacement of asbestos roofs, purchase of office and ICT equipment including software, purchase of specialised machinery and equipment, purchase of office and residential furniture and fittings. The new library complex is expected to be furnished with equipment and furniture in a phased manner. Two outputs were monitored and the findings are in table 6.14.

Table 6.14: Performance of Development of Support to MUBS Infrastructural Development Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
075172:Government Buildings and Administrative Infrastructure	3[30]	0	0	2,800,000,000	0.90	0	Civil works had not started. Contract had been signed and sites handed over.
075176: Purchase of office and ICT Equipment	1	1	100	311,092,000	0.09	9.9	Very good performance.
Total				3,111,092,000		9.99	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,958,000,000	2,958,000,000	2,958,000,000	100	Financial performance was very good

Source: Author's compilation

From table 6.14 project performance was poor. For the outputs monitored; under Government Buildings and Administrative Infrastructure; contracts were signed and sites handed over for the civil works on the main library short tower/post

graduate wing, construction of a metal grill and replacement of asbestos. It was however noted that procurement delays coupled with inadequate funds affected project implementation. The funds were accumulated over a number of FYs because most construction projects required large sums for commitment. However, equipment was procured under output 075176.

[30] Asbestos roofs replacement, Lecture halls and metal grill around library

b) Programme 01: Administration

The programme objectives are; i) to offer relevant high quality academic programs responsive to market needs and graduate a higher number of students in a timely manner; ii) undertake and supervise research for both staff and students so as to develop scholars, promote knowledge and promote scholarship; iii) ensure availability of high calibre staff that are highly motivated and dedicated and contribute to the school goals; iv) acquire and maintain internet connectivity and digitise academic and administrative activities; v) provide ideal facilities conducive for students to learn and staff to work matching world class standards; vi) avail and propagate knowledge and encourage learning through the outreach strategy and vii) to continue with the gradual outsourcing of non-core activities.

The expected outputs are; i) the number of students admitted and registered, examined and graduated; the number of Government sponsored students paid living out allowances(LOAs); staff attracted and retained; research undertaken; infrastructure developed and maintained; research findings disseminated, staff recruited, developed and paid salaries in a timely manner; regional campuses supported and maintained. Out of six outputs; two were monitored and table 6.15 Shows the performance.

Table 6.15: Performance Programme 01: Administration FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
075101: Teaching and Training	25,352[31]	21,811[32]	86.03	2,782,000,000	0.62	53.52	Very good performance
075104: Students' Welfare	1240	1234	99.5	1,690,000,000	0.37	37.60	Very good performance.
Total				4,472,000,000		91.1	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
14,380,000,000	14,380,000,000	14,380,000,000	100	100% absorption of released funds. Financial performance very good

Source: Author's compilation

Programme performance was very good (91.1%). For the outputs monitored over 80% of the set targets were achieved. For output: 075104: the school was able to accommodate 270 both Government and private students for the AY 2015/16, paid living out allowances to 936 Government sponsored students for Semester II AY 15/16 and processed facilitation for

[31] Number of Students Registered-19352, number of students graduated-6000
[32] 5223- Graduated and 16588 registered

28 students with disabilities and their helpers. For output: 075101, a total of 16588 students were registered and 5233 graduated.

There were however challenges of late payment and registration of students which hindered progress of school activities. It was reported that MUBS had campuses in Jinja, Arua, Mbarara and Mbale and these campuses are not catered for in the funding by government. Since the School has extended its services to the upcountry regions, government should play a role in developing of these campuses and plan for their funding.

Conclusion: Basing on the two projects monitored, the overall performance of the Vote 138 (MUBS) was fair (50.5%)

6.8 Vote 136: Makerere University

The vote mission statement is to provide innovative teaching, learning, research and services responsive to national and global needs. The vote has one vote function.

6.8.1 Performance

i) Delivery of Tertiary Education (0751)

The vote function's objective is to increase the stock of human and social development through skills development based on the three key pillars of teaching, research and knowledge transfer partnerships. There are five development projects and one recurrent programme under the vote function. Two development projects were monitored.

a) Food Technology Incubations II Project (1341)

The project started on 1st July 2015 and its expected end date is 30th June 2019. The overall goal of the food technology and incubation centre is to contribute to the socio-economic development of Uganda through nurturing food processing and nutrition enhancement enterprises. The expected outputs are: i) Machinery and equipment installed; ii) Incubator space and capacity at the DFST expanded; iii) Entrepreneurship amongst University researchers and graduates promoted; iv) Incubation services provided, and v) Knowledge transfer partnerships between the university and private and public sectors enhanced. Three out of the six outputs were monitored and table 6.16 details the findings

Table 6.16: Performance of Food Technology Incubations II Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
075180: Construction and rehabilitation of learning facilities (Universities)	2[33]	2	100	2,000,000,000	0.52	52.7	Very good performance

[33] Architectural and structural designs(master plan) and phase 1of 2 processing units measuring 1,200m^2

075177: Purchase of specialised machinery and Equipment	4[34]	4	100	1,325,000,000	0.34	34.9	Very good performance
075103: Outreach	1[35]	1	100	267,000,000	0.07	7.0	Very good performance
075101: Teaching and Training	80	96	120	200,000,000	0.052	6.3	Very good performance
Total				3,792,000,000		101.05	
Financial Performance							

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
4,500,000,000	4,500,000,000	4,500,000,000	100	Financial performance was very good

Source: Author's compilation

Project performance was very good at 101.05%. For the three outputs monitored all the set targets were achieved. For output 075180; Architectural plans, detailed structural drawings, specifications and BoQs were completed and approved by University Estate and Works committee. Designs of phase 2(1200sqm, 2 processing units and shared training space) submitted for review by University Estates and Works Committee. Rehabilitation/restoration of practical training facilities for Agricultural Engineering at MUARKIK completed.

For Output 075177: Purchase of Specialised Machinery and Equipment; the contract for supply of texture analyser was signed, rapid-visco analyser procurement contract was awarded and retort received. Equipment was delivered and installed.

For Output 075103: Outreach; seven incubate firms were linked to business support service providers, 27 farmers and extension staff in Yumbe district trained in mango post-harvest and value addition. A women's group in Bududa district mobilised to start value addition to beans and vegetables. For output 075101: Teaching and Training, 96 students of food science and technology and 96 students of agricultural engineering provided hands on-training on aspects of agro processing.

It was noted that there are still challenges that the Government needs to address and these include:

i) Policy Gap as incubation has never been streamlined and appreciation is still very low. It was reported that an exhibition was prepared for MFPED officials by the project to appreciate activities implemented however no official turned up although the officials had confirmed participation.
ii) The food industry requires specialised buildings and equipment for the incubatees to translate into after however such buildings are not readily available.

Recommendations

i) A capital venture fund should be established for the incubatees to access funding to the level of equipment that they have been using instead of giving out loans.

[34] Postharvest and value added processing capacity expanded and efficiency enhanced, New cold rooms, texture Analyser and Collodiol Mill/mixer
[35] Production capacity for 10 enterprises increased and 12 new enterprises set up, registered and nurtured.

ii) The established industrial parks should be equipment with the right machinery to support the incubatees.

b) Technology Innovations II Project (1342)

The project started on 1st July 2015 and its expected end date is 30th June 2019. The project is aimed at enhancing the capacity of the Food Technology and Business Incubation Center (FTBIC) at Makerere University to play a catalytic role in the development of agro-processing in Uganda. Two of the five outputs under the project were monitored and table 6.17 details the findings.

Table 6.17: Performance of Technology Innovations II Project FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
075102:Research Consultancy and Publications	4[36]	4	100	1,081,240,000	0.34	34.9	Very good performance
075177: Purchase of specialised machinery and Equipment	5[37]	5	100	2,010,812,000	0.65	65.1	Very good performance
Total				3,092,052,008		100	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
4,500,000,000	4,500,000,000	4,500,000,000	100	Financial performance was very good

Source: Author's compilation

Project performance was very good at 100%. The three outputs monitored achieved the set targets for the FY.Under output 075177: Equipment was maintained for Architecture, Civil and Environmental Engineering, Electrical and Computer Engineering, mechanical engineering, and surveying.

For output 075102: Under Irrigation, the project purchased some equipment for small scale manufacture of pumps, established the Makerere University Agricultural Research Institute, Kabonyolo Farm irrigation scheme demonstrations collaboration with RAN. The team was enabled to prepare a pitch used for soliciting funding from possible investors. Technical assistance was given to several farmers in various parts of the country, and trial sites for the

[36] Arms Project, Integrated Management Information systems Framework iLABS@MAK project, CRWC Project, Irrigation Project and Other research projects.
[37] Architecture, Civil and Environmental Engineering, Electrical and Computer Engineering, Mechanical Engineering, Surveying and MTSIFA

solar pump were set up with farmers in Mityana, Soroti and Kiryandongo Districts on demand basis.

Under iLabs: the project developed an ILabs Shared Architecture (ISA) Assessment System and Deployed third year online laboratories. The student course assistant (KLASS Tab) was hosted on google play. The client user interface is accessible through an android phone with the Klass Tab apk installed.

Under the ARMS project, the ARMS smart phone android app for examination invigilation information systems support was presented in LA California at Global Education Center Conference 2016.

Conclusion: The overall performance of Vote 136 (MUK) was very good (100%).

6.9 Presidential Pledges

Since FY 2008/09 to date, Government has continued to provide funds each FY to cater for presidential pledges under the education sector. The funds are for construction of different structures such as classrooms, workshops, administration blocks, dormitory blocks, multipurpose halls, science laboratories, library blocks, and VIP latrines, procurement of desks and provision of transport to different education institutions as pledged by His Excellence the President of Uganda.

During FY 2015/16 the MoES planned to fulfil presidential pledges in 26 institutions at a cost of Ug shs 4,538,673,093. Of the 26 planned, 15 institutions were monitored in FY 2015/16 and table 6.18 details the findings.

Table 6.18: Performance of Presidential Pledges

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Presidential Pledges	26	25	96.15	4,538,673,093	1	96.15	
Total				4,538,673,093		100	Very good performance

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
4,538,673,093	4,538,673,093	4,528,673,093	100	Financial performance was very good

Source: Author's compilation

The MoES disbursed 100% of the required funds to the LGs and institutions to fulfil presidential pledges in FY 2015/16. However delays were noted at the LGs in transferring funds to the institutions. Out of the 15 institutions monitored, 20% had not received funds by Q3. For example, Katakwi High School, the district officials delayed to remit the funds to the school until March 2016. It was reported that the district officials denied receipt of funds until the head teacher got a schedule from MoES, and the district later sent the funds in June 2016. These delays affected implementation.

Left: A four-classroom block constructed at Highland Community P/S (Butaleja district), and a bus procured by Katakwi High School under Presidential Pledges

In some institutions the pledges were fulfilled in previous FYs although they were budgeted for in FY 2015/16. For example Njangali Girls High School in Hoima, the pledge to provide funds for essential chemicals, equipment and reagents for a new laboratory was fulfilled in 2013. It was also noted that the equipment was procured under ADB IV Education Project. According to a delivery note from the school, the buyer's order was MoES/GDS/ADB/PR0186/C0651, consignee was MoES ADBIV Education project and recipient was Njangali Girls High School Hoima. This leaves the question of what happened to the Ug shs 20,000,000 released for this activity in FY 2015/16.

Recommendations

- Funds for activities under the Presidential Pledges should be transferred directly to the accounts of the beneficiary institutions to avoid delays caused at the district. The MoES should provide account numbers of the beneficiary institutions to MFPED.

- The MoES should handle an institution and complete it within a given FY instead of phasing the construction over several financial years by disbursing piecemeal amounts. A case in point is Engineer Kauliza Kasadha Technical Institute –Bugiri District which has not been completed since 2014.

6.2.2 Challenges

i) **Counterpart funding obligation:** A number of donor funded projects experienced delays in receipt of GoU counterpart funding. This affected the progress of civil works/activities in these projects (e.g The Arab funded projects under the BTVET sub sector and the HEST project).

ii) **Project effectiveness:** Many projects become effective before all necessary preparatory activities have been undertaken. (For instance when the Project Coordination Unit is not in place and staff recruited as was the case for the Uganda Teacher and School Effectiveness Project). This leads loss of time for implementation.

iii) **Budget cuts:** Budget cuts affected operations of institutions such as the National Curriculum Development Centre (NCDC) and universities (particularly with regard to payment of allowances, food and utilities, cuts to these line items lead to riots in universities). It is proposed that these areas be ring-fenced.

iv) **Delays in transfers** of funds to beneficiary institutions. Much as MoFPED released all development funds by Q3, many schools/institutions reported receipt of development funds from MoES and transfers from LGs towards the end of Q4. A number of these where still procuring contractors by August 2016. This therefore led to implementation delays (e.g the Presidential Pledges and Development of Secondary Education).

v) **Poor planning:** The MoES continued to implement a number of activities outside the approved work plan especially under project 0897: Development of Secondary Education. This suppressed implementation of planned activities and funds were disbursed to those not earlier planned (e.g Kyoga S.S which received Ug 360m and was not in the work plan). The ministry should stick to the approved work plan.

vi) **Delays in procurement:** Generally there were delays in initiating procurement. Because funds are disbursed on a quarterly basis, many institutions argued that they were waiting for funds to accumulate to start the process. This delayed implementation of activities. The procurement process should instead be done early enough (probably in Q1) and wait to award when they have adequate funds.

vii) Parallel Accounting systems: The Government through MFPED introduced the Computerized Education Management and Accounting System (CEMAS) for universities. However the system left some modules such as the Human Resource and Procurement partially manual/not operational. This creates delays in approvals since some systems are manually run. The Office of Accountant General should ensure that all CEMAS modules are operational to avoid parallel systems which delay execution of activities.

viii) Higher Students' Financing Board: The Higher Education Students Financing Scheme (HESFS) remains a budget line item under Vote 013. This affects its planned activities and a number of its outputs are not reported under this line item. This does not give it prominence in terms of growth, future prospects and funding. HESFS' performance is also not clearly brought out in Vote 013's performance report. HESFS's budget is sometimes negatively affected when Vote 013 has other competing priorities. Because of this HSFS needs to be considered for Vote status.

6.2.3 Key recommendations

1. MoES should adequately budget for counter funds for all projects under the sector.
2. Government should delay loan effectiveness of new projects until after the planning phase when all the necessary structures have been put in place.
3. Some line items for university votes particularly those concerning payment of allowances, food and utilities be ring-fenced from budget cuts as one measure of reducing riots in universities.
4. All schools receiving funds under the Presidential Pledges should receive them directly from MFPED. This will reduce on implementation delays caused by delays in transfers from the district consolidated accounts.
5. All procuring entities should initiate the procurement processes in the first quarter and wait to make awards until they have adequate funds on their account.
6. Since the number of supported students is growing on an annual basis, the Higher Students Financing Board should become a Vote.

General Conclusion

The overall performance of the education sector during FY2015/16 was good at 74.9% achievement of planned outputs. Makerere University (100%), and Ministry of Education and Sports had good performance (74.4%) while MUBS had the least performance (50.5%).

CHAPTER 7: ENERGY

7.1 Introduction

7.1.1 Sector objectives and priorities

The energy and minerals sector contributes to the second objective of the National development Plan II (NDP II); to Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.[38] The contribution of the sector to the NDP II objective is done through the pursuance of the sector outcomes with their respective outcome indicators, which are[39];

a) Increased access to affordable and efficient sources of energy
   i. Percentage of people accessing electricity
   ii. Percentage of energy losses in the distribution
   iii. Number of megawatts added to grid

b) Sustainable management of minerals resources for development
   i. Percentage coverage of geological mapping
   ii. Percentage coverage of geochemical mapping
   iii. Percentage of Airborne geochemical mapping

c) Sustainable management of the country's oil and gas resources
   i. Percentage of successful wells
   ii. Number of oil wells drilled
   iii. Number of days of stock levels of white products at petroleum facilities
   iv. Amount of oil and gas discovered (barrels of oil)

Sector priorities

In the medium term 2015/16 -2019/20, the sector continues to focus on the key priority areas; these are[40]:

- Increase electricity generation capacity and expansion of the transmission and distribution networks;
- Increase access to modern energy services through rural electrification and renewable energy development;
- Promote and monitor petroleum exploration and development in order to achieve local production;
- Develop petroleum refining, pipeline transportation, and bulk storage infrastructure.
- Streamline petroleum supply and distribution;
- Promote and regulate mineral exploration, development, production and value addition; and
- Inspect and regulate exploration and mining operations
- Promotion of efficient utilization of energy; and
- Monitoring geotectonic disturbances and radioactive emissions

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[38]National Planning Authority Second National Development Plan (NDPII) 2015/16 – 2019/20 :101
[39] MFPED, National Budget Framework Paper FY2015/16(Kampala 2015)
[40] Ministry of Energy and Mineral Development *FY 2015/16 Ministerial Policy Statement (*Kampala 2015)

7.1.2 Overall Sector Financial Performance

Overall, sectoral release performance was reported poor, as 17% was released by 30th June 2016. This was attributed to the non-capturing of the donor funds by Ministry of Energy and Mineral Development (MEMD) which took 86% of the total sector budget. The poorest performance was noted against the budget for taxes in the sector. Expenditure performance on the other hand was very good at 99% of the overall released funds. The sector annual financial performance is summarized in table 7.1.

Table 7.1: Energy and Minerals Sector Financial Performance

Energy and Mineral Development sector						
Component		Approved budget(Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	4.063	4.766	4.766	117	100
	Non-wage	5.348	5.318	4.76	99	90
Development budget	GoU	354.853	407.853	405.766	115	99
	Donor	2,461.73	37.346	37.346	2	100
T&A	Arrears	0.219	0.219	0.218	100	100
	Taxes	0.428	0	0	0	0
NTR	Non tax revenue	31.8	31.8	31.43	100	99
Totals	Grand total	2858.441	487.302	484.286	17	99
	Excluding Taxes and Arrears	2857.794	487.083	484.068	1	99

Source: MEMD and REA, Q4 Performance report

Scope

The chapter presents annual financial and physical performance of selected energy and minerals projects in FY 2015/16.

The monitoring focused on 14 out of the 23 projects implemented by the MEMD and 2 out of the 3 projects implemented by the Rural Electrification Agency (REA). Table 7.2 shows the monitored projects and the respective locations visited.

Table 7.2: Energy Sector Projects Monitored for FY 2015/16

Project code and Name	Location/ Areas visited
Vote 017: Ministry of Energy and Mineral Development	
Vote Function (VF) 0301: Energy Planning, Management and Infrastructure Development	
Electricity Sector Development (Project 1212)	Wakiso, Mpigi, Butambala, Masaka, Mbarara
Karuma Interconnection Project (Project 1025)	Luwero, Nakasongola, Kiryandongo, Lira, Oyam
Mbarara- Nkenda/Tororo-Lira(Project: 1137)	Mbarara,Kasese, Tororo, Lira
Mputa Interconnection- Hoima-Nkenda (Project. 1026)	Kasese, Fort portal, Hoima
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP) Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)	Jinja, Iganga, Mayuge, Bugiri, Tororo; Mbarara; Ntungamo
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP). Bujagali Interconnection Project/Bujagali Switchyard Upgrade (Project 1024)	Jinja
Promotion of Renewable Energy and Energy Efficiency (PREEE) Project: 1023:	Lira, Apac, Alebtong, Amolata, Dokolo, Oyam, Kole, Kotido, Soroti
Vote Function 0302 Large Hydropower Infrastructure	
Isimba Hydropower Plant (Project 1143)	Kayunga
Karuma Hydropower Plant (Project 1183)	Kiryandongo
Vote Function 0303 Petroleum Exploration Development Production (PEDP)	
Construction of the Oil Refinery(Project:1184)	Hoima
Midstream Petroleum Infrastructure Development (Project:1352)	Entebbe[41]
Strengthening the Development and Production Phases of Oil and Gas sector	Entebbe, Hoima
Vote Function 0304 Petroleum Supply, Infrastructure and Regulation	
Downstream Petroleum Infrastructure (Project 1258)	Jinja
Vote Function 0305: Mineral Exploration, Development and Production	
Mineral Wealth and Mining Infrastructure Development	Entebbe[42]
Vote 123: Rural Electrification Agency	
0351: Rural Electrification	

[41] The monitoring team held meetings in Entebbe
[42] The monitoring team held meetings in Entebbe

Project code and Name	Location/ Areas visited
Grid Extension Program-GBOBA (Project 1261)	Dokolo, Pader, Mbale
Rural Electrification (Project:1262)	Apac, Lira, Ntungamo; Rukungiri; Kanungu; Kisoro, Kabale, Mbarara; Nakasongola Luwero; Nakaseke, Hoima; Zombo; Arua; Wakiso; Butambala, Mayuge, Tororo, Busia

Source: Author's compilation

7.1.3 Limitations

- Most of the financial information is not captured on the IFMS accounting system because the sector is mainly donor or privately financed. This makes analysis of planned versus actual expenditure, absorptive capacity and operational efficiency problematic.
- Donors and private firms are at times unwilling to provide detailed financial information
- Incomplete information especially where respondents were new in offices or relevant documents were not readily available.

Vote 017: Ministry of Energy and Mineral Development

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"[43]

The MEMD comprises of six vote functions of which five were monitored. The vote functions form programmes in the MEMD and are; Energy Planning, Management and Infrastructure Development, Large Power Infrastructure, Mineral Exploration Development and Production, Petroleum Exploration, Development and Production, Petroleum Supply, Infrastructure and Regulation, and Policy Planning and Support Services

Vote 017: MEMD Financial Performance

Overall release performance was poor at 13% of the vote budget. The release was deflated by the non-capture of the donor financial information in the end of year report. The GoU component performed well with 117% of the development budget released by 30 June 2016. The funds utilization was very good at 99% (table 7.3).

[43] MEMD *Ministerial Policy Statement 2015/16* (Kampala 2015) Pg. 1

Table 7.3: MEMD Financial Performance

Component		Approved budget (Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	4.063	4.766	4.766	117	1
	Non wage	5.348	5.318	4.76	99	89
Development budget	GoU	307.877	360.449	358.946	117	99
	Donor	2,449.83	0	0	0	0
T&A	Arrears	0.219	0.219	0.218	100	99
	Taxes	0	0	0	0	0
NTR	Non tax revenue	0	0	0	0	0
Totals	Grand total	2767.333	370.752	368.69	13	99
Excluding Taxes and Arrears		2767.114	370.533	368.472	13	99

Source: MEMD Performance report Q4 FY2015/16

7.2. Performance of Vote 017: MEMD

Vote Function 0301: Energy Planning, Management and Infrastructure Development

The programme (VF) is responsible for promoting; increased investment in power generation, renewable energy development, rural electrification, improved energy access, energy efficient technologies, and private sector participation in the energy sector.[44] The vote function took up 8.55% of the energy sector budget for FY2015/16.

7.2.1 Promotion of Renewable Energy and Energy Efficiency (PREEE) – [Project 1023]

Background

The Promotion of Renewable Energy and Energy Efficiency programme (PREEEP) implemented on behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ) that supports Uganda's MEMD in the areas of energy policy, rural electrification, improvement of market structures in the energy sector and energy efficiency.

Project performance

The project performance was poor at 48.10% (Table 7.4).The low performance was due to funding constraints. The release performance was at 66% of the annual budget. Due to funding constraints, a number of procurements were differed to FY2016/17. Repair of wind mills for pumping water in Karamoja were done partially due to funding constraints. Energy efficiency promotion was most performing with 80% achievement. This was attributed to the GIZ's stove dissemination that performed well. The improvement in performance of

[44] MEMD *Ministerial Policy Statement 2015/16* (Kampala 2015) Pg. 18

stove dissemination is attributed to the change in approach where GIZ engages individuals and registered companies to contribute to stove manufacture and dissemination. Such companies include. International Lifeline Fund in Lira, BM Energy Savings Ltd located in Kampala, and Green Bio Energy located in the Kampala, Mukono – head office. Table 7.4 summarizes performance of the project.

Table 7.4: Performance of the PREEP FY2015/16

Key outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget(Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Energy Policy/Plans Dissemination, Regulation and Monitoring done (Technical support provided to directorate, Draft Energy Efficiency and Conservation bill in place, Biogas standards developed, Biofuels regulations developed, Biofuels Standards developed)	100% done	43.8	43.8	0.385	0.077	3.398	Poor performance. GoU with support from GIZ contracted a consultant to review the energy policy (2002) and Electricity Act (1999). Draft report was completed. Draft Bill in place. Cabinet approved the Principles to be embodied in the law. Other outputs however were not funded. These included; Concept paper on Biomass Energy Resources Authority developed.
Energy Efficiency Promotion done: Energy Week 2015 held, Comprehensive energy audits conducted in 10 high energy consuming facilities, Energy management training of at least 30 energy managers and auditor conducted	100% done	60.9	60.9	0.766	0.154	9.417	Fair performance. Energy audits completed in; Nile Breweries Ltd, Steel Rolling Mills Ltd, Century Bottling Company Ltd, National Social Security Fund, Luuka Industries Ltd, Mukwano Industries, Hima Cement; Energy week held, development of standards was ongoing. Some activities were not achieved due to funding such as national survey of energy efficiency potential in households and institutions done. Dissemination of stoves performed well at 80% of the targeted stoves.
Renewable Energy Promotion done (Five (5) Micro hydropower sites less than 100KW			69.2	1,805.37	0.364	25.203	Fair performance: Inadequate funding and high costs of spare parts affected performance of

packaged for promotion and development. Capacity building in micro/ pico hydropower technology (Technology transfer). Two officers trained, 5 Windmills for water pumping rehabilitated.)							repair of the windmills for pumping water in Karamoja. Only one at Lokitalebeu sub-county in Kotido district was partially rehabilitated. The micro hydro sites were identified although procurement not done due to funding.
Purchase of Specialised Machinery & Equipment (Five (5) hybrid small wind energy/ solar photovoltaic systems procured, installed and commissioned, Two wind measuring equipment procured, Two (2) solar water heating systems for; Refurbishment in Mbale and another procured for one public institutions)			25	2,000.00	0.403	10.086	Poor performance: Only registered one achievement where two wind measuring equipment were installed and collecting data at Napak and Kotido districts.The other procurement of equipment was suspended due to inadequate funding. Solar water heaters were not purchased or repaired at the public hospitals.
Physical performance score						48.106	This is poor physical performance
Financial Performance							
Annual Programme Budget	Cumulative Receipts		Cumulative expenditure		Financial Performance Score (%)		Remark
4,956,893,500.00	3,252,579,566		3,242,147,187		99.67		This is very good financial performance.

Source: Field Findings

BOX 7.1: Additional Information on the Promotion of Renewable and Energy Efficiency Programme

Implementation of Energy mainstreaming under energy policy was done in all the selected districts. The districts received financial support of between Ug shs 10 million and Ug shs 12 million. The pilot implementation of energy mainstreaming involved activities such as; having stakeholders forums, Holding radio talk shows and announcements, Field data collection trips to obtain information on the type of energy that is used by social institutions, presentations of the energy issues during district major functions. Soroti however did not receive funding from the GIZ as it is a tier one district, which did not have a general fund account. By the time, Accountant General had provided for a general fund account, the time for the disbursement of funds had expired. The district was to receive support in the FY2016/17.

There was reported efforts to mainstream energy issues among the selected districts. The beneficiaries mentioned that the sector officers in the departments of Education, Health and Engineering now have energy concerns included in the District Development Plans, District Annual Plans and Budgets. For instance some trees had been planted along a Community Agriculture Infrastructure Improvement Project road (CAIIP) in Kole district.

Performance of renewable energy promotion was not satisfactorily due to inadequate funding. The windmills were either partially, or not completely repaired. The windmill for pumping water had some parts restored in Lokitalebeu sub-county in Kotido district. The water distribution pipes/tank and taps were found to blocked and vandalized had not been replaced. Thus the partially serving the purpose. The windmill for pumping water in Rengen did not receive any rehabilitation. Similarly, hybrid small wind/solar photovoltaic systems and other equipment were not procured.

Performance of energy efficiency measures was good with increased stoves and solar disseminations. The GIZ support through the collaborations with other organisations empowered beneficiaries to construct and disseminate the stoves. There were also other supportive work for solar market development in Mbale, Pallisa, Mubende and Kumi districts.

Source: Field Findings


L-R: Energy service provider at his store with Energy saving stoves; Leaking Pipes at the partially restored windmill for pumping water in Lokitalebeu Sub County in Kotido district


L-R: Non-functional windmill for pumping water and tap stand at Rengen in Rengen Sub-County

Challenge to project implementation

- Inadequate funding amidst high cost energy technologies

Recommendation

- The MFPED should release funds according to programme plans.

7.2.2 Transmission Line projects implemented by the Uganda Electricity Company Limited)

Background

Transmission line projects directly contribute to the first priority of the Ministry of Energy and Mineral Development (MEMD), which is - To increase electricity generation capacity and transmission network. Transmission line projects constitute the construction of power lines and their associated substations. GoU and Development partners jointly fund the transmission line projects.

Performance of the transmission line projects

Overall, physical performance was fair as 54.6% of the annual targets were achieved. Majority of the projects implemented by UETCL were in advanced levels of completion although majority of them had surpassed their completion dates. (Table 7.5). The substation works were more impressive except the components on the Nkenda- Fort portal-Hoima transmission line. The only preliminary earth works had commenced at Nkenda and Hoima substation while the fort portal one was still under designs and final securing of the land. The progress of the transmission lines that was hampered by the to the Right Of Way issues. Stringing was not taking place on some transmission line projects due to lack of a continuous access to the Right of Way to the contractor. Such projects included; Mbarara-Mirama, Mbarara-Nkenda, Bujugali- Tororo, Tororo- Lira. Other transmission lines like Karuma Interconnection line had just commenced with detailed route survey for the Karuma- Kawanda section.

Table 7.5: Performance of the Transmission Line Projects

Key outputs	Target	Cum. Achieved Quantity	Score (%)	Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Electricity Sector Development Project(ESDP): Kawanda-Masaka Transmission Line (TL) constructed	100% completed.	83	83	68.173	0.035	2.966	Good performance: Progress affected by ROW and delays in the approval of the special tower designs that were to be located in swampy areas.
ESDP: Kawanda substation constructed	100% completed.	75	75	30.094	0.015	1.183	Civil and electromechanical works in advanced stages. The contractor was affected by the change in design of the gantry or increasing the height

							of the existing conductors at the substation. The location for installation of the gantry has conductors overhead, which makes it impossible to install.
ESDP: Masaka substation constructed	100 % completed.	59	59	17.340	0.009	0.536	Civil works were progressing well after full handover of the substation land.
ESDP: Mbarara substation constructed	100% completed.	53	53	17.340	0.009	0.481	There was a delay in commencement of works. However, civil works were ongoing including construction of the control room, and substation structures.
ESDP: RAP implemented for ESDP. PAPS paid	2471 PAPs paid	1972	79.80575	55.347	0.029	2.316	Majority had been paid and the houses for those for in-kind settlement were ongoing and at various levels of completion. Some PAPs had received their houses. They only observed lack of water harvesting tanks, which they had been promised.
Karuma Interconnection TL	20% completed.	8	40	927.697	0.486	19.457	Project was at preliminary stages of detailed route surveys.
Mbarara- Nkenda TL	100% completed.	56	56	124.292	0.065	3.649	Fair performance: ROW issues greatly affected the projects stringing works. The low performance in stringing works undermines the other project components such as excavations works.
Mbarara-Nkenda; Lira substation	100% completed.	95	95	-	0	0	Good performance despite project delays.
Mbarara-Nkenda; Mbarara old substation	100% completed.	95	95	-	0	0	Cable trenches had been excavated. Awaiting concreting works. All major equipment including reactors had been installed at the substation.
Mbarara-Nkenda; Nkenda substation	100% completed.	95	95	-	0	0	Final finishes were ongoing including card welding and connecting to the substation structures.
Mbarara-Nkenda; Opuyo substation	100% completed.	95	95	-	0	0	Good performance despite project delays.

Mbarara-Nkenda; RAP implemented for Mbarara-Nkenda/Tororo-Lira-Opuyo. PAPS paid	6777 PAPs paid	5446	80	63.618	0.033	2.68	Good performance despite the time overruns and delays in compensations. The contractor has no access to some sites to carry out either stringing or foundation works.
Mbarara-Nkenda; Tororo substation	100 % completed.	95	95	-	0	0	Good performance despite project delays.
Mbarara-Nkenda; Tororo-Lira-Opuyo	100% completed.	56	56	89.362	0.046	2.623	Fair performance: ROW affected progress of works.
Mputa Interconnection; Fort portal substation	30% completed.	15	50	17.774	0.009	0.465	Equipment designs were ongoing at the substation. Land was identified. Preparatory works for the access route ongoing.
Mputa Interconnection; Hoima substation	30% completed.	15	50	17.774	0.009	0.465	Preliminary earth works had commenced at the substation. Full contractor mobilisation had not been achieved.
Mputa Interconnection; Nkenda Hoima TL	60% completed.	30.6	51	151.265	0.079	4.045	Foundation works were ongoing. Lack of access road and ROW affected the project for the transmission line project
Mputa Interconnection; Nkenda substation	30% completed.	15	50	17.774	0.009	0.465	Bush clearance and earth works undertaken. The project supervision consultant had not approved the designs to commence additional works.
Mputa Interconnection; RAP implemented for Nkenda -Fort portal-Hoima	1908 PAPs paid	1682	88	51.369	0.026	2.374	Good performance although some sections of the line had not been handed over to the Engineering Procurement Consultant (EPC) contractor
Nile Equatorial Lakes Subsidiary Action Programme Bujagali Tororo TL	100% completed.	87	87	60.260	0.031	2.748	Progress of works good. ROW however slowed down implementation.
NELSAP: Mbarara Mirama TL	100%completed.	85	85	33.923	0.017	1.511	Good performance: The ROW issues affected stringing works at some sections. Stringing had only commenced in Mirama where the contractor had access to a continuous span. Other locations were scattered making stringing impossible.
NELSAP: New Mbarara Substation	100% completed.	75	75	24.329	0.012	0.956	In advances stages though below target. The contractor demobilised in February 2016 due to delayed payments from UETCL. The Isolux

							contractors had been declared bankrupt and put under receivership. This became risky for GoU to continue making payments.
NELSAP: RAP implemented for NELSAP-PAPS paid	4646 PAPs paid	4093	88.09729	66.438	0.034	3.068	Majority had been paid, although presence of scattered PAPs makes stringing impossible. Stringing had commenced in Mirama due to a continuous available ROW.
NELSAP: Tororo substation	100 % completed.	80.2	80.2	24.329	0.012	1.023	Good progress of works
NELSAP: Bujagali substation	100 % completed.	72.5	72.5	24.329	0.012	0.924	Good progress of works
NELSAP: Mirama Substation	100% completed.	51.2	51.2	24.329	0.012	0.653	Below target: Works were ongoing at a slow pace due to inadequate construction materials resulting from delayed payment to the sub-contractor.
Physical performance of the Programme				1,907.153		54.6	Overall performance was deflated by the components of Mputa Interconnection Project, Karuma Interconnection project and the overall delays in hand over of site to the contractors.

Source: Field Findings

L-R: UETCL constructed house for a PAP in Buwama village, Mpigi district on Kawanda-Masaka TL; Paid PAP who used the funds to construct own house on Kawanda–Karuma TL in Kakabala Parish , Butuntumula Sub-County, Luwero district


L-R: Excavations and steelworks of special tower (Pile) foundations in swampy sections of Buwama in Mpigi district of the Kawanda–Masaka Transmission Line


L-R: Excavation works at Mirama substation; Equipment installations in advances stages of completion at new Mbarara substation


L-R: Completed tower foundation near omitted PAP during compensations, completed PAP house in Queen Elizabeth National Park on the Nkenda- Hoima Transmission Line

Challenges

- Depreciation of most world currencies against the US Dollar affects funding. For instance due to the fall in the Norwegian Kroner (28% against the US Dollar, in 2014) there is a possibility of a funding gap for Hoima-Fort portal-Nkenda.

- Delayed acquisition of ROW for the transmission line projects has hampered project implementation. Challenges associated with the ROW include; differences in valuation rates for UETCL lines in similar areas such as Karuma Interconnection project and Tororo-Lira-Opuyo; and; lower valuations compared to the market rates leading to continued disputes of the compensation rates.

- Delayed payments to the contractors from the UETCL affecting contractor's cash flows. The Isolux Contractor for substation works (New Mbarara, Mirama) under NELSAP demobilized in February 2016 due to delayed payments. They were also unable to pay subcontractors leading to their abandonment of site at Mirama substation. The Kalpataru the contractor for Mbarara-Nkenda/Tororo Lira also experience challenges with cash flows as the 10% retention against the contract for supply of equipment that was concluded in 2014 had not been paid.

- Omission of legible persons during RAP implementation. In Kibuga A village in Kasenda Sub-County on the Nkenda- Fort portal- Hoima line, a single mother whose house lies within the line way leaves was omitted during the RAP implementation. The transmission which will operate initially as 132kV but later as 400kV acquired 30 meters for the 132kV. The acquired land therefore is less than required and directly affects the said PAP as her house lies with in the 40 meters required for the 400kV transmission line

Recommendations

- MFPED, MEMD, UETCL should provide for the funding shortfall to the Nkenda-Fortportal-Hoima project
- Government should acquire uniform corridors for government projects to reduce on the time lost during land acquisition for the different projects.
- UETCL should carry out due diligence while at the same time making timely payments to the contractors.
- UETCL should handle case by case the PAPs who are with in the 40 meters required for the 400kV power line of Nkenda- Fortportal-Hoima.

Overall Performance

Performance of the vote function was fair as 51.3% of the annual targets were achieved. There were observed efforts to increase transmission of electricity as well as ensuring universal access to reliable and modern energy services such as energy saving stoves, wind energy and solar. There is a likelihood of completion of the regional projects to ensure power trade with Rwanda and Kenya. Funding shortfalls affect ROW acquisition and purchase of energy packages such as windmills to harness alternative clean energy for areas like Karamoja that are endowed with favorable wind speeds.

Recommendations

- Government should acquire uniform corridors for its projects to reduce the time lost during land acquisition for the different projects.
- MFPED should release funds according to programme plans.

Vote Function 0302: Large Hydro power Infrastructure

The vote function is intended to support development of large hydropower generation facilities in the country. The fund is geared towards meeting government's endeavors to developing large power projects on a public/private partnership in the medium term. The vote function took 83.40% of the total sector budget. The funds were majorly allocated for Karuma Hydropower Project (HPP). Projects monitored for FY 2015/16 were; Isimba Hydropower Plant and Karuma Hydropower Plant.

7.2.3 Isimba Hydroelectricity Power (Project: 1143)

Introduction

The EPC contractor for the HPP and the Isimba-Bujagali interconnection line is China International Waters and Electric Corporation (CWE). The contract was signed in September 2013 and the groundbreaking ceremony held on 5th October, 2013. The contract sum for the project is US$ 567 million for a period of 40 months.

Project performance

Project performance was very good at 128%. Concreting works were on schedule albeit the observed issues of limited compliance of the EPCC to the directions of the owners engineer. With the increased vigilance of the UEGCL and now, the supervision consultant there is an expected improvement in performance.

The identified cracks were repaired and were stable by August 2016. The contractor continues to study and observe them. Overall financial progress was 40.39% against physical progress of 45%. Despite the project being on schedule the quality of works and level of compliance to the technical specifications in the contract is not satisfactorily demonstrated in the identified cracks. There were observed differences in the methodology to use in the dam construction by the Owner's Engineer and the UEGCL PMC. An example was on the type of formwork tie rods to use in the preparation of formworks for concreting.

A summary of performance is presented in Table 7.6.

Table 7.6: Isimba Hydro Power Project Performance

Output for Concreting /Civil works	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Civil works completed	136,881 m^3 of concrete completed	177,555.5	129.715	786.20	0.975	126.485	Concrete works were on schedule. The target was exceeded for FY2015/16

Power House constructed-Civil works	40,983m3 of concrete completed	66,865.50	163.154	-	0.000	0.000	Exceeded the annual target for concreting works. However overall progress was 47%
Spill Way 1 constructed	35,536 m3 of concrete completed	34,423	96.868	-	0.000	0.000	Was nearly on target for concreting works. Overall progress however was 75.47%
Spill Way 2 constructed	35,821 m3 of concrete completed	34,950	97.568	-	0.000	0.000	Was nearly on target for concreting works. Overall progress however was 77.12%
Gravity Dam 1 constructed	13,239 m3 of concrete completed	17,997.5	135.943	-	0.000	0.000	Exceeded the annual target for concreting works. Overall progress however was 89.07%
Gravity Dam 2 constructed	9,063 m3 of concrete completed	15,675	172.956	-	0.000	0.000	Exceeded the annual target for concreting works. Overall progress however was71.26%
Erection Bay constructed	2,239 m3 of concrete completed	7,644.5	341.425	-	0.000	0.000	Exceeded the annual target for concreting works. Overall progress however was85.94%
Monitoring, Supervision and Appraisal of Capital Works completed	12 months of supervision	12	100.000	6.06	0.008	0.752	Was on target. The monthly progress meetings were held and other additional supervisory meetings
Dam site land acquired	766 PAPs paid	760	99.217	0.57	0.001	0.070	Was nearly on target. The few outstanding PAPS had disputed the disclosed values.
Reservoir Land Acquired	1,717 PAPs paid	1,580	92.021	0.57	0.001	0.065	Not on target. The few outstanding PAPS had disputed the disclosed values.
Transmission Land Acquired	996 PAPs paid	697	69.980	0.57	0.001	0.050	Not on target. The few outstanding PAPS had disputed the disclosed values. The valuation supplementary report had not yet been approved from the Chief Government Valuer(CGV)
Transfers to other government units made	4 quarterly transfers made	4	100.000	6.07	0.008	0.752	This was on target. Funds were transferred to the implementers(UETCL and UEGCL) of the

							project
Commitment charges paid	4 quarterly payments made	4	100.000	6.24	0.008	0.774	This was on target. The commitment charges for the acquired loan was paid.
Total				806.28		128.948	Very good project physical performance

Financial Performance				
Project Budget(Ug shs Bn)	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
806,277,86 6,440	753,850,000,727	753,850,000,727	100	Very good financial performance. The receipts and expenditure exclude funds for manufacture and shipment of hydro and electromechanical works

Source: Field Findings

Box 7.2: Additional information on performance of the Isimba Hydro Power Project

During the FY2015/16, the main planned works were civil works involving excavations and concreting works. Some payments were made with regards to the Electro mechanical, Hydro mechanical and Transmission Line works. Some equipment was under shipment while others were being manufactured. The overall contract price is USD 567,738,990 of which USD 229,303,531.33 had been paid/submitted for payments.

SHODDY WORKS AT ISIMBA HYDRO POWER PLANT.

The identified cracks were located in the stilling basin of the Spillway 1 and 2, Gravity dams, Drainage galleries and powerhouse. These were attributed to the contractor's methods of delivery, placement of concrete and temperature variations leading to thermal cracks. For instance there were issues of:

- Concrete Temperature Control

An ice plant unlike for Karuma HPP is present on site however, some measures were not observed in the aggregate stockpile yard and at the project site: for instance concrete surfaces are not kept moist to speed up the concrete surface heat radiation thus exposing the concrete to cracking

- Waterstop Installation

Several instances of incorrectly installed waterstops were observed during the site visits. If the water stop is not embedded in the concrete on both sides of the joint, water can seep into the powerhouse structure and become a significant maintenance issue.

- Form Tie Removal and Repair

The form ties that are being used on the project do not have a stress inducer, plastic cone or other means to allow the end of the tie to be snapped off below the surface.

The EPC contractor removes the form ties by cutting the bar flush with the concrete surface. The contractor then covers the end of the tie with some type of repair material as shown in the photos below.

- Irregular surfaces on the intakes

Numerous surface irregularities due to form offsets were observed on the concrete wall surfaces in the spillways. These upon operation of the power plant will have fast moving water which can find a weakness on the irregular surface resulting chipping and erosion increasing an avoidable maintenance costs.

- Continuation of works without design approvals

Construction of the Left Embankment Dam continued despite Owners engineer asking the EPCC to suspend the works until complete approvals of the designs.

REGISTERED IMPROVEMENT/ NO IMPROVEMENT UPON CITING OF THE CONSTRUCTION ISSUES.

Overall, there is some responsiveness from the contractor to the issues that the Owner's Engineer (OE) and Uganda Electricity Generation Company Limited (UEGCL) Project Management Consultant (PMC) identifies. For instance;

The EPCC has repaired the cracks identified in the spillway, Gravity dam, and powerhouse. These were identified as thermo cracks are currently stable. These were continued to be observed.

The EPCC has continued with the construction the embankment dams despite being stopped by the Owners Engineer. Soil materials of the Right Embankment Dam whose construction has not commenced however, have been taken to China for testing.

Source: Field Findings


L-R: Repaired crack at the stilling basin of the spillway; Civil works at the Embarkment Dam at Isimba HPP


L-R: Contractor removing non recommended formwork ties; Holes created upon removal of the formwork ties before being filled at Isimba HPP

7.2.4 Karuma Hydroelectricity Power (Project: 1183)

Background

The GoU is developing Karuma HPP as a public investment to generate 600MW of electricity. The medium term objective of the project is the ultimate development of Karuma

Hydropower Plant and its associated transmission line interconnection. The Hydropower plant will contribute to increasing the power supply in the country, and possibly in the East African region.

Increasing power generation capacity through development of large hydropower plants and building new transmission lines to evacuate power from new generation plants and improving power service delivery to different areas of the country, are key areas of focus in the National Development Plan II (NDP II).

Project performance

Overall, financial progress was 31.23% against physical progress of 45%. The mismatch in financial and physical is due to the nature of contract that allows payments after attainment of a milestone. Excavation works are slightly ahead of schedule while concreting works are behind schedule. The concreting works in the dam area and intake were still under suspension since April 2016. There was an attempt to resume works at the dam site but there were issues use of steel formworks as opposed to the recommended wood form works.

Project concreting works are behind schedule while excavation works are on schedule. The cracks identified in the spillway had not yet been repaired while those identified at the power intake were still under investigation. There is evidence of differences in methodology of works as perceived by the Owners engineer and UEGCL PMC. Table 7.7 details the summary of performance.

Table 7.7: Performance for Karuma Hydro Power Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Civil works done	584,192.4	539,278.35	92.312	3,557.340	0.964	88.968	
The excavation of Dam site	44,932.00 m^3 completed	44,932.00	100.000	-	0.000	0.000	Was on target.
The structure concrete of No.1~No.15 Dam	37,467.3 m^3 of concrete completed	12,044.5	32.147	-	0.000	0.000	There was slow progress. Concreting works were suspended in April 2016 upon identification of the cracks in the completed works of the spill way. The works had resumed at the end of June but later stopped. The EPC was asked to stop works due to use of steel formworks against the recommended wooden formworks.

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Excavation and support of Power Intake	469,599 m^3 of completed	469,599	100.000	-	0.000	0.000	Was on target.
Structure Concrete of Power Intake	23,566.8 m^3 completed	4,158.4	17.645	-	0.000	0.000	There was slow progress. The works that commenced in June were later stopped due to occurrence of cracks.
No.1 Ventilation shaft (on the Left Bank)	96.3 m completed	96.3	100.000	-	0.000	0.000	Was on target.
No.2 connect shaft (Underground tunnels)	34m completed	34	100.000	-	0.000	0.000	Was on target.
No.3 Ventilation shaft (on the left bank)	135.8 m completed	135.8	100.000	-	0.000	0.000	Was on target.
No.5 Ventilation shaft (In the TRT Area)	92.5 m completed	42.5	45.946	-	0.000	0.000	Off target. works were however ongoing
Cable-vert shaft (On the Left Bank)	106.95 m completed	74.1	69.285	-	0.000	0.000	Off target. Works were however ongoing
The Tunnel excavation of EVT	1029 m completed	1029	100.000	-	0.000	0.000	Was on target.
The Tunnel excavation of MAT	1322 m completed	1322	100.000	-	0.000	0.000	Was on target.
The Tunnel excavation and support of Adits	4570 m completed	4570	100.000	-	0.000	0.000	Was on target.
The Tunnel excavation and support of HRT from Adit-1	889.75 m completed	889.75	100.000	-	0.000	0.000	Was on target.
The excavation and support of pressure shafts	351 m completed	351	100.000	-	0.000	0.000	Was on target.
Commitment Charges paid	4 quarterly payments made	4	100.000	89.896	0.024	2.435	Was on target.
Transfers to other government units made	4 quarterly payments made	4	100.000	38.399	0.010	1.040	Was on target.
Monitoring, Supervision and Appraisal of	12	12	100.000	5.421	0.001	0.147	Was on target.

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Capital Works							
Total				3,691.057		92.59029	This is very good physical performance

Financial Performance				
Annual Programme Budget (Ug shs)	Cumulative Receipts (Ug shs)	Cumulative expenditure (Ug shs)	Financial Performance Score (%)	Remark
4,475,253,632,000	1,530,329,975,086	1,530,329,975,086	100	The receipts presented are only for civil works and annual contribution from GoU for the project

Source: Field Findings

Box 7.3: Additional information on performance of the Karuma Hydro Power Project

During FY2015/16, the main planned works were civil works involving excavations and concreting. Some payments were made with regards to the Electro mechanical, Hydro mechanical and Transmission Line works. Some equipment was under shipment while others were being manufactured. The overall contract price is USD 1,398,516,760 of which USD 436.7 Million had been paid/submitted for payments.

There were also observed differences in the methodology to use in the dam construction by the Owner's engineer and the UEGCL PMC. An example was on the type of form work tie rods to use in the preparation of formworks for concreting. To improve on the project management structure, the current process of approval for payments to the contractor is as follows.

Once the contractor has accomplished works, he submits the request to the Owners engineer who then submits the request with comments to the UEGCL. The UEGCL reviews with comments and forwards to MEMD. The MEMD reviews and comments then sends the request back to the Owners engineer for certification before payments can be made. This arrangement is a good starting point towards improvement of the management structure of Karuma HPP and is likely to resolve issues.

SHODDY WORKS AT KARUMA HYDRO POWER PLANT

Cracks were identified in the spillway at the dam site and power intake. These were attributed to the ineffective methods of delivery, placement of concrete and temperature variations leading to thermal cracks. The concreting works were suspended in April 2016 for the spillway blocks while the concreting works for the power intake were stopped in June 2016. An attempt was made to resume concreting works in the spill way and general dam site but these were stopped due to utilization of steel formworks compared to the recommended wood formworks for concreting. Some of the identified issues relating to shoddy works included:

Concrete Temperature Control

Karuma HPP did not have an ice plant to control for temperature variations during concreting and curing. Concreting works were expected therefore fully resume upon arrival of the ice plant that was reportedly under transit from China. This may cause project time overruns if the equipment does not arrive in time.

Form Tie Removal and Repair

The form ties that were being used on the project did not have a stress inducer, plastic cone or other means to allow the end of the tie to be snapped off below the surface.

The EPC Contractor would remove the form ties by cutting the bar flush with the concrete surface. The EPC

Contractor then covers the end of the tie with repair material.

Registered improvement/ no improvement upon settling of the construction issues

Overall there is some responsiveness from the contractor to the issues that the OE and UEGCL PMC identifies. For instance;

The EPCC has suspended concreting works in the spillway and power intake. The identified cracks were to be repaired by a specially hired contractor who was expected during the first quarter of FY2016/17. The contractor also complied with the change in the methodology of placement of concrete as done for the trial at one of the spillway blocks. The trial was done using controlled placement of concrete.

The EPCC is now using the recommended formwork tie rods that allow for easier removal of the steel rods.

Source: Field Findings

L-R: Civil works at bench III of Power House **Civil works at the power intake**

L-R: Some of the observed cracks at the Spillway section and Civil works at Karuma HPP

Overall Performance

Performance of the large hydropower plants was very good at 110%. Civil works were generally on schedule. Development of the dams would be on track but the poor procurement management, contract structure, award and lack of coordination between the UEGCL and MEMD has resulted into the two parallel and often conflicting project supervision chains of command and communication protocols at Karuma and Isimba HPP. This has paralyzed project implementation. Any delays in harmonization of the project management structures will lead to time overruns and ultimately into the demand for electricity being higher than supply. The arising issues of quality of works points to poor procurement management where cost was carried higher weight than pro

Challenges to programme implementation

- **Poor procurement management, contract structure and award resulting into two parallel and often conflicting project supervision chains of command and communication protocols at Karuma and Isimba HPP**, namely
    i. Engineering Procurement Construction Contractor to Owners Engineer (Supervisor of contractor) (OE) to MEMD
    ii. Project Management Consultant(PMC) to UEGCL to MEMD

Both the OE's and EPCC's contracts are with MEMD. The functions of OE are spelt out in the EPC contract. On the other hand, PMC is contracted by UEGCL but their roles are not defined in the EPC contract which is the primary document governing the construction works for Isimba and Karuma Hydropower Projects. Although the tripartite MoU between MEMD, UEGCL and UETCL envisages MEMD delegating to UEGCL the role of Project Manager to whom OE and EPCC should directly relate, this function has not been fully operationalized.

Lack of clear project management structure amidst presence of many stakeholders in the project implementation has affected progress of works. It was noted that in some instances even after agreeing to the methodology to employ to complete an assignment. The parallel consultants later disagree exacerbating delays.

- **Lack of ROW:** The EPCC lacks access to the land where the Right Embankment Dam at Isimba HPP is to be constructed. A letter of intention to claim for access road construction delay and a claim for land acquisition of right bank dam site area were under preparation.

Recommendations

i. There is urgent need to harmonize the administration of the contract at Isimba HPP. An addendum can be made to the contract with the guidance of the Attorney General so that the EPCC reports to UEGCL for inspection and verification before submitting the IPCs to MEMD for verification and approval for their payments.
ii. The PPDA should empower the contract committees with requisite skills on when to consider more of what measure during selection of best bidders for different projects. Quality should always be emphasized during selection of large investments of public funds.
iii. MEMD should fast track land acquisition for the contractor to avoid project delays.

Vote Function 0303: Petroleum Exploration, Development and Production

The vote function effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The Directorate of Petroleum (DP) in the MEMD is responsible for promoting and regulating the petroleum upstream (exploration, development and production) sub-sector in the country. The directorate is also handling the development of the country's petroleum midstream subsector, which involves planning for the development of the refinery and pipelines in the country. The vote function took up 4.18% of the total sector budget for FY2015/16.

The DP implements three development projects namely; Construction of the Oil Refinery (Project 1184); Midstream Petroleum Infrastructure Development (Project 1352) and Strengthening the Development and Production Phases of Oil (Project 1355);

7.2.5 Construction of the Oil Refinery (Project 1184)

Background

There was a significant exploration success in 2006 which determined that the Albertine Graben contained sufficient oil reserves. The discoveries are currently estimated at 3.5 billion barrels of oil in place and about 1.2 billion barrels of recoverable oil[45].

Following the exploration success in Uganda, MEMD formulated a Refinery Development Program (RDP) to guide the development of the refinery and its associated infrastructure. As a step towards implementing the RDP, GoU undertook a feasibility study for the development of an oil refinery which was completed in August 2010. The study determined that it is feasible to develop an oil refinery. The Public Private Partnership project commenced in July 2011; and is expected to be completed on 30th December 2016.

Project performance

Performance was good at 75%. Activities like Pre-Final Investment Decision activities for refinery development had not commenced. With the completion of Master plan and detailed design for the airport completed. The Civil Aviation Authority is expected to take forward the development of the airport with an expected funding requirement estimated at US$ 230 million (Table 7.8).

Table 7.8: Performance of the Oil Refinery Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Capacity Building for the oil & gas sector (Human resource capacity for crude oil refining, gas processing and utilization, transportation and storage developed and maintained, Midstream institutional framework implemented.	100	100	100	1.870	0.061	6.084	On target

[45] MFPED; Public Investment Plan FY2015/16- 2017/18

Oil refinery construction(Special Purpose Vehicle (SPV) for the refinery development formulated, All property owners from the refinery land full compensated and resettled	100	73	73	26.616	0.866	63.216	The refinery negotiations were concluded and agreements stabilised in May 2016. The agreements were expected to be signed in early June 2016 but this did not happen. The Consortium raised new issues that had been agreed which was not agreeable to Government and as a result, the negotiations halted. The non-paid property owners are due to absentee property owners, those that queried the property valuations.
Participate in Regional Initiatives (Participate and continue the promotion of investment in refinery, pipelines and other Midstream infrastructure at regional level.)	100	100	100	0.269	0.009	0.875	On target.
Promotion of the Country's Petroleum Potential and Licensing (Regulations for midstream petroleum operations developed and issued, Standards and Codes for midstream petroleum operations and facilities developed and issued.)	100	90	90	1.981	0.064	5.799	40 draft standards developed and approved by the National Standards Council, The Technical Working Group on Refining and Transportation under the Department continues to develop additional standards for Midstream operations.
Physical Performance of the programme				30.735		75	This is good physical performance
Financial Performance							
Annual Programme Budget	Cumulative Receipts		Cumulative expenditure		Financial Performance Score (%)		Remark
30,735,167,416	30,735,167,415		30,079,062,813		97.865		This very good financial performance

Source: Field findings

Construction works on the various attendant infrastructure were ongoing and were at the different levels of completion. Table 7.9 shows details of performance.

Table 7.9: Performance of In-kind compensation/ onstruction of houses and attendant infrastructure

Scope of works	Physical performance
In-kind compensation/construction of houses and attendant infrastructure The category of PAPs that are planned for in-kind houses include; widows and the elderly as identified from the social economic impact assessment that was carried out for the project. These are considered vulnerable and are not likely to be able to construct their own houses once given cash compensations. The total number of PAPs for in-kind settlement is 86 down from 93 PAPs. The 7 PAPs later opted out and requested for cash compensation instead of land that they were to be given. Of the 86 PAPs, 46 qualify for houses, as they are both vulnerable and also had their residences in the affected land with the 40 qualifying for land. Land totaling to 533 acres was acquired in Kyakaboga village, Buseruka sub-county, Hoima district. The land boarders with the Kabaale parish where the refinery will be constructed. Housing units and other amenities for the PDPs will be constructed on the land with also provision for additional land for agriculture and establish other amenities, and to give the 40 PAPs who didnot have houses on the affected land and preferred land to cash compensation.	
Establishment of housing units	
Kyakaboga Housing site (46 housing units) (3 bedrooms with an external kitchen, 2 stance pit latrine, bathroom and rainwater harvesting system)	The contract for housing estate was awarded to Sumadhura Technologies Limited at a contract sum of Ug shs 4,380,966,347. The contract start date was 23rd September 2015 with an expected completion date of 3rd July 2016. This was not achieved and an extension to 30th September 2016 was granted. The contractor is to establish 46 housing units. Preliminary works of site clearance commenced in October 2015. Overall, physical progress was 76%. Delays in implementation was attributed to delays in payments and design changes.
Construction and rehabilitation of schools	
2 new schools constructed: Nyahaira Primary School (Nzorobi Village) Kyapaloni Primary School (Katooke Village) Scope of works for construction include; construct and furnish; 7 blocks x three streams/class rooms; 1adminstration block, construction of teachers' houses, and VIP latrine blocks. General scope of works for rehabilitation include; replacement of	The contract was awarded to Build Base Contractors Limited at a contract sum Ug shs 4,464,994,684. The contract start date was 23rd September 2015 with an expected completion date of 30th July 2016. Construction works: By 2nd August 2016, the contractor was on site for construction of Nyahaira Primary School. The sub and superstructure were completed. Works ongoing on the lined latrines. Rehabilitation works Works were ongoing at Buseruka Primary School. These included; chipping of the walls and veranda in preparation for recasting. Works

windows, iron sheets, plastering, working on the floors of 3 class room blocks and an administration block at Buseruka Primary School	waiting completion include; replacement of wooden with metallic windows, roof, renovation of walls and floors. The observed works were of poor quality. There were leakages on the roof, there were cracks observed in the water tank base.
Rehabilitation of Health Centres	
Health Centre: Construction of a new maternity ward, a general ward, , staff houses, pit latrines, tanks for rain water harvesting, fencing facilities and renovation of existing buildings as well as supply and installation of an assortment of HCIII equipment at Buseruka Health Centre III and Kabaale Health Centre III	The contract for the rehabilitation of Kabaale and Buseruka HC III was awarded to Trans Action International at a contract sum of Ug shs 3,303,817,752. The contract start date was 1st October 2015 with and expected completion date of 30th July 2016. Physical progress was 65% for Kabaale and 68% for Buseruka health centre III.

Source: Field Findings


L-R: Classroom block at Nyahaira PS; Housing unit at Kyakaboga in Kabaale sub-county, Hoima district

Challenge to project implementation

- Absentee property owners are delaying project implementation.

7.2.6 Midstream Petroleum Infrastructure Development (Project 1352)

Background

The main objective is to establish processes and build human resources and institutional capacity for the planning, development and operation of bulk petroleum pipelines and storage infrastructure to enable the realization of the country's plans for commercialization of its oil and gas resources[46].

[46] MEMD *Ministerial Policy Statement 2015/16* (Kampala 2015) Pg 64

Project performance

Performance of the Midstream Petroleum Infrastructure Development Project was good at 73%. Smooth implementation was however hampered by the delayed conclusion of the discussions with the preferred lead investor. The project funding is low compared to the required project deliverables. Summary of performance is presented in table 7.10.

Table 7.10: Performance of the Midstream Petroleum Infrastructure Development Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Acquisition of land by government (RoWs for the pipelines and storage facilities acquired, Undertake the RAP study and its implementation for the Multi-products pipeline from the refinery to Buloba Terminal.)	100	62	62	1.725	0.697	43.212	Consultancy fees for the detailed and environmental route survey for the Hoima-Kampala products pipeline paid. Topographic surveys for the Hoima-Buloba product pipeline undertaken
Capacity building for the oil & gas sector	100	100	100	0.200	0.081	8.081	Training fees and allowances for officers undertaking training in pipeline development and maintenance
Monitoring Upstream petroleum activities	100	100	100	0.050	0.020	2.020	Monitored field activities for the detailed route survey and Environmental Baseline study for the Hoima - Kampala products pipeline
Participate in Regional Initiatives	100	100	100	0.300	0.121	12.121	Participated in tripartite summit meetings in Kigali, Rwanda. Participated in 2 Northern Corridor Integrated projects meetings notably the 11th Summit meeting held in October 2015 in Nairobi, Kenya
Promotion of the country's petroleum potential and licensing (Investments in petroleum pipelines and storage facilities promoted in Uganda and regional level.)	100	100	100	0.200	0.081	8.081	A decision to develop the crude oil export pipeline from Kabaale, Hoima to Tanga Port in Tanzania made on 23rd April 2016 during the 13th Northern Corridor Integration Projects Summit held in

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
							Kampala, Uganda.
Total				2.475		73.5	This is good physical performance of the programme
Financial Performance							

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,475,000,000	2,150,000,000	2,116,440,486.00	98.4	This is very good financial performance

Source: Field Findings

Challenge to project implementation

- Inadequate funding to achieve project outputs.

Recommendations

- The MEMD should prioritize funding allocations to the Midstream Petroleum Infrastructure Development Project.
- The MFPED should release funds according to the approved work plans. Using available funding as criteria to distribute funding serves to make outcomes unachievable.

7.2.7 Strengthening the Development and Production Phases of Oil and Gas Sector (Project 1355)

Background

The project is aimed at putting in place institutional arrangements and capacities to ensure well-coordinated and results oriented Resource management, Revenue management, Environmental management and HSE management in the oil and gas sector in Uganda" in order to contribute to the achievement of the objectives of the National Oil and Gas Policy (NOGP).

Performance of project

Performance was good at 80%. There were efforts to conclude the reviews of the applications for the production licenses and licensing of the new blocks to the prospective investors. Reviews were in advanced stages and issuance of the production licenses to Total E&P and Tullow was due. The delays in the conclusion of the application reviews led to slow fieldwork activities and downsizing of the petroleum companies. Summary of progress is presented in table 7.11.

Table 7.11: Performance of Strengthening the Development and Production Phases of Oil and Gas Sector

Key outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Promotion of the Country's Petroleum Potential and Licensing (Licensing of the unlicensed and relinquished areas in the Albertine Graben undertaken; EIA for speculative (non-exclusive) seismic survey in the Albertine Graben undertaken,	100.00	100	100	1.000	0.064	6.375	On target.
Initiate and Formulate Petroleum Policy and Legislation (New Regulations and guidelines for the upstream activities developed, Model PSA reviewed and updated, Monitoring and Evaluation (M & E) strategy for the National Oil and Gas Policy (NOGP) implemented. Development of the National Content Policy and Strategic Plan for oil and gas sector implemented.	100	76	76	1.000	0.064	4.845	Good performance. However, the M&E database contract had just been awarded and the consultant commenced the assignment. The Inception Report was approved and the assignment continued.
Capacity building for the oil & gas sector (National expertise for the oil and gas developed and maintained, Existing and new staff trained at the industrial and on-the-job level both abroad and in the country)	100	100	100	2.500	0.159	15.937	On target - Capacity building continued.

Key outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Monitoring Upstream petroleum activities(Continue monitoring development operations in areas with Production Licenses; Que$tor, Cost monitoring tool and access to Que$tor international database procured;	100	85	85	2.590	0.165	14.034	Good performance. The department monitored the operations of the upstream companies. Que$tor, Cost monitoring tool and access to Que$tor international database however was not procured.
Transfer for Petroleum Refining (Midstream Unit) (Administrative functions of the new institutions adequately supported)	100	100	100	4.396	0.280	28.027	The new Institutions (Petroleum Authority Uganda and Uganda National Oil Company) commenced their operations.
Government Buildings and Administrative Infrastructure (Construction of Phase-3 of the new Data Centre at Entebbe commenced)	30	15	50	3.600	0.229	11.475	Initiated the procurement to construct Phase-3 of the new Data Centre, Labs and Office Building at Entebbe. The construction of access road commenced in July 2016.
Purchase of Specialised Machinery & Equipment	100	30	30	0.600	0.038	1.147	Servicing of the laboratory equipment at the department were undertaken and are now operational. The Procurement of Global Positioning System sets

Key outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
							and Gravity meter carried forward to FY 2016/17.
Participate in Regional Initiatives	100	100	100	0.000	0.000	0.000	The activity was funded from the recurrent funds of the upstream department
Total				15.686		80.69348034	This is good physical performance of the programme

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
15,686,410,877	10,918,912,915	10,718,016,529	98.16	This is very good financial performance

Source: Field findings

Overall Performance

Programme performance was good at 76%. The new institutions to oversee development of the discovered oil were created. The international oil prices are affecting the impetus of the petroleum companies to expedite addressing the identified issues in their applications as its perceived not profitable to obtain the licences. Some activities critical for the refinery development were however still lagging. The refinery negotiations for establishment of a special purpose vehicle had not been concluded as the lead investor consortium raised new issues to GoU. There may be need to consider the alternate bidder -SK Engineering or Restructure the Refinery project to consider retendering with different terms

Challenge to project implementation

- Inadequate and untimely funding. The project obtained 70% of the revised budget thus affecting the smooth staffing of the new oil institutions.

Recommendation

- The MFPED should release funds according to plan to support the smooth operation of the National Oil Company and the Petroleum Authority Uganda.

Vote Function: 03 04 Petroleum Supply, Infrastructure and Regulation

This vote function inspects and monitors the operations of private oil companies with respect to volumes, prices, product quality, safety of operation, technical and environmental standards. It manages and ensures that the country has sufficient national strategic reserves to act as a reserve buffer when there is a supply outage and stabilize the supply of petroleum products in the country. It also implements the Petroleum Supply (General) Regulations, 2009. The vote function took up 0.49% of the sector budget for FY2015/16

7.2.8 Downstream Petroleum Infrastructure (Project 1258)

Background

Uganda is not yet an oil producing country. Oil exploration is going on in western Uganda and commercial oil and gas discoveries have been made in the Albertine Graben of Western Uganda in Hoima and Buliisa Districts. Plans to construct an inland oil refinery targeting both the domestic and regional market are underway with feasibility study for the same completed.

Performance of project

Performance of the downstream petroleum infrastructure was fair at 58%. Details in table 7.12.

Table 7.12: Performance of the Downstream Petroleum Infrastructure Project

Key outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Acquisition of land by government (Eldoret-Kampala, Kampala-Kigali products Pipeline constructed)	299.60 Acres of land	299.60	100	5.200	0.473	47.273	Paid the PAP about 90% of funds. The valuations made in 2009 were perceived low. A letter was written to Solicitor General to guide on the additional payments to the PAPs. The RAP study was also done. The Buloba terminal land was prioritised as it supports both pipeline and additional pipeline from the oil refinery. Proccess for title processing had commenced.
Acquisition of other capital Assets (Nakasongola strategic reserves facility	100% completion	30	30	3.700	0.336	10.091	Inadequate funds to restock the reserves and rehabilitate the Nakasongola

completed and operational, Plans for Buloba Multi User Product terminal produced,Jinja storage tanks (JST) restocked and operations monitored)							reserves. Only the Jinja reserves had a wall fence constructed.
Purchase of Office and ICT Equipment, including Software (National Petroleum Information System Upgraded, Subscription to PIS agencies maintained, NPIS maintained)	100% completion	0	0	0.700	0.064	0.000	Off target as none of the outputs were achieved.
Purchase of Specialised Machinery & Equipment (Downstream petroleum policy put in Place; Technical regulations (standards and codes of practice) reviewed and implemented.)	100% completion	10	10	1.400	0.127	1.273	Procurement was initiated but later halted as a petroleum policy, which is all-encompassing, was under preparation.
Total				11.000		58.636	This is fair physical performance of the project

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
11,000,000,000	8,291,014,949	8,201,950,874	98.925	This is very good financial performance

Source: Field findings

Wall fence constructed at Jinja storage tanks in awaiting final finishes

Overall assessment

Performance of the programme was fair at 58%. The Ugandan economy is however still insecure due to absence of functioning fuel reserves. Nakasongola reserves are dysfunctional while Jinja only had 500,000 liters compared to the expected 30 million liters. Land required for the pipelines to Kenya and Rwanda were far from securing, as the valuations made in 2009 are outdated necessitating fresh valuations.

Challenge to project implementation

- Inadequate funding to achieve project outputs.

Recommendations

- The MEMD should prioritize funding allocations to the downstream petroleum project.
- The MFPED should release funds according to the approved work plans. Using available funding as criteria to distribute funding serves to make outcomes unachievable.

03 05 Mineral Exploration, Development & Production

The vote function is responsible for the functions under the mineral sector. This involves mineral exploration and investment promotion to achieve this objective the sub-sector undertakes collecting, collating, processing, analyzing, archiving and disseminating geodata, monitor and assist small scale miners and also enforce regulations in the sub-sector. The vote function also undertakes airborne geophysical surveys to acquire airborne magnetic, radiometric and some electromagnetic covering the entire country. The vote function took up 0.45% of the sector budget for FY2015/16.

7.2.9 Mineral Wealth and Mining Infrastructure Development (Project: 1353)

Background

After restructuring of Ministry of Energy and Mineral Development in 2012/13, mineral sub-sector is now a Directorate of Geological Surveys and Mines that is composed of three (3) departments as follows: Geological Surveys Department, Mines Department and Geothermal Resources Department. These institutions have been created to solve part of Uganda enduring challenges which are compounded in poverty and unemployment arising from huge growing young population and their expectations are many. Thus mineral-subsector must deliver socio-economic transformation with inclusive economic growth in the development process. The sub-sector can employ both directly and indirectly since in 2011-2014 at least 26.5% of the population was employed in the mineral sub-sector more especially as Artisanal and Small Scale Miners (ASM) and quarrying industrial minerals, such as salt, clay, sand, aggregates stones and slates (UBOS 2011, NDP-1).

Project performance

Performance of the project was fair at 69%. Details are summarized in table 7.13.

Table 7.13: Performance of Mineral Wealth and Mining Infrastructure Development project FY2015/16

Output	Annual Target % age or No	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Land for government acquired. Land for Seismological stations acquired and surveyed.	100	0.20	0.2	0.100	0.016	0.003	Initiated procurement for land of seismological station but stalled awaiting input from Uganda Land Commission.
Government Buildings and Service Delivery Infrastructure. Four (4) Mineral beneficiation centres constructed in Karamoja, FortPortal, Ntungamo and Tororo	80	45	56.25	3.151	0.495	27.826	Procurement of a contractor for construction of Karamoja regional office and mineral beneficiation centre in Moroto was initiated and at evaluation level. Land in other sites had not been obtained but processes were at different levels of completion.
Health safety and Social Awareness for Miners: Artisanal and Small Scale Miners Mainstreamed	100	100	100	0.100	0.016	1.570	Performance was on target. For instance, profiling of ASM was undertaken in Mubende, Namayingo and Moroto Districts.
Institutional capacity for the mineral sector(Staff trained, Mineral certification infrastructure established, Improved mineral laboratory in Entebbe)	100	100	100	0.309	0.049	4.851	Performance on target

Licencing and inspection	100	100	100	0.800	0.126	12.558	Performance on target. 30 ASM mining operations were inspected and sensitized on the mining legislation and regulatory framework that governs the mineral sector.
Mineral Exploration, development, production and value-addition promoted.(Minera l reserves established for development (Iron Ore, Rare Earth Elements and Uranium, Geological and geochemical maps coverage increased, Mineral reserves identified and Mapped)	100	100	100	0.460	0.072	7.221	Performance was on target. For instance; Four mineral targets were appraised namely: (i) Uranium at Ndale volcanic field, (ii) Kitgum West Uranium anomaly, (iii) Rutenga Iron Ore and (iv) Geophysical survey of graphic occurrence in Orom, Kitgum District.
Policy Formulation Regulation(A new Legal, fiscal and regulatory framework developed.(Earth quake Administration , Mineral Value Addition ,Mineral Laboratory Policies Developed;	100	60	60	0.400	0.063	3.768	The draft mineral policy(Green Paper) is in place and posted on the MEMD website, The procurement of the laboratory policy consultant was not done due to funding. Mineral Value Addition Policy has been developed and merged in proposed new mineral policy.
Purchase of Motor Vehicles and Other Transport	4	4	100	0.700	0.110	10.989	Four Motor Vehicles were procured from Cooper (U) Ltd and delivered to

Equipment							DGSM to facilitate project activities.
Purchase of Office and ICT Equipment, including Software (Seismic data display systems, screens, security cameras, software procured and installed.)	100	10	10	0.120	0.019	0.188	Procurement initiated but stalled due to limited funds
Purchase of Specialised Machinery & Equipment(Specialized equipment for earthquake monitoring)	100	10	10	0.120	0.019	0.188	Initiated but failed due to limited funds
Acquisition of other capital Assets (Mineral certification infrastructure acquired.)	100	10	10	0.110	0.017	0.173	Procurement was initiated but Accounting Officer did not authorise due to unavailability of funds
Total				6.370		69.334	This is fair physical performance of the project

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
6,370,190,453	3,738,180,000	3,541,410,252	94.736	This is very good financial performance

Source: Field findings

Overall assessment

Performance of the programme was fair at 69%. There were efforts to achieve the outputs amidst the inadequate funding, which performed at 59% of the revised budget. The most affected output was acquisition and survey of land for seismological stations and purchase of various equipment.

Challenges to project implementation

- Delays in the procurement process because of overlapping powers, consultations and approvals on Terms of Reference (ToRS) from other ministries like MOWT.
- Land encumbrance for seismological facilities and regional offices have delayed the compilation of design and construction.

- Lack of suitable vehicles for inspections of mineral exploration and mining activities.
- Staffing levels are inadequate; most times staff are shared among 3 departments causing delays in execution of work.

Recommendations

- The Office of the Prime Minister should prevail on all the MDAs to improve coordination efforts for projects that require various inputs. There are normally reported delays in receiving clearance or inputs from different MDAs.

7.3 Vote 123 Rural Energy Electrification Agency (REA)

Background

The REA was established as a semi-autonomous agency by the MEMD through Statutory Instrument 2001 no. 75. It seeks to operationalize Government's rural electrification function under a public-private partnership. In FY2013/2014, the agency was upgraded to a vote status.

Mandate and Mission

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

Overall Performance

The vote release performance was very good. Expenditure performance was similarly very good at 99% expenditure of the released funds (table 7.17).

Table 7.17: Financial Performance of the Vote

REA						
Component		Approved budget (Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	Percentage releases	Percentage spent
Recurrent budget	Wage	0	0	0	0	0
	Non-wage	0	0	0	0	0
Development budget	GoU	46.976	47.404	46.82	101	99
	Donor	11.904	37.346	37.346	314	100
T&A	Arrears	0	0	0	0	0
	Taxes	0.428	0	0	0	0
NTR	Non tax revenue	31.8	31.8	31.43	100	99
Totals	Grand total	91.108	116.55	115.596	128	99
	Excluding Taxes and Arrears	90.68	116.55	115.596	129	99

Source: REA Annual performance report Q4 FY2015/16

Vote function 0351: Rural electrification

The vote function is responsible for construction of mini grids, intensification of consumer connections, construction of mini hydro power plants and grid extensions.

7.2.10 Global Partnerships on Output Based Aid - Grid Extension Program (Project 1261)

Background

The Global Partnership on Output-Based Aid (GPOBA) through the World Bank (IDA), the Government of the Federal Republic of Germany and the European Union (EU) through the German Financial Cooperation (KfW), and the GoU funds the Uganda grid-based Output Based Aid (OBA) Project.

The objective of the OBA Project is to provide improved access to electricity to poor households throughout Uganda. The Project subsidizes the full cost of connections to poor households within the low voltage network who need no pole service and are able to pay for internal house wiring and the energy consumed.

Eligible Customers

Under the project, criteria for eligibility for the OBA subsidy are:

- Household location within License Area of the Licensed Distribution Company (LDC), but not in list of excluded urban areas.
- Household application for connection and ability to be serviced by a no pole connection from the nearest distribution line.
- Household's completion of internal wiring at the time of application for a connection or application for a load-limited ready-board solution.
- Household's ability to pay the cost of inspection and the security deposit (for postpaid meters only).
- Eligibility of poor households identified by the poverty mapping
- Household not connected for at least 18 months after the distribution line was completed

Compliance with the household eligibility criteria was a precondition for subsidy disbursement and was to be verified by an Independent Verification Agent (IVA).

Licensed Distribution Companies – LDCs, make the electricity connections under the OBA project namely; Umeme limited, West Nile Rural Electrification Company (WENRECO), Ferdsult Engineering Services Limited (FESL), Kilembe Investments Limited (KIL), Bundibudyo Energy Cooperative Society (BECS), Pader – Abim Community Multi-Purpose Electric Cooperative Society Limited (PACMECS) and Uganda Electricity Distribution Company Limited (UEDCL). REA is in advanced stages of securing the participation of Kyegegwa Rural Electric Cooperative Society (KRECS) under the OBA project. The Rural Electrification Board approved the participation of KRECS under the OBA project. The Solicitor General approved the implementation agreement. The agreement was signed in January 2016 and connections started in the KRECS service territory.

Project performance

Performance of the Output Based Aid was good at 79%. There is consensus that the free connection project has greatly contributed to the increased access to power although the very poor continue to be left out due to wiring costs. (Table 7.14). The financial capacity of the ‘‘smaller’’ service providers is however low making the financial repayment mechanism non-favourable. Exclusion of key social institutions has compromised the energy access to complementary sectors of education and health services.

Table 7.14: Performance of the Output Based Aid Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Increased rural household connections	82,150	64,976	79.094	36.324	1	79.094	
Total				36.324		79.094	This is good physical performance
Financial Performance							
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
36,324,275,687	36,324,275,687	22,962,615,093	63.21	This is fair financial performance. The pending payments were awaiting conclusion of the verification of the submitted connections by the independent verification agent.			

Source: Field findings

The performance was good at 79%. Achievement of set targets was highest by UMEME and lowest by WENRECO and FESL (Table 7.15).

Table 7.15: Connections made by service provider

Service Provider	Annual planned	Achieved	% performance
UEDCL	3,200	2,350	73%
UMEME	67,500	58,487	87%
PACMECS	450	240	53%
WENRECO	1,200	0	0%
FESL	1,200	0	0%
BECS	3,600	2,143	60%

KIL	4,000	1,431	36%
KRECS	1000	325	33%
Totals	82,150	64,976	79%

Source: REA, OBA Q4 FY2015/16 Performance Report

Box 7.4: PACMECS, KRECS,UEDCL Beneficiary interviews

All the beneficiaries were happy with the intervention and mentioned the following benefits.

- Improved lighting compared to the kerosene lamp used before.
- Ability to watch TV
- Ability to charge phones
- Ability to work longer hours in the shops
- Ability to commence businesses like for metal fabrication and drug shop
- The beneficiaries however noted the following challenges:
- High power tariffs
- The VAT and service fee was perceived as unfair

Source: Field Findings

Challenge to project implementation

- Inadequate funding particularly from the GoU counterpart funds to achieve project outputs.

Recommendations

- The MEMD should prioritize counterpart funding to the OBA project
- The MFPED should release funds according to the approved work plans. Using available funding as criteria to distribute funding serves to make outcomes unachievable.

L-R: OBA beneficiaries who commenced welding business; user Interface unit in a veterinary drug shop of an OBA beneficiary Kyegwega

7.2.11 Rural Electrification (Project 1262)

Background

This project takes over from the old project implemented under Vote 017 that ended with the first Rural Electrification Strategy and Plan (RESP 2001 - 2010). The RESP II (2013-2022) will provide funding for undertaking rural electrification projects with the overall objective of achieving rural electrification access of 26% by June 2022.

The GoU and development partners jointly support the project. The projects are initiated by REA in pursuit to achieve increased access to electricity by rural communities. In the medium term, focus includes; construction of 5,000 km of power lines.

Project performance

Performance of rural electrification was very good at 89%. Several projects were completed and commissioned while others were in advanced levels of completion as shown in table 7.16.

Some completed projects however experienced energy losses resulting from installation of faulty transformers and attitudes of the communities. For instance, at Ogur Health Centre in Ogur Sub County, Lira district, a medium voltage line that was completed had a faulty transformer installed. This was reported to REA and the transformer was removed in December 2015, however by end of July 2016, the transformer had not been replaced thus undermining service delivery. Some beneficiaries who needed to establish a maize mill required a 100kVA transformer to power their equipment and could not use the existing 50kVA that was serving some households and Ogur Health Centre IV.

In Mbale district, some beneficiaries engage in illegal tapping of power from the power lines using 'tiny hooks'. Others illegally extend the power lines from originally completed and commissioned lines. This was the case in Longoro parish along Mbale –Tororo road. The community had purchased eucalyptus poles, some electric wires and other electrical installations and had commenced illegal line extensions. The illegal power extension using substandard materials in some instances barbed wire, power hooking using tiny thin wires, extension and utilization power over more than the standard required 600 metres from the load centre compounds technical energy losses. The illegal use of power has led to an average replacement of two transformers weekly averaging at Ug shs 50 million. The annual loss of electricity was at about 6 million units translating to about 9 Million USD. The technical losses undermines the sector outcome of increased access to affordable and efficiency sources of energy as UMEME incorporates the lost units in the tariff making the final consumer worse off.

Table 7.16: Performance of the Rural Electrification Project

Key Outputs	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Ug shs Bn)	Weight Based on Budget	Weighted Score (%)	Remark
Number of line Kms of medium voltage constructed (33Kv or 11Kv)	3,262	2,844	87.186	34.351	0.5	43.593	Good performance. Some contractors however noted that their final payments had not been made despite commissioning of the power lines.
Number of line Kms of Low voltage (240v) constructed	2,954	2,733	92.519	34.351	0.5	46.259	Good performance. Some projects were complete while others were ongoing at the different levels of completion.
Total				68.702		89.85	Very good physical performance
Financial Performance							
Annual Programme Budget	Cumulative Receipts		Cumulative expenditure		Financial Performance Score (%)		Remark
68.702	45.903		45.692		99.5		This is very good financial performance

Source: Field Findings

Completed line with transformers installed at Faustin Medical Centre and Simbwa Modern farm, Nakaseke District

Overall assessment

The performance of the rural electrification programme was good at 84%; increasing access to electricity is on track especially through the free household connections. However energy loses, continue to occur due to power tapping in some regions and cases of installation of faulty transformers. The energy loses affect the final consumer through higher power tariff. The poor rural and urban households also perceive the cost of wiring high.

Challenges to project implementation

- Inadequate funding particularly the counterpart from the GoU.
- High costs of wiring

Recommendations

- The MFPED should release funds according to the approved work plans.
- The REA should roll over the use of switchboards for the households that cannot afford wiring

Overall conclusion

The overall sector performance was good at 74%. The good performing projects were; refinery construction, rural electrification, free household connections, and strengthening of oil and gas sector project. There was progress on the indicator of 'percentage of people accessing electricity' through the output based aid project. The wiring costs are however still high as perceived by the urban and rural poor households. Grid extension despite the good performance registered poorly on the percentage of energy looses in distribution due to installation of faulty transformers and illegal power tapping.

Despite the good performance of the projects in the petroleum subsector, some vital activities prior to the value addition to the crude oil like final establishment of the special purpose vehicle were still lagging behind. The preferred lead investor continued to bring up new issues to GoU thus delaying the finalization of the agreement. The Pre-Final Investment Decision activities for refinery development could not take place until execution of the agreement.

Other projects that performed well amidst critical project implementation challenges were; Karuma HPP and Isimba HPP. In Karuma HPP, for instance cracks were identified in the spillway and power intake and concrete works suspended. The excavation works however continued thus registering good performance by the end of June 2016. The identified cracks had not been repaired by August 2016 as they were awaiting a special contractor hired by the EPCC from Switzerland. Similarly, at Isimba HPP, whereas cracks were identified in the stilling basin of the spillway, powerhouse, gravity dams, and drainage galleries, the works continued as the identified cracks had been repaired. Concreting works exceeded the annual target for the FY2015/16. Despite the very good performance of the large HPP, there were observed conflicts in the project management of the two hydro power plants leading to some delays.

The poor performing projects included; Promotion of Renewable Energy and Energy Efficiency Promotion (48%), UETCL projects (54.6%), and Downstream petroleum infrastructure (58%). The unsatisfactory performance of the sector projects was due to the following constraints.

1. **Inadequate release of funds**; the UETCL projects have no fully available project site due to incomplete land acquisitions. The EPC contractors could not continue with stringing works nor tower erection on majority of the transmission lines due to lack of access to land. Projects implemented by MEMD that were affected by funding constraints included; Promotion of Renewable Energy and Energy Efficiency Project. Repair of windmills for pumping water were partially done in Karamoja due to inadequate funding and high costs of spare parts. Only one windmill at Lokitalebeu sub-county in Kotido district was partially rehabilitated while one in Rengen, which had been affected by high wind speed, was not repaired at all. The majority of the Karamajongs in Rengen sub-county consume water from swamps for lack of alternative. The project also did not purchase solar water heating equipment for Mbale hospital and one public institution due to funding constraints. The downstream infrastructure project was similarly affected by the funding constraints. The restocking of the petroleum reserve tanks was not done among other outputs.

2. **Poor procurement management, contract structure and award resulting into the two parallel and often conflicting project supervision chains of command and communication protocols at Karuma and Isimba HPP**, namely
    - Engineering Procurement Construction Contractor to Owners Engineer (Supervisor of contractor) (OE) to MEMD
    - Project Management Consultant (PMC) to UEGCL to MEMD

Both the OE's and EPCC's contracts are with MEMD. The functions of OE are spelt out in the EPC contract. On the other hand, PMC is contracted by UEGCL but their roles are not defined in the EPC contract which is the primary document governing the construction works for Isimba and Karuma HPPs. Although the tripartite MoU between MEMD, UEGCL and UETCL envisages MEMD delegating to UEGCL the role of Project Manager to whom OE and EPCC should directly relate, this function has not been fully operationalized.

Lack of clear project management structure amidst presence of many stakeholders in the project implementation has affected progress of works. It was noted that in some instances even after agreeing to the methodology to employ to complete an assignment. The parallel consultants later disagree exacerbating delays.

3. **High-energy losses resulting from installation of faulty transformers and power theft.** At Ogur Health Centre in Ogur sub-county, Lira district. A medium voltage line that was completed had a faulty transformer installed. This was reported to REA and the transformer was removed in December 2015 but not replaced by end of July 2016, thus undermining service delivery. Some beneficiaries who needed to establish a maize mill required a 100kVA transformer to power their equipment and could not use the existing 50kVA that was serving some households and Ogur health centre IV.

In Mbale district, there is illegal tapping of power from the power lines using 'tiny hooks'. Others illegally extend the power lines from originally completed and commissioned lines. This was the case in Longoro parish along Mbale –Tororo road. The community had purchased eucalyptus poles, some electric wires and other electrical installations and had commenced illegal line extensions. The illegal power extension using substandard materials in some instances barbed wire, power hooking using tiny thin wires, extension and utilisation power over more than the standard required 600 metres from the load centre compounds technical energy losses. The illegal use of power has led to an average replacement of two transformers weekly averaging at Ug shs 50 million. The annual loss of electricity was at about 6 million units translating to about 9 Million USD. The technical losses undermines the sector outcome of increased access to affordable and efficiency sources of energy as UMEME incorporates the lost units in the tariff making the final consumer worse off.

4. **Delayed acquisition of** ROW for the transmission line projects has hampered project implementation. Challenges associated with the ROW include; differences in valuation rates for UETCL lines in similar areas such as Karuma Interconnection project, and Tororo-Lira-Opuyo; and lower valuations compared to the market rates leading to continued disputes of the compensation rates. This is compounded by the delays in the revision of property rates by the district land boards. Speculators affect RAP implementation as they usually acquire the land in the project corridor with an aim of inflating the property valuations to reap money from government. There were also noted delays in the approval of the valuation report from the Chief Government Valuer's office. A supplementary report for RAP implementation at Isimba that submitted in September 2015 was approved in March 2016

5. **Inappropriate designs of the pilot wind mills and limited diagnosis of the identified faults on some windmills.** In Opilotok Primary School, Kaberamaido district, the windmill for power generation that was trouble shot in June 2016 worked for only two days supplying the classroom and teachers quarters. In August 2016, the windmill had been disconnected from the classrooms and was only serving the teachers quarters but could only operate for 30 minutes. This was due to differences in the design of the windmill and the prevailing wind speeds. In Kotido dioceses, the windmill for pumping water that was repaired in July 2015 became faulty after two months.

Recommendations

i. There is need to harmonize the administration of the contract at Isimba HPP and Karuma HPP. An addendum should be made to the contract with the guidance of the Attorney General so that the EPCC reports to UEGCL for inspection and verification before submitting the Interim Payment Certificates (IPCs) to MEMD for verification and approval for their payments.

ii. The PPDA should empower the contract committees with requisite skills on what measure to consider more during selection of best bidders for different projects. Quality should always be emphasized during selection of large investments of public funds compared to cost.

iii. The REA should always carry out complete commissioning tests on all the installed equipment to ensure that fault is repaired or equipment replaced by the contractor latest during the defects liability period. UMEME needs support from the security agencies to deal with the power theft and reduce the technical losses.

iv. Government should acquire uniform corridors for government projects to reduce on the time lost during land acquisition for the different projects.

v. The Renewable Energy Department in MEMD should carry out more due diligence during designs of windmills and troubleshooting activities to ensure a sustainable resource use.

CHAPTER 8: HEALTH

8.1 Introduction

The health sector is one of the National Development Plan (NDP) investment priorities in the medium term[47]. Its main goal is to reduce morbidity and mortality as a contribution to poverty reduction, economic and social development of the people of Uganda[48].

The health sector comprises a number of spending agencies (votes); The Ministry of Health (Vote 014) as the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services like emergency preparedness, health research, monitoring and evaluation of the overall health sector performance.

National Medical Stores (Vote 116) responsible for procurement and distribution of medicines and medical supplies to government health facilities. Specialized services are provided by a number of semi-autonomous institutions namely; Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids Commission (Vote 107) and Health Service Commission (Vote 134).

Mulago and Butabika National Referral Hospitals (Votes 161 to 162 respectively) provide comprehensive specialist services, health research, training and all services at general and regional referral hospitals. A total of 14 Regional Referral Hospitals (Votes 163 – 176) offer specialized clinical services and higher level medical and surgical services[49].

Districts take primary responsibility for delivery of frontline healthcare services through provision of Primary Health Care (PHC) services. Districts are responsible for management of human resources for district health services, general hospitals and health center's (II, III and IV)[50]. The total number of general hospital was 43, HC IVs 182, HCIIIs 977 and 1,734 for HCII by December 2013.

During FY 2015/16, the sector's key areas of focus were:

- Human resource (attraction, motivation retention and development).
- Improvement of maternal and child health services including reproductive health.
- Control of HIV/AIDS, Malaria, Tuberculosis (TB) & Hepatitis.
- Improving Primary Health Care focusing on disease prevention, health promotion, nutrition, environmental sanitation, hygiene, and functionalizing lower level health facilities.
- Reduction of referrals abroad through equipping, training, recruitment of specialist, staff motivation and acquisition of specialized medicines.
- Enhancing blood collection under the Uganda Blood Transfusion Services.
- Control/preparedness for disease outbreaks including surveillance.
- Infrastructural rehabilitation and remodeling as well as constructing new facilities.
- strengthening the community health extension system

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[47] NDP FY 2015/16 - 2020/21

[48] MoH Ministerial Policy Statement FY 2015/16

[49] Arua Regional Referral Hospital (RRH) Fort Portal RRH, Hoima RRH, Gulu RRH, Jinja RRH, Kabale RRH, Masaka RRH, Mbale RRH, Soroti RRH, Lira RRH, Mbarara RRH, Mubende RRH, Moroto RRH, and Naguru RRH

[50] Ibid

This chapter presents annual performance of the health sector in achievement of set targets for selected programmes and projects contributing towards the sectors key areas of focus for FY 2015/16.

8.1.1 Scope

The monitoring covered 10 votes and 15 local governments. Table 1 shows votes, vote functions and location of programs/projects monitored.

Table 8.1: Votes, vote functions, programs, projects and outputs selected for annual budget monitoring FY 2015/16

Vote	Vote Function	Program/Project/Output	Institution visited/location
014 MoH	Health systems Development	Health Systems Strengthening (Project 1123)	MoH headquarters, Moyo and Nebbi hospitals. Pakwach HCIV-Nebbi district, Kiyunga HCIV-Luuka district, Mwizi HCIV Mbarara-, Kabuyanda HC IV-Isingiro district, Kitwe HC IV-Ntungamo district, Budondo HC IV-Jinja district and Kojja HCIV Mukono
		Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital achieved	Mulago
		Rehabilitation and expansion of General Hospitals	Kitgum, Atutur, Kitagagata, Adjumani, Abim, Kaberamaido, Pallisa.
		District Infrastructure Support Programmes (Project 0216)	MoH headquarters, Abim, Bushenyi, Buhweju, Kaberamaido, Kumi Kitgum , Mbarara Pallisa, Sheema, Soroti
		Support to Mulago Hospital rehabilitation (Project 1187)	Mulago, Kawempe and Kiruddu Hospitals
	Pharmaceutical and other Supplies	Global Alliance for Vaccines Initiative	MoH headquarters, Abim, Bushenyi, Buhweju, Kaberamaido, Kumi Kitgum, Mbarara Pallisa, Sheema, Soroti
	Clinical and Public Health	Public Health Laboratory Strengthening (Project 1148)	MoH headquarters, Butabika National TB Reference Laboratory.
	Policy, Planning and Support Services	Support to the recruitment of health workers at HC III and IV (Output 08 49 53).	MoH headquarters
		Health Sector reforms including financing and national health accounts (Output 08 49 04)	MoH headquarters

016-Butabika National Referral Hospital	Provision of Specialised Mental Health Services	Programme 01-Management	Butabika Hospital
		Butabika and health centre remodelling/construction (Project 0911)	
114-Uganda Cancer Institute	Cancer Services	Uganda Cancer Institute Project	Mulago
		Radiotherapy (Programme 04)	Mulago
		ADB Support to UCI (Project 1345)	Mulago
115-Uganda Heart Institute	Heart services	Uganda Heart Institute Project	Mulago
Regional Referral Hospitals	Regional Referral Hospital Services	Vote 163- Project 1004	Arua RRH
		Vote 165-Project 1004	Gulu RRH
		Vote 167- Project 1004	Jinja RRH
		Vote 173-Project 1004	Mbarara RRH
		Vote 171-Project 1004	Soroti RRH
		Vote 176-Project 1004	China-Uganda Friendship Referral Hospital (Naguru)
Vote 501-850		PHC Development Grant	Abim, Bushenyi, Buhweju, Gulu, Kitgum, Mbarara, Mukono, Isingiro, Jinja, Kaberamido, Kumi, Luuka, Nebbi, Pallisa and Soroti districts.

Source: Author's compilation

8.1.2 Overall Sector Financial Performance

The sector was allocated Ug shs 1,270.81 billion inclusive of donor funding but excluding arrears taxes, and Aid in Appropriation. This was 5.7% of the National Budget. The MoH was allocated 42.9% of the sector budget, 25.1% to LGs, and 17.2% to National Medical Stores, 6.5% to regional referral hospitals, 4% to national referral hospitals and 4.2% to other spending agencies[51].The total donor budget was Ug shs451.94billion (35.6% of the health sector budget).

A total of Ug shs 1,380.191 billion was released by end of the FY2015/16 which was 106.1%. The additional 6.1% budget release was on account of the supplementary expenditure allocated to cater for wages, pensions and gratuity. The sector absorbed 97.3% of the released funds. A total of Ug shs 114.789billion was returned to the Consolidated Fund at the end of the FY.

[51] Uganda Cancer Institute, Uganda Heart Institute, Uganda Blood Transfusion Services, Health Service Commission, Uganda Aids Commission and KCCA.

Budget performance of the health sector by 30th June 2016

Vote	Vote Name	Approved Budget (Ush Billion)	Release (Ush Billion)	Expenditure (Ush Billion)
014	Ministry Of Health	545.070	558.497	503.305
107	Uganda Aids Commission	7.750	7.237	7.095
114	Uganda Cancer Institute	16.360	12.517	12.335
115	Uganda Heart Institute	11.491	11.378	9.861
116	National Medical Stores	218.614	218.614	218.614
134	Health Service Commission	4.271	4.656	4.521
151	Uganda Blood Transfusion Services	8.650	8.931	8.533
161	Mulago Hospital	41.770	43.435	43.435
162	Butabika Hospital	9.330	8.767	8.745
163-176	Regional Referral Hospitals	83.190	88.521	88.521
501-850	Local Governments –Primary Health Care grants	319.160	319.16	319.16
122	Kampala Capital City Authority	6.333	4.189	4.566
Total		1270.814	1285.902	1228.691

Source: Approved estimates, Sector quarter four progress reports and field findings

Financial performance for the projects and programs monitored was 91.3% with MoH projects averaging at 92.1%, Butabika Hospital and Uganda Heart Institute at 100%, regional referral hospitals at 99.7%, LGs at 91.3%. The Uganda Cancer Institute performed fairly at 56%, this was due to late start of the civil works for the radiotherapy bunker which was a key expenditure item for the FY 2015/16.

8.2 Ministry of Health (Vote 014)

Performance of four out six vote functions of the MoH was assessed. These were: Health System Development: Pharmaceutical and other Supplies: Clinical Health, Policy, Planning and Support Services.

8.2.1 Health System Development (Vote Function: 08 02)

Five out of eight development projects under this vote function were monitored (table 1) and the following was established.

8.2.1.1 The District Infrastructure Support Programme

The project was established to enable government equip and rehabilitate selected health facilities to improve health service delivery. The current phase of the project started on 1st July 2015 and is expected to end on 30th June 2020. The main objective of the project is to improve the infrastructure of the health systems by purchasing essential equipment and undertaking rehabilitation of regional and district health facilities. Expected outputs by June 2020 are: District health facilities rehabilitated /constructed. District health facilities equipped and ambulance trucks and station wagons vehicles procured.

The physical performance of the DISP was fair (53%), key planned outputs such as purchase of the specialized machinery and equipment were not implemented. However, the 7,000 beds donated by the Republic of China were distributed to various health facilities countrywide. The sector is however still suffering a bed deficit of 9,726 beds, floor cases still exist in a number of health facilities in Uganda. Some of the beds distributed by the MoH were not in use, a number of health facilities had stored them for lack of space. There was need for a thorough needs assessment to establish the magnitude of need and bed capacity per health facilities to avoid storage and redundancy of government property.

The reallocation of PHC funds to procurement of beds greatly affected implementation of development plans of various districts. Activities at district level were limited to payment of retentions and no major rehabilitations were under taken during the FY. The reallocated funds were spent on activities not related the overall goal of the project. These were; facilitation dinner for South Korean President, facilitation of the Uganda Martyrs' Shrine Anglican, travel abroad, improvement of MoH reception area, refunds to Global Fund among others. Table 8.2 illustrates the detailed physical performance of DISP project for the FY 2015/16.

Some of the stored beds at Budondo HC IV in Jinja district,

Beds at Kagongi HCIII Hospital

Challenges

- Inadequate needs assessment that resulted into facilities receiving beds without space thus storing them. These were; Mbarara RRH, Ikumbya and Kiyunga in Luuka district, Budondo and Wakitaka HCs in Jinja district.
- Procurement delays characterized by administrative reviews. This partly led to contributed to failure to procure beds.
- **Mischarges:** some of the funds were spent outside the planned activities these were; outstanding payments for medicines and T-shirts-15.65%, Motor vehicles for clinical department MoH-8.53%, disposal of expired drugs 3.33%, MoH related expenses-3.17% including MoH headquarters, facilitation of Namugongo Anglican Martyrs Shrine, dinner for Korean president. Refund to Global Fund 1.85%, Yumbe and Kayunga projects 0.84% and GAVI expenses 0.16%.
- **Poor planning:** the MoH planned to pay retention for Buyiga HCIII civil works knowing very well that defect liability period would go beyond the FY 15/16. Funds were therefore reallocated to other activities.

Recommendations

- The MoH should endeavor to undertake thorough needs assessments to avoid future redundancy of government resources.
- The PPDA should devise means on penalizing firms or individuals that file unnecessary or unsubstantiated administrative reviews. Many of the reviews lead to time and wastage of government funds as well as derailing achievement of planned outputs.
- The planning process at the MoH should be enhanced to avoid spending outside the approved plans and budgets.

Table 8.2: Physical Performance of DISP for FY 2015/16

Physical Performance							
Programme: District Infrastructure Support Programme							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Assorted medical equipment and furniture for general hospitals and the health facilities procured and supplied; and Payment for shipping and clearance costs for the donated items made.	2.00	1.00	50	7,900,435,774	0.849692	42.4846	The procurement of assorted medical equipment was not done, however the 7,000 beds donated from the Republic of Chinese were cleared and distributed to various health facilities.
Kapchorwa Hospital partially rehabilitated by construction of four two bedroom houses. Payment of retention for Buyiga	1	0.4	40	699,564,226	0.0752381	3.009525	Works at Kapchorwa hospital had commenced, the contractor was escvating the foundation. The defects liability period for Buyiga had not ended and therefore payment for retention could not be made. However, Ug shs 424.126 million was paid on clearance of some interim certificates for Buyiga
Planned medical equipment maintain ace visits made to Hospitals and RRH, 9GHs, HCIVs; Technical support supervision carried out for infrastructure development nationwide at regional referral hospitals and districts	2	2	100	698,000,000	0.07507	7.506991	Medical equipment for the regional referral hospitals, general hospitals and HCIVs were maintained. Technical support supervision was carried out for Hoima, Kabale, and fort portal.
Total				9,298,000,000		53.00111	Fair performance

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
9,298,000,000	8,547,454,269	6,017,016,389	70%	*Financial performance is not commensurate to physical performance. Most of the expenditures were outside the planned outputs*

Source: Field findings

8.2.1.2 Support to Mulago Hospital Rehabilitation (Project 1187)

Background

The project is aimed at improving health services at Mulago Hospital, the referral and counter referral system. The excess demand for services and overcrowding of facilities at Mulago Hospital necessitated creation of new facilities serving Kampala area, remodelling and rehabilitation of Mulago existing facilities. This was done to precipitate its functioning to provide super specialised services for a national referral hospital.

The project is financed by a total loan of US$86 million with African Development Bank (ADB) financing 82% (US$71.3 million) and 17% (US$15.5 million) by the Nigerian Trust Fund (NTF). It commenced in January 2012 and was expected to be completed in June 2015.

The project is premised on three components. These include; Expanding and Improving Specialised Health Services in Kampala City: Capacity Development and Systems Strengthening: Revitalising Referral and Counter-referral Systems

Expected outputs by June 2020

- Master plan for Mulago Hospital
- Health workers trained
- Ambulance management system
- Kawempe and Kiruddu hospitals and lower Mulago constructed.

The physical performance of the project was rated good; the major civil works at the lower Mulago were affected by the presence of patients while the works were on going. The civil works for Kiruddu Hospital had poor finishes especially for the terrazzo and stair cases.

The procurement of equipment for Kawempe and Kiruddu delayed because of the long time it took for the bank to give a no objection for the identified service providers. By August 2016, equipment for Kawempe and Kiruddu was still at 0%, while Mulago was at 40% (overall), the front loaded equipment was at 72%. M/s Simed International BV was terminated upon being declared bankrupt. Although it was noted that no funds were lost because the MoH cashed the performance bond but time was lost. The Solicitor General had cleared the engagement of the second best evaluated bidder to finalize the procurement of equipment, a thorough due diligence needs to be done on future projects to avoid such anomalies.

Delays by the ADB in approval of project submissions were noted to have delayed some procurements. Table 8.3 shows the detailed physical performance of the project.

Table 8.3: Performance of Support to Mulago Hospital Rehabilitation for FY 2015/16

Physical Performance

Support to Mulago Hospital Rehabilitation Project

Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Rehabilitation of lower Mulago Hospital	0.79	0.59	74.6835	31,984,498,051	0.56331	42.06967	The modifications in lay out, working while hospital is operational affected progress of works at the different blocks. Design changes and modification in works and relocation of patients delayed the works.
Construction of Kawempe Hospital	100%	91%	91	12,247,930,936	0.21571	19.62948	The contractor had financial and human resource challenges affecting progress of works.
Construction of Kirrudu Hospital	100%	94%	94	11,197,571,013	0.19721	18.53772	The contractor faced challenges in shipment of materials. Materials were held by the URA for about two months.
Monitoring and supervision	100%	100%	100	1,350,000,000	0.02378	2.377598	Target was achieved, however defects were noted at Kiruddu hospital.
Services for management of ambulances procured	100%	5%	5				The inception report from the consultant (Sanigest International) was accepted by the MoH
Ambulances procured	10	10	100				The ambulances were procured, registered and offering services in Kampala under the guidance of the Uganda National Ambulance Services as recommendations from the consultant are awaited.
Health workers trained	34	30	88.2353				Target not achieved due to changes in the training plan. In June the training plan was further revised.
Total				56,780,000,000		82.61446	Good performance

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark

950,000,000	950,000,000	950,000,000	100	All releases made by the GoU were made and spent
55,330,000,000	55,330,000,000	55,330,000,000	100	In FY 15/16, ADF released a total of US$19,406,816.93 and NTF released US$4,776,230.08. Cumulatively US$ 44,828687.19.
56,280,000,000	56,280,000,000	56,280,000,000	100	Very good Absorptive capacity. The budget per hospital was derived from cost ratios per project. Lower Mulago 0.58: Kawempe 0.22: Kiruddu 0.20

Source: Field findings

Challenges

- Delays at Lower Mulago, most of the works were hampered by late handover of some blocks in the project area.
- Design changes including implementation of the presidential initiative to redesign all windows to include mosquito nets at Lower Mulago Hospital, this, and many other design changes are likely to further delay completion of the planned works.
- At Kiruddu Hospital, defects were noted on the terrazzo works on the biggest part of the floor area and stair cases at Kirrudu Hospital. External works had paver defects, many of them had broken down.
- Inadequate capacity of the contractor at Kawempe led to delayed works at Kawempe General Hospital.
- The ADB should expedite the process of reviewing the documents submitted for a no objection while ensuring that a due diligence is undertaken.

Recommendations

- The Clerk of Works at MoH together with the project consultant at Kiruddu should be held responsible for supervision and certification of poor works in case the contractor fails to attend to all defects within the defects liability period.
- The MoH together with the consultant should ensure that the contractor should attend to the defects that have been identified in the different supervision/site meetings

L-R: Operating theatre extension at Block K and Pathology Department at Mulago Hospital

Left: Kawempe General Hospital and Right Kiruddu General Hospital

Some of the incomplete works at Mulago National Referral Hospital

8.2.1.3 Uganda Health Systems Strengthening (Project 1123)

Background

The Uganda Health Systems Strengthening (UHSSP) project commenced on 25th May 2010 and was expected to end on 31st July 2015. However, the project was extended for two more years (to 2017) to facilitate completion of on-going works. It is aimed at reducing maternal mortality through renovation and infrastructure development of health facilities in Uganda: Strengthen human resource management and development: Strengthen the leadership and management of the health sector through training, performance, contracting, and client charters among others.

The project is financed by a World Bank loan worth US$130 million. It was expected to benefit two Regional Referral Hospitals (Mubende and Moroto RRHs), 17 General Hospitals and 27 Health Centre IVs. However, funds for civil works were insufficient thus the number of beneficiary general hospitals scaled down to only eight while RRHs were reduced to one making a total of nine hospitals. These are; Anaka, Iganga, Entebbe, Nakaseke, Mityana, Nebbi, Moyo, Kiryandongo general hospitals and Moroto RRHs.

Beneficiary HC IVs are Kasanda, Kiganda, Ngoma, Mwera, Kyantungo, Kikamulo, Kabuyanda, Mwizi, Kitwe, Rubare, Aboke, Aduku, Bwijanga, Padibe, Atyak, Obongi, Pakwach, Buvuma, Budondo, Ntenjeru- Kojja, Buyinja, Nankoma, Bugono, Kiyunga, Kibuku and Budaka.

Performance

The project achieved 97% of its annual targets. Construction works were completed at eight out of the nine hospitals and were under the Defects Liability Period (DLP). A number of defects were noted at some of the projects visited. Construction works at the 26 HCIVs were still ongoing, six out 26 HC IVs were visited and all of them were behind schedule (75%). The contractors, M/s Excel Uganda Limited and M/s Amugoli General Enterprises Limited were granted time extension of a month and were expected to complete all works by September 2016.

Mwizi HCIV - Mbarara district 95%, Kabuyanda HC IV-Isingiro district (95%), Kitwe HC IV-Ntungamo district (90%) Budondo HC IV-Jinja district (90%), Kiyunga HCIV-Luuka district, Pakwach HC IV 65%. Pakwach HC IV works lagged far behind and outstanding works included completion of ceiling works, painting, floor works, electrical and plumbing works, worktops had not been fixed, final works at the Placenta pit (10%) and 15% on the toilets.

Cracks were observed at the maternity ward veranda. It was also noted that both the district and the HC did not have clear plans to operationalize the maternity bed upon hand over. This was mainly because the theatre, inpatient, operating OPD and all the necessary infrastructure were located at the HCIV which was about 2Kms away from the newly constructed ward. The district had also constructed a general ward in the same location under PRDP in FY 2012/13 and it has never been operationalized to date.

Defects were also noted in the 7million dollar project handed over in May 2016 at Entebbe General Hospital. These included floor failures, drainage challenges and cracks in some floors. The pavers were also peeling among others. M/s Arch Design Limited and M/S Infrastructure Design (ID) Forum were contracted to supervise at US$ 521,777.80 and US$ 1,222,200.625 repectively. These should ensure that contractors rectify to all defects before the end of the DLP. Project consultants should be penalised for substandard works supervised and certified.

Unit cost per facility of construction of infrastructure at the 26 health facilities (8 bed-maternity wards and theatres) was a between 1 to 1.5billion shillings. A number of stakeholders including the District Health Officers (DHOs) noted too high compared to the facilities on ground. A maternity ward, bigger than the UHSSP wards in Nebbi-Abongo was constructed at less than Ug shs 300million. Works for the maternity ward at Mwizi HCIV were done at USD 339,941.90, Pakwach HCIV Maternity Ward was contracted at USD. 323,032.97, the works at the theater in Obongi HCIV were done at as sum of USD 323,264.87.

Left: Causality infrastructure at the Three million dollar project at Nebbi Hospital Right: Cracks in the floor, rusting Chimney at the attendants kitchen and paint peeling paint in some of the T-block at the same hospital


Left: Newly constructed 12 bed maternity Ward in Abongo at less than 300million in Nebbi district. Right One billion maternity ward at Pakwach HCIV

Un-operational infrastructure to support optimal use of newly constructed facilities. For example, lack or un-operational theatres will limit use of newly constructed maternity wards constructed. In Mbarara, Rukarabo village, Mwizi sub-county, the district local government constructed a theatre over six years ago, however, it has never been operationalized. The facility had heavily depreciated and therefore needs repairs and remodelling to allow operationalization of the newly constructed maternity ward.

The theatre of Kiyunya HC IV in Luuka district continued to undertake minor surgeries for lack of proper and conducive infrastructure to undertake surgeries key for maternal health such as caesarean. Such cases were often transferred to Iganga Hospital. This means that even though the maternity ward is completed, it may not be fully operationalized without a functional theatre.

Lack of a clear maintenance plan for the newly constructed infrastructure. The MoH should prioritise maintenance of newly established infrastructure to allow it serve the design lifetime and avoid fast depreciation. Table 8.4 shows detailed project physical performance as of 30th June 2016.

Replacement of substandard equipment had not been done. Some of the equipment like delivery beds were not withdrawn from health facilities.

The procurement process to have them replaced was on going. Delays in the process were noted. The MoH should fast track the procurement process to facilitate replacement of substandard equipment in affected health facilities.

A number of health facilities are in dire need for equipment including medical beds, bedside lockers, BP machines, cabinets, drip stands, weighing scales among others. The MoH should prioritize procurement and distribution of such equipment to cover all health facilities including general hospitals.


L-R: A rusting delivery bed supplied under UHSSP in Lalogi HCIV, Gulu district. The supplier did not withdraw all the pink delivery beds. Most of them had broken down and were rusty


Below L-R: Newly born weighing scale in the labor suite of Pallisa General Hospital, and bed side lockers

Table 8.4: Overall Physical Performance of UHSSP FY2015/16

Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity (%)	Score (%)	Annual Output Budget (000)	Weight Based on Budget	Weighted Score (%)	Remarks
Construction works at 9 beneficiary health facilities monitored	100	95.00	95	11,799,653	0.1440569	13.685408	Works were monitored by Arch Design and ID Forum as well as other stakeholders like MoH, hospital administration, district technical and political officials among others.
Scholarships awarded to health workers from hard-to-reach areas pursuing specialized courses	0	0	0				No new scholarships were awarded in FY 15/16 and allowances and tuition fees were paid to enable continuing students earlier awarded scholarships to complete their studies. Targets on numbers of students with pending tuition and allowances were not clear.
Procuring family planning supplies and mama kits	100	100	100				Most of the family planning supplies including Jadel implants and mama kits were procured and supplied.
Construction works for nine hospitals undertaken	100	98	98	70,110,000	0.8559430	84.072630	Moyo and Nebbi were behind schedule and were not completed by end of FY 2015/16. A number of defects were noted on Entebbe, Nebbi and Moyo Hospitals
26 HC IVs scheduled for rehabilitation	100	88	88				Six out of the 26 HCIVs were monitored; these were different levels of completion. Average performance on the six facilities was 88%
Total				81,909,653		97.758038	Very good performance, however, enormous delays were noted in achievement of set targets. Some targets were supposed to be achieved by July 2015.
Funding Source	Annual Programme Budget (000shs)	Cumulative Receipts(000shs)	Cumulative expenditure (000shs)	Financial Performance Score (%)	Remarks		
Donor and GoU	81,909,653	72,909,653	72,909,653	100	GoU contribution was Ug shs 299million and the balance contributed by the World Bank		
Total	81,909,653	72,909,653	72,909,653	100	The World Bank disbursed USD 41,711,182.98 of which 34,556,038.94 (82%) was spent by June 2016. Cumulatively, a total of USD 111million (85%) out of the 130million USD loan was expended.		

Source: Field findings, MPS and IFMS

8.2.1.4 Construction of Specialised Neonatal and Maternal Unit in Mulago Hospital (Project1315)

Background

The project commenced in February 2014 and is expected to end in February 2019. The objectives of the project are: Improving of Maternal and Child healthcare services delivery at Mulago National Referral Hospital (MNRH) through improvement of infrastructure, supply of equipment/materials and training of personnel; and Decongesting the MNRH by focusing on provision of tertiary and specialized Maternal and Child healthcare services in the Obstetric/Gynecology Department.The project is funded by GoU (US$3.42 million) and a loan from the Islamic Development Bank (US$30.72 million).

The project achieved 92% of its annual targets[52]. Table 8.5 shows the detailed project performance for FY 2015/16.


Different views of the construction works at the neonatal and maternal unit

[52] Targets stipulated in the MPS and OBT (FY 2015/16)

Table 8.5: Performance of Specialised Support to the Neonatal and Maternal Unit in Mulago Hospital June 2016

Physical Performance							
Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity(%)	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Construction of the Hospital undertaken	53	50	92.5	13,640,436,000	0.951216	88.0	The flamed structure was at substantial completion while block work was under way up to fourth floor. The quality of civil works was observed to be good. The delays in civil works were caused by review of the designs by the supervising consultant before the contractor could start works.
Monitoring and supervision	100	100	100	699,564,000	0.048784	4.87841	Target achieved. M/s Joadah Consult Ltd was contracted to monitor and supervise the project on a daily basis.
Training	Targets were not clear	12 health workers	0	-	0	0	Twelve health workers went to Egypt for one month's training in the reproductive health while training for another group of 21 health workers was ongoing in Egypt at the Ain Sham University.
Procurement Equipment	No targets indicated	0	0	-	0	0	Under procurement- the MoH and Mulago contracts committee reviewed specifications and tender documents which were expected to be sent to the Islamic Development Bank for a no objection.
Total				14,340,000,000		92.8784	Very good performance (civil works). Targets and timelines for components like training and procurement of equipment were not clear.

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
900,000,000	900,000,000	900,000,000	100	GoU Counterpart obligations were expected to be of the 10% of the project cost broken down into annual provisions, however, this was not honored. In FY 2015/16, only 6% was provided. Accumulated VAT on civil works and consultancy services. These payments were not provided in the FY 2015/16 budget.
13,440,000,000	13,440,000,000	13,440,000,000	100	In FY 2015/16, IsDB released US$7861752.5 as direct payments to the contractor and consultant while US $ 287,464 was released to the special account. Cumulatively, the bank has released US$ 9,233,927.00
14,340,000,000	14,340,000,000	14,340,000,000	100	Overall financial performance

Source: Field findings

8.2.1.5 Rehabilitation and Construction of General Hospitals (Project 1243)

Background

This project is divided into two components: Component one involves the rehabilitation of Kawolo Hospital using the Spanish Aid/debt SWAP and is directly managed by MoH while component two involves the rehabilitation and construction of general hospitals. It is directly managed under the LG decentralized system. By June 2016, Rehabilitation of Kawolo Hospital had not commenced therefore monitoring focused on component two.

The main objective of the project is to improve quality of the general hospital infrastructure in all districts in the country. Emphasis has been put on minor repairs, rehabilitation, maintenance, and painting among others. The hospitals monitored include; Abim Hospital, Atutur Hospital, Kaberaimaido Hospital, Kitgum Hospital, Kitagata Hospital, and Pallisa Hospital.

Performance

The overall physical performance of the project among the monitored facilities was 90% with Kitagata achieving 100% of the planned target while Atutur achieved 82%. Delays in commencement of works at Atutur were noted. This was caused by administrative reviews that delayed final award of the contract. In terms of financial performance both Kitaagata and Pallisa absorbed all the funds. Although, Pallisa absorbed all the funds, it failed to achieve 100% targets as planned, instead getting 88%. Table 8.6 shows detailed performance of hospitals monitored.

Table 8.6: Performance of hospitals under Rehabilitation of General Hospitals Project

Physical performance								
Hospital	Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget '000 Ug shs	Weight Based on Budget	Weighted Score (%)	Remarks
Abim	Hospital partially rehabilitated	100	90	90	700,000	1	90	Delayed completion was attributed to extra works that were not initially in the BoQs
	Total				700,000		90	Very good performance
Atutur	Hospital renovated	100	82	82	500,000	1	82	Administrative reviews that delayed the award of the contract. Good civil works were noted.
	Total				500,000		82	Good performance

Kaberamaido HCIV	Hospital Expanded	100	90	90	1,400,000	1	90	Most of the projects had been completed except the OPD which was at substantial completion.
	Total			90	1,400,000	1	90	Very good performance
Kitagata	Renovation of Kitagata Hospital	100	100	100	700,000	1	100	Target achieved and quality of rehabilitation works was visibly good.
	Total			90	700,000	1	100	Very good performance
Kitgum hospital	Renovation of Kitgum Hospital	100	92	92	500,000	1	92	Delays in project commencement noted.
	Total				500,000		92	Very good performance
Pallisa Hospital	Pallisa Hospital renovated	100	88	88	500,000	1	88	Works for the maternity ward delayed due to presence of patients in the ward. The contractor had inadequate financial capacity to execute the works in a timely manner.
	Total				500,000		88	Good performance

Financial Performance

Hospital	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
Abim	700,000	700,000	664,000	94.86	Very good financial performance
Atutur	500,000	499,954	489,836	97.98	Very good financial performance
Kaberamaido	700,000	1,400,000	1,295,814	93.00	Very good financial performance
Kitagata	700,000	700,000	700,000	100	Very good financial performance
Kitgum	500,000	300,000	230,000	76.66	Good performance
Palisa	500,000	500,000	500,000	100	While 100% of the money was absorbed 88% of civil works had been completed.

Source: Field findings


Abim Hospital partially rehabilitated


L-R: OPD extensions at Kaberamaido Hospital and Imaging Unit

General observations at District General Hospitals monitored

Kumi General Hospital had outstanding performance compared to the rest of hospitals. The hospital spent the least amount of funds (Ug shs 499 million) to rehabilitate a number of infrastructure. Visually, the quality of works was outstanding compared to hospitals like Abim and Pallisa. Generally, newly constructed infrastructure looked strong. Inadequate BoQs for the facelift project with a number of critical items left out within the same infrastructure. The rehabilitation in Abim Hospital missed out some key infrastructure like the mortuary, incinerator and the TB block, sewerage system (it was partially done in the running contract). Floors in Pallisa General Hospital were giving way, the renovation exacerbated cracks in some of the existing infrastructure, a number of sinks were not replaced, and they still remain rusty and bad at a number of newly renovated wards. These could further cause infections to both clinicians and other health workers.


Left: Ceiling works at Pallisa Hospital **Right: Ceiling at Abim Hospital**

Maintenance of renovated and face lifted infrastructure is paramount otherwise some works like ceilings refurbishments (cardboards) are like to fail in the short run.

Failure to operationalise some infrastructure due to lack of staff on. In Kaberamaido HCIV, the newly constructed infrastructure could not be operationalised due to limited staff.

Illegal connections to hospital lagoons and sewerage systems by commercial enterprises, in Abim four hotels had connected onto the system leading to a blockage. This caused extra works on the system. The hospital should fast track legal measures against the four hotels.

A sink at Pallisa General Hospital

Other challenges affecting performance of General hospitals

- Dumped cars in various health facilities like Abim Hospital. These vehicles could not be disposed-off as required law. The government valuer failed to reach the site due to lack of facilitation.
- Stock outs of medicines including tracer medicines due to increased population is common among health facilities, for example Kitagata hospital had run out of gloves and the six tracer medicines two weeks after NMS made deliveries.

- Lack of equipment including BP machines, oxygen concentrators, oxygen cylinders, CD4 machines among others.

8.2.2 Clinical and Public health (Vote Function: 08 04)
One out of two deelopment projects was monitored and the following was established.

8.2.3Public Health Laboratory Strengthening Project (Project 1148)
The project aims to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of TB and other communicable diseases. This project is implemented in the 5 East African countries including Uganda, Kenya, Tanzania, Rwanda, and Burundi. The East Central and Southern Health Community (ECSA-HC) under the East African Community (EAC) plays the oversight role and offers guidance to ensure effective implementation of the project.

The five year project that became effective on 31st January 2011. In Uganda, the project is expected to construct laboratories in Arua, Lacor, Mbarara, Mbale and Mulago and a reference laboratory at Butabika. On March 31st 2016, the project was extended for another five years with additional financing.

The specific objectives of the project are to: Strengthen the regional capacity to diagnose communicable diseases of public health importance and share information to mount an effective regional response: Support joint training and capacity building to expand the pool of qualified laboratory technicians: Fund joint operation research and promote knowledge sharing enhance the evidence base for these investments and support regional coordination and programme management.

The project has three components, namely; **Component 1:** Regional diagnostics and Surveillance Capacity. **Component 2:** Joint Training and Capacity Building. **Component 3:** Joint Operational Research, knowledge Sharing, regional coordination and program management.

Performance
The project achieved 62.5% of the planned outputs, however construction works in Mbale and Lacor did not commence. Some equipment was procured under the project, however, it had not been fully installed at the newly constructed laboratory at Butabika.

able 8.7: Performance of Public Health Laboratory Strengthening Project by June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Laboratory Management	11 Gen expert machines	11	100	756,000,000	0.13846 15	11.5384615	11 Gen expert machines managed and maintained
Information System maintained in five sites	5	5	100				Achieved in the five satellite sites
Laboratory consumables for the 5 satellite labs procured	5	5	100				Consumables procured for five satellite sites
Laboratory equipment at satellite sites maintained	All equipments maitained	100	100				Laboratories maintained at the five sites
Critical lab equipment installed at the Butabika based National Tuberclosis/Leprosy, Reference (NTRL) lab	All procured equipment installed	No equipment had been installed	0				Equipment had not been installed by 30th June 2016
Health workers in satellite sites trained in LQMS, Internal audit disease surveillance and response, LIMS.	800 Health workers	800 health workers trained	100				800 health workers were trained in various fields
Average perfomance			83.33				
Complete operational research on Malaria, TB and enteric.	100% operational research completed	70% of the research work completed	70	1,283,000,000	0.23498 17	16.4487179 5	Research was still ongoing
Cross border disease outbreak investigations and response conducted.							Targets were not clear. However some work was done at Busia boarder point
Project data collected from the 5 project sites.	Data in five sites collected	Data collected in five sites	100				Achieved
Support supervision conducted in the 5 project satellite sites.	5	2	40				Partially achieved
Average performance			70				
Mentorship conducted in the 5 project sites.	5	5	100	1,045,000,000	0.19139 1	13.8759157 5	

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Project staff facilitated for in country and international travel to conduct project activities.	100						Targets not clear
Quarterly Technical working groups	4	2	50				
Quarterly funding to the 5 satellite sites to facilitate QIPs.	5	2	40				Two transfers were made to the 5 satellite sites
Annual ECSA-HC Contribution made.	100% contribution	100%	100				USD 125,000 was paid to the body
Average perfomance			65.25				
Butabika National Laboratory completed	100% complete	95% complete	48	2,376,000,000	0.43516 48	20.8879120 9	At substantial completion
Procure Lab equip & other supportive item for NTRL	100	100	100				Equipment procured, however, most of it had not been installed
Construction of Mbale laboratory and remodelling of Lacor laboratory	2 labotories constructed	0	0				Not achieved
Supervision of civil works at Mbale and Lacor laboratories	All Civil works super vised	0	0				Not achieved
Average perfomance			37				
Total			148	5,460,000,000		62.8	Fair performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks		
GoU and Donor	5,460,000,000	5,460,000,000	5,460,000,00 0	100	The IDA disbursed 7,857,072.43 USD (77%) out a rolling budget of 10,100,000 rolling budget. Most funds were spent, however a number of construction projects had not commenced.		

Source: IFMS, field findings and MPS

8.2.3 Pharmaceutical and other Supplies (Vote Function: 08 05)

Monitoring focused on one out of two development projects; Global Alliance for Vaccines Initiative and the following was established.

8.2.3.1 Global Alliance for Vaccines Initiative (Project 1141)

The Global Alliance for Vaccines Initiative (GAVI) was launched in 2000 to improve access to immunization services for children in Uganda. The project main objective is to contribute to strengthening Uganda's health system to deliver the Uganda National Minimum Health Care Package (UNMHCP), including immunization, in an efficient, equitable and sustainable manner for reduced morbidity and mortality in Uganda.

The first phase of the project was expected to end in June 2015 however; the grant was given a no cost extension up to 30th June 2016. GAVI committed funds for two components; Health System Strengthening (HSS) and Immunization Support Services (ISS2).

The objectives of the grant are: To improve the delivery of UNMHCP including immunization by providing the necessary infrastructure, logistics supplies and management training**;** To support the participation of communities in health care delivery and decision making through scaling up of the establishment and training of Village health teams**;** To strengthen the capacity of the health workers at all levels of health care delivery at district level to manage and utilize their data; To strengthen the capacity of the private sector to deliver immunization and other child health services by providing cold chain, training and other related issues.

Performance

The project achieved 56% of the overall set targets. All construction works were not achieved. Construction of district stores and staff houses was still under procurement. Some targets under procurement of medical supplies were also not achieved. The Rota Vaccine was not procured and distributed by June 2016. The table 8.8 summarizes performance per output.

Table 8.8: Performance of GAVI by 30th June 2016 (Ug shs 000 000')

Vote function output	Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Preventive and curative Medical Supplies (including immunisation)	BACILLUS CALMETTE-GUERIN (BCG) BCG doses procured	7,880,600	5,657,000	71.7839	16,400	0.25	12.21	The outputs also include Ug shs 9 billion-GoU support to procurement of vaccines sent to NMS. The Project did not achieve the targets on procurement of vaccines.
	POLIO ORAL TRIVALENT 20 DOSE VIAL(OPV) procured	9,370,700	1,828,000	19.5076				
	PENTA VACCINE (DPT-HEPB-HIB) 10 DOSE VIAL procured	6,637,600	6,832,500	102.9363				
	PNEUMOCOCCAL CONJUGATE (PCV) 2 DOSE VIAL procured	6,288,700	5,622,000	89.3984				
	INACTIVATED POLIO VACCINE 5 DOSE VIAL (IPV) procured	3,217,220	702,800	21.8449				
	ROTA Virus doses procured	3,318,764	0	0				
	MEAS LES doses procured	3,318,765	1,608,000	48.45175				
	HUMAN PAPILOMA VIRUS (HPV) 1 DOSE VIAL procured	1,919,040	1,519,220	79.1656				
	Tetanus doses procured	9,233,000	1,285,400	13.9218				
Average score				49.6678				
Strengthening Capacity of Health Facility Managers	Regional support supervision conducted on quarterly basis	4	3.2	80	11,000	0.16	9.50	
	Fuel procured for 112 generators	100	0	0				
	National Support supervision visits conducted in all the 112 districts	100	29	29				
	Support supervision visits and outreaches conducted at district level.	100	95	95				

	Internal audit field visits conducted to selected districts	100	100	100				
	3 Cold chain staff support delivery of Immunisation services	100	66.6	66.6				
	M&E Specialist fully operational and salary paid	100	100	100				
	GAVI funds audited	100	100	100				
	HSD health workers trained	100	5	5				
	Capacity for cold chain officers to manage cold chain activities developed	100	0	0				
Average score for strengthening capacity of managers				58				
Government Buildings and Administrative Infrastructure	Consultancy services for civil works procured	100%	5%	5	22,000	0.3298	9.659	Under procurement
	District medicines stores constructed	20	0	0				Under procurement
	13 districts in hard to reach areas, each has 2 staff houses constructed	26	0	0				Under procurement
	Solar systems functional for the 26 houses	26	0	0				12 Cold rooms were supplied and installed at NMS
	12 cold chain equipment procured and installed.	12	12	100				Supplied and installed at NMS
	2 generators for National Vaccine Store procured	2	2	100				Supplied and installed at NMS
	1 freezer room installed at National Vaccine Store	1	0	0				National Vaccine Store was not constructed
Average score for government buildings				29				
Purchase of Motor Vehicles and Other	Payment for the transport equipment made	100% payment made	100% payment was made	100	9,100	0.1364	13.643	Taxes were exempted

Transport Equipment								
Purchase of Office and ICT Equipment, including Software	35 new districts have email connectivity	35	0	0	100	0.0014	0	Not done. 35 computers were procured and distributed to local governments to improve immunization data storage, however, connectivity was not provided.
Purchase of Specialised Machinery and Equipment	Procure and install assorted cold chain equipment including, 22 cold rooms	22	12	54.5454	8,100	0.1214	11.0400	Procured and installed at NMS
	Refrigerators and freezers procured	694	694	100				Procured and installed at different health facilities at various local governments visited.
	1 freezer room at NMS	1	1	100				Achieved
	1,000 vaccine carriers	1,000	1,000	100				Procured and distributed to some districts
	355 solar direct drive fridges	355	355	100				Target was achieved
	Average score for specialised machinery			90.9090				
	Total Output budget				66,700	1	56.05	Fair physical performance
	Total GAVI budget without NMS vaccine supplies				57,700			

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
Donor and GoU	57,700	54,653	54,653	81.2%	The total includes GoU allocations of 10illion, 74% of which were spent on preventive and curative supplies while the 18% was spent on purchase of specialised machinery and equipment
Total	57,700	54,653	44,398	81.2%	A total of Ug shs 44,398,950,683 was spent (Inclusive of USD 7,118,133 and Ug shs 20,197,298,483 spent on various activities mentioned above)

Source: MoH GAVI coordination office, field findings

Key issues under GAVI

- All the construction works did not commence during the period under review (FY 2015/16). Procurement delays were noted. The MoH should fast track the procurement process and avoid any further delays.
- Non-Operational equipment for example some generators were installed, tested in May 2016, by end of July 2016, they had not been operationalised. The Generator in Abim hospital was not operational. Two solar fridges were not installed in Ryeishe HCIII in Bushenyi district. All the electric freezers and computer delivered at Pallisa district were still in storage and haven't been in use for almost one year. The bicycles in Nebbi district were still in storage for over 10 months. The MoH should ensure full installation, testing and use of delivered items to district local governments.
- The motorised boat delivered at Mukono district was not in use. It had float balancing problems and the canopy had fallen off. There was no anchor provided and therefore referred to as "*a very risky canoe*" according to the district health officer.
- Although the GAVI and NMS under performed on procurement of vaccines, differences on amounts distributed were noted. Some vaccines like BCG, OPV and measles vaccines were undersupplied/distributed leaving big closing balances by end of FY 2015/16. Some returns inwards were also noted. Poor performance of countrywide immunisation campaigns also contributed to retrun inwards and big closing balances at the end of the FY. Table 8.9 indicates performance of GAVI (Procurement) and NMS on procurement, supply and distribution of vaccines FY 2015/16.

Left:Bicycles stored in the Nebbi district store. Right: Fridge installed at the Nebbi District Vaccine Store

Table 8.9: Performance of GAVI and the NMS on procurement of vaccines by 30th June 2016

Output	Annual Planned Quantity or Target FY2015/16	Cum. Achieved Quantity	Distributed during FY 15 /16	Difference between achieved quantities and those distributed	Closing balance by June 2016	Funding Source
BACILLUS CALMETTE-GUERIN (BCG) BCG procured	7,880,600	5,657,000	5,760,400	-103,400	1,386,000	GoU funded
POLIO ORAL TRIVALENT 20 DOSE VIAL(OPV) procured	9,370,700	1,828,000	3,927,200	-2,099,200		GoU funded
PENTA VACCINE (DPT-HEPB-HIB) 10 DOSE VIAL procured	6,637,600	6,832,500	4,349,010	2,483,490	4,783,520	GAVI Financed
PNEUMOCOCCAL CONJUGATE (PCV) 2 DOSE VIAL procured	6,288,700	5,622,000	4,095,100	1,526,900	2,425,700	GAVI Financed
INACTIVATED POLIO VACCINE 5 DOSE VIAL (IPV) procured	3,217,220	702,800	651,000	51,800	51,800	GAVI Financed
ROTA virus procured	3,318,764	0	0	0	0	GAVI Financed
MEAS LES procured	3,318,765	1,608,000	1,729,200	-121,200	1,584,500	GoU funded
HUMAN PAPILOMA VIRUS (HPV) 1 DOSE VIAL procured	1,919,040	1,519,220	815,880	703,340	730,150	GAVI Financed
Tetanus procured	9,233,000	1,285,400	3,396,600	-2,111,200	93,720	GoU

Source: MPS and NMS

8.2.4 Policy, Planning and Support Services

The monitoring team selected two vote function outputs under MoH headquarters and Planning. These were:

1) Support to Recruitment of Health Workers at HC III and IV (Output 08 49 53). This was mainly because it had a direct link to achievement of the sector key priorities for FY 2015/16 Priority two-MPS 2015/16-Human resource- attraction, motivation and retention).

2) Health Sector reforms including financing and national health accounts (Output 08 49 04). This was because it had a direct link to the National Health Insurance Scheme as one of the key Health Sector reforms in the pipeline.

Performance

a) Support to Recruitment of Health Workers at HC III and IV (Output 08 49 53)

Planned activities under this vote function included coordination of recruitment for General Hospitals, HC IVs, and HC IIIs. Support to recruitment of contract health workers for hard to reach districts.

During FY 2015/16, a total of 1.8billion allocated to supporting this activity was fully utilized, however, no transfers were made to District Service Commissions to support recruitment of health workers at general hospitals, HCIVs and IIIs were made by June 2016. A few activities in line with the output were conducted. These were; support to districts to develop recruitment plans, identification of staffing needs, data validation for health workers, facilitation to verify general facility health work records, data validation for recruited health workers, facilitation for recruitment monitoring, dissemination of quarterly reports, conducting training needs and reviewing of the training needs.

Most of the payments were made for activities not related to the main project output. These were guard allowances, facilitation of medical team during Papal visit, verification of pensioners, emoluments for a number of politicians and technical staff, travel expenses to the United States of America (USA) and various destinations, office imprest, allowances for Korean presidential visit and payment of contract salaries of MoH staff. Table 8.10 shows detailed performance of the output 08 49 53.

Table 8.10: Performance of health sector reforms including financing and national health accounts by 30th June 2016

Vote Function Output	Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Releases per Output	Weight Based on Release	Weighted Score (%)	Remarks
Support to the recruitment of health workers at HC III and IV (Output 08 49 53).	Recruitment for General Hospitals, HC IVs and HC IIIs coordinated.	100	47	47	1,875,799,774	1.	47	Districts were supported to: review training plans, carry out assessment of staffing needs, and development of recruitment plans among others Over 53% of the project expenditures were made on activities not directly related to the overall objective of the project.
	Hard to reach Districts with MoH contracted health workers supported to recruit	100	-	-				A number of MoH contract staff were paid salaries. These were based at the headquarters not hard to reach districts as required.
			Total budget for the output	47	1,875,799,774		47	
Total						1	47	Poor performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
GoU	1,875,799,774	1,900,000,000	1,875,799,774	98.726				

Source: MoH, field findings and IFMS

b) Health Sector reforms including financing and national health accounts (Output 08 49 04)

The MoH fairly performed on achievement of this output (50.4%), payments over and above the budget and released funds were noted, for example travel abroad expenses took 59% of the programme budget. Some expenditures were not directly related to the output under review for example. Payments for Uganda National Ambulance Services (UNAS) to provide medical services during festive season and treatment of some health worker. Table 8.11 shows detailed performance of the output 08 49 54.

Table 8.11: Performance of health sector reforms including financing and National Health Accounts by 30th June 2016

Vote output	Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Health Sector reforms including financing and national health accounts (Output 08 49 04)	Results based financing Strategy report disseminated	1	1	100	412,785,524	1	50.45	Completed and not disseminated due to lack of funds to print the strategy
	National Health Accounts (NHA) prepared and report disseminated	1	1	80				Completed and not disseminated due to lack of funds to print the strategy
	NHIS quarterly reports	4	3	75				Quarter 4 report was not seen
	Prepare 4 technical reports to scale up NHIS	4	4	100				
	NHIS pre-launching activities	1	-	-				
	Legislation on the Bill	1	1	100				Funds were not available for the activity
	Study tours	100	100	100				Number of tickets were paid for officials to travel abroad
	IEC's, Promotional program, branding materials)	100	-	-				
	Public relations (Hold TV talk shows)	100	-	-				
	DLG meetings, National and DLG level meetings	100	100	100				
	Printing	100	-	-				

Average performance				50.45				
Total					412,785,524			
							50.45	Fair Physical performance

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
GoU	706,000,000	467,100,000	412,785,524	88.37	All funds were not absorbed yet a number of activities were pending

Source: MoH, IFMS

8.3 Vote 162: Butabika National Mental Referral Hospital

The hospital was established in 1955, and is currently the only national referral mental health institution in the country. It is mandated to provide super specialized tertiary health care, train health workers and conduct mental health research in line with the requirements of the MoH.

The monitoring team assessed performance of programme 02 (Management), Butabika and health centre remodelling/construction (Project 0911) under Vote Function 08 55- Provision of Specialised Mental Health Services.

The main objective of the Program 02-Management is to provide specialized curative, preventive and rehabilitative mental health services in the country. They are mandated to undertake and support mental health related research. Training in Mental Health, Outreach programs among other things.

The Butabika and health centre remodelling/construction (Project 0911) is aimed at provision of additional stock of hospital infrastructure; cater for depreciation of hospital infrastructure; replacement of furnishings and fittings and general maintenance of hospital equipment in bid to continuously sustain mental health service delivery. The project phase monitored started in July 2015 and expected to be completed in June 2020.

Performance

The hospital achieved most of the set targets under programme 02 and the development project, overall, the project achieved 102% of the set targets. It was noted that some of the service outputs including in and outpatient services were over achieved, for example number of patients admitted, laboratory investigations and patients seen during the outreach program among others.

Left: Expansion works of the private ward at Butabiika Hospital. Right: Newly procured station wagon at Butabika Hospital

Table 8.12: Performance of Programme 01 and Butabika and Health Centre Remodelling/Construction Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Releases per Output	Weight Based on Release	Weighted Score (%)	Remarks
Salaries and allowances paid. Utilities paid. Hospital infrastructure and grounds maintained.	100%	100 %	100	5,093,318,078	0.5796	58	Achieved
Patients admitted	7,000	7,784	100	1,645,324,840	0.1872	18.72	Target achieved
Laboratory investigations conducted	28,000	30,026	100		0	0	Target achieved
X-ray's done	2,500	411	16		0	0	Not achieved due to the frequent breakdown of the X-ray machine. Patients were

							often transported to Naguru hospital to have x-rays done on them.
Ultrasound's done	2,000	1,522	76		0	0	Fairy achieved
All inpatients provided with 3 meals a day, uniforms and beddings	100	100	100		0	0	Achieved
Mental Health Research conducted (2 Short term research undertakings)	2	3	100	37,500,000	0.0042	0.42	Target achieved
Mental (Mental Health clinic, Child Mental Health Clinic, Alcohol and Drug Clinic, Trauma unit)	28,000	30,185	100	108,568,262	0.0123	1.23	Stagnant drug budgets compared to the need. The hospital receives more than 900 patients over and above its capacity of 550 patients.
Medical (general, Dental, Orthopaedic, Immunization, Family planning, HIV/AIDS, TB,STD, Eye clinic, Theatre/minor) outpatients attended to	40,000	32,366	81		0		
Outreach clinics conducted	60	60	100	180,699,000	0.0205	1.74	Target achieved
Patients seen in the outreach clinics	3,200	4,167	100				Target achieved
Visits to regional mental units	20	20	100				Target achieved
Patients resettled	900	360	40				Not achieved
Children immunised	2,000	1,482	74	10,000,000	0.0011	0.08	Not achieved
A station wagon purchased	1	1	100	278,570,986	0.0317	3	Achieved
Computers purchased	5	5	100	20,000,000	0.0022	0.002	Achieved
Photocopier and assorted Medical equipment purchased.	100		100	70,000,000	0.0079	1	Achieved
Office furniture and fittings purchased			100	8,141,000	0.0009	0	Achieved
Expansion on the private ward (Output 08 55 80)	70	70	100	1,334,293,267	0.1518	15	Target for the FY was achieved. Works were

							contracted to M/s Musuuza Construction Limited.
Total budget (Program 01 and development)				8,786,415,433		99.15	Very good performance

Financial performance

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
Recurrent (Program 1)	7,795,091,018	6,779,956,269	6,774,865,217	99.92	
Development	1,863,980,579	1,711,004,832	1,710,907,625	99.99	
Total			8,485,772,842	100	Very good financial performance

Source: Butabika hospital, MPS and IFMS

8.4 Uganda Cancer Institute

Background

The Uganda Cancer Institute (UCI) offers super specialised services in areas of cancer treatment, research and prevention. It has a three-fold mission; Research into all aspects of common cancers in Uganda. Provision of optimal evidence based clinical care. Provision of training for health care professionals using endemic cancers as model disease for training.

Efforts are underway to transform the UCI into a regional centre of excellence with a system for higher referrals in line with its mandate as a lead agency in implementation of comprehensive National Cancer Control Program (NCCP). Monitoring focused on two development projects. These were; Uganda Cancer Institute Project and African Development Bank (ADB) support to UCI were monitored.

1) **Uganda Cancer Institute Project:** The project aims to set up new and develop the existing infrastructure in UCI into a modern cancer treatment centre through procurement of medical equipment, furniture and fixtures, and infrastructure development.

African Development Bank Support to UCI (Project 1345): The project is based on the fact that cancer cases are increasing at an annual load of over 60,000 new cases in Uganda yet the country has only 20 oncologists. The project was therefore put in place to support UCI deliver high level education, clinical training, research and provide care for cancer management for Ugandans as well as the East African Community. The project is funded by GoU and a loan from ADB (22.09 million unit of account). It is premised on three major objectives. These are;

- 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.

- To reduce on the number of patients seeking cancer treatment from countries with superior facilities like India, South Africa and U.S.A among others thereby saving on foreign currency spent by Government of Uganda and the EAC member states.
- To facilitate the integration of Non Communicable Disease (NCD) Management in the EAC member states through knowledge sharing.
- To increase the number of health workers with appropriate cancer knowledge at the various levels of the health systems infrastructure within the individual EAC member states.

Performance

The UCI performed below average fairly at 31.3%, this was mainly because the ADB project commenced late during the FY. M/s Roko was also awarded the contract to construct the radiotherapy bunker one month towards the end of the FY. Most of the planned outputs were therefore not achieved. Table 8.13 shows detailed performance of the UCI

Left: Works on the Radiotherapy bunker Right: Digital x-ray machine procured machine at the UCI

Key issues under UCI

- Construction of the bunker will be completed in May 2017 and it was designed to house six cancer machines however it may not be operational or equipped until FY 2019/20. This is because the UCI plans to budget for equipment during FY 2018/19. Delivery of procured equipment may start (earliest) during FY 2019/20.

- Despite the fact the Uganda is in dire need for a cobalt/radiotherapy machine, renovations of the old bunker was not done. Applications for importation of the machine had also not started by end of June 2016, the International Atomic Energy Agency (IAEA) required the UCI to fulfil certain conditions including security and electrical installations before requisitions or the UCI lodges in an importation application.

- A contract between GoU and M/s Roko Construction Company to construct the bunker at a sum of Ug shs 25billion was signed, however, these funds were not adequately budgeted in the UCI 2016/17 budget yet works were expected to be completed in May 2017. The project was allocated Ug shs 3billion during FY 2016/17. This may not only result into debts to GoU, but might also compromise quality and timely completion of works.

- The machine to be procured is an older version expected to work for about 15 years yet according to the International Journal regarding present status and projections on radiotherapy infrastructure in middle and low income countries, Uganda needs a minimum of 54 radiotherapy machines by 2020[53]. The need to increase radiotherapy machines as well as prioritise prevention of non-communicable diseases like cancer is paramount.

- A total of 18 out 400 cancer patients had been selected to be treated in Aga-Khan Hospital by 30th June 2016. Delays in the selection process were noted. However, more than 15,000 cancer patients are in need of radiotherapy machine services in Uganda.

- Aga-Khan Hospital offered Ug shs 4.4billion towards treatment of 400 patients while the GoU will contribute a minimum of 98 million for accommodation, feedings and other incidentals were planned per 18 patients. This had not been budgeted for in the FY 2017/18 budget.

- The GoU needs to consider viability of this investment, further analysis indicates that GoU contribution perse, could facilitate payment for another radiotherapy machine. (Mulago hospital paid over 329,000 Euros for the radio therapy machine which translates into Ug shs 1,238,120,765.00[54], half of the GoU contribution towards the Aga-Khan initiative. GoU is most likely to spend Ug shs 2.1billion towards treatment of the 400 patients. Procurement of another machine could have been a more viable investment.

- Under the ADB project, delays to approve the project almost led to cancellation of the loan. *The need for GoU to clearly make projections on loan requirements vis-a-vis health sector needs is important. Decisions on whether loans are needed, key areas of focus and financing modalities should be envisaged and prioritized to inform future engagements.*

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[53] March 2014 Journal titled: *Radiation Therapy Infrastructure and Human Resources in low-and Middle – Income Countries: Present Status and Projections for 2020*

[54] 1 Euro=3750-July 2016

Table 8.13: Performance of the UCI by 30th June 2016

Project	Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Uganda Cancer Institute Project (Project 1120)	Construction of Radio Therapy Bunker and department	25%	10%	40	5,000,000,000	0.42	16.73	Construction started in May 2016 by M/s Roko Construction Company at a sum of Ug shs 25million. The site was handed over in May 2016, one month to the close of the FY. Works are expected to be completed within one year (By May 2017) . Excavation of the site had just commenced
	Engineering and Design Studies and plans for capital works and Monitoring, Supervision and Appraisal of capital works	100%	100%	100	900,000,000	0.0753	7.53	Designs for the bunker were in place with a geo technical study done in October 2015.
	Assortment of medical equipment for the new cancer ward procured. Pathology equipment and Imaging equipment, Flow cytometer, Blood bank refrigerator, Automated coagulation machine (number of equipment)	5	1.7	34	2,500,000,000	0.21	7.11	These included theatre, imaging and surgical equipment among others supplied by M/s Jos Hansen Suppliers. The Pathology equipment was procured however, the UCI does not have a pathologist on government structure. The Blood bank refrigerator and flow cytometer were not procured due to under budgeting of the items.

African Development Bank Support to UCI (Project 1345)	Salary top for PMU staff. Expenses for advertisement, fuel and lubricants for the vehicles, Consultancy services for project activities. Commissions on top management meetings and workshops for project activities facilitated	100	0	0	1,877,893,000	0.157	0	Much of the project activities did not kick start. Recruitment was not undertaken. However, the process had commenced and was in its advanced stages.
	Structural and architectural designs for the multipurpose building designed	100	0	0	300,000,000	0.025	0	Not done by end of June 2016
	One Van, One cancer field truck, one 4WS and one pick up purchased to be used in the running of the project activities	3	0	0	1,268,925,000	0.106	0	Not done
	Furniture and office equipment procured	100	0	0	107,695,000	0.009	0	Under procurement
		Total budget			11,954,513,000		31.37	Poor physical performance. Delays in the approval and disbursement of ADB funds were noted.

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
Uganda Cancer Institute Project	9,209,487,480	9,209,487,174	8,878,378,584	96.40	M/s Roko Construction was paid advance of 4.9 billion by 30th June 2016.
ADB Project	315,055,480	315,055,480	48,000,000	15.2	The ADB disbursed a total of USD 71,000 on the special accounts. Much of the funds were not utilised. Expenditure was made on procurement of a vehicle for UCI
Total	9,294,487,174	9,524,542,960	8,926,378,584		

Source: UCI, MPS, IFMS

8.5 Uganda Heart Institute

The institute was set up to serve as a center of excellence for the provision of comprehensive medical services to patients with cardiovascular and thoracic diseases at an affordable cost. This was envisaged to facilitate service delivery and enable continuous development of the institute. It is also aimed at offering an enabling environment for research and training for sustainable development of cardiac super speciality. Monitoring focused on Program two- Medical services and the Uganda Heart Institute Project (1121). The following was established;

1) **Medical Services (Programme 02):** This includes a number of outputs namely; heart research, heart care services and outreach services.

2) **Uganda Heart Institute Project (Project 1121):** The project commenced on 1st July 2010 and is expected to improve the infrastructure and services of the institute to provide convenient and affordable heart treatment to the local population and the region. It involves two components: civil works and procurement of assorted specialised equipment and machinery. Table 8.14 indicates detailed project performance.

Newly acquired laboratory equipment at the Uganda Heart Institute

Table 8.14: Performance of UHI Project (1121)-FY 2015/16

Project/Program	Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Output Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Medical Services (Programme 02)	Data and Research on Genetics of Rheumatic Heart disease collected and done	2.00	3.00	150	11,799,653	0.0011	0.169579	Achieved
	Data and research on TB Peripartum cardiomyopathy collected done	1	0	0		0	0	The output was dropped from annual outputs
	Open heart surgeries performed	100	73	73	5,815,533,739	0.5572	40.67456	Partially achieved
	Closed heart and thoracic surgeries performed	250	78	31.2				Improved technologies enhanced the shift from some of the closed heart surgeries to coronary bypass procedures in the cath-lab.
	Echos done	12,000	11,396	94.97				Substantially achieved
	ECGs performed	11,000	9,551	86.83				Substantially achieved
	Stress tests conducted	260	82	31.54				Not achieved
	CCU /ICU admissions done	500	812	162.4				Achieved
	Cath-lab procedures done	400	370	92.5				Not achieved
	pacemaker programming done	100	148	148				Achieved
	Holter monitoring conducted	200	158	79				Not achieved
	Laboratory investigations done	16,000	27,827	174				Achieved
	X-rays done	1,200	1384	100				Achieved
	Facilitation of expatriates for short term transfer of skills to local cardiologists and surgeons for heart surgeries	100	100	100	48,000,000	0.0046	0.459888	These were facilitated in terms of transport, accommodation, short term transfers of 11 health workers (3cardiologists, 3cardiac surgeons and 5 nurses).
	Cath-lab and surgical staff trained in cardiology and cardiothoracic surgery		7					Targets were not clear
	Gas Infrastructure maintenance, Cath-lab, ICU and surgical	100	100	100				Equipment maintained with consumables procured.

	machinery and equipment maintained							
	Support supervision and heart care education provided to:-14 regional referral hospitals	14	14	100				14 regional referral hospitals supervised
	120 Visits to specialised groups (Schools)	120		0				Number of school visits could not be verified
Uganda Heart Institute Project (Project 1121)	Review and design services for the new Heart home procured	100	0	0	100,000,000	0.0096	0	Activity not done
	One van procured and taxes paid	100	100	100	312,000,000	0.0299	2.989269	Achieved
	2 Scanners and 2 printers	4	4	100	200,000,000	0.019	1.916198	Procured and in use
	UPS procured	10	10	100				
	Other ICT equipment. Security gadgets and CCTV upgrade procured	100	100	100				
	Assorted specialised surgical instruments, procedural instruments, machinery and equipment procured	100	70	70	3,500,000,000	0.335	23.47343	Equipment was partially delivered. Delivered equipment was still in the store awaiting to be engraved by 28th July 2016. Equipment included; stitch removal set and surgical toilet sets, vein sets, surgical instruments like extra clamps, coronary and valve sets among others.
	Ventilator Machine	100	100	100				Procured and in use
	Infusion pumps procured.	100	100	100				Procured and in use
	Blood gas analyser procured.	100	0	0				Under procurement
	Stress test machine procured	100	0	0				Under procurement
	Vital sign machine procured	100	100	100				Procured and in use
	Heart Lung machine procured	100	0	0				Under procurement
	Office furniture for Surgeons office and laboratory procured	100	50	50	450,000,000	0.043	2.155723	Partially achieved with surgeon's office furniture not procured.

	Other structures procured	100	100	100		0	0	These included containers, partitions, oxygen lines for relocation to Mwanamugimu premises
	Total				10,437,333,392	1	71.84	

Program/project	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
Medical Services	7,126,244,411	7,126,244,411	7,126,244,411	100	
Uganda Heart Institute Project	4,562,500,000	4,562,500,000	4,562,500,000	100	
Total	11,688,744,411	11,688,744,411	11,688,744,411	100	The Ug shs 1,251,411,019 was wage

Source: IFMS, UHI, Approved budget estimates FY 2015/16

Challenges

- Delays in release of funds by the MFPED hence contracts for procurement of specialised equipment could not be signed. This translated into late deliveries and installation of equipment.
- Outdated architectural designs for the UHI home. These were designed in July 2011. Despite the fact that funds were spent on the project, the designs are outdated and there is no clear construction plans by both GoU and UHI. Poor planning; redesigning of the UHI architectural designs was unfeasible given the fact that there were no funds committed to construction of the facility. Activity shouldn't have been planned, therefore funds should have been committed to underfunded outputs like heart surgeries.

8.7 Regional Referral Hospitals (Vote 163- 176)

Background

Regional Referral Hospitals offer specialist clinical services such as psychiatry, Ear, Nose and Throat (ENT), ophthalmology, higher level surgical, medical services, and clinical support services (laboratory, medical imaging, and pathology). They are also involved in teaching and research. The mission of these votes is to provide specialized and high quality health services, conduct tertiary medical health training, research and contribute to national health policy.

Annual monitoring focused on the development grant-Rehabilitation of Regional Referral Hospitals (Project 1004). Six out of fourteen RRHs in Uganda were monitored. These were; Arua, Gulu, Jinja, Mbarara, Naguru, and Soroti RRH. The current phase of the project commenced on 1st July 2015 and is expected to end in June 2020. It was premised on the following objectives;

- Rehabilitation of old and broken infrastructure.
- Construction of vital infrastructure including staff accommodation.
- Adequately equip the hospitals with medical equipment, office equipment and furniture.
- Provide appropriate transport for the performance of hospital activities
- Provide alternative/backup power and water sources. The following was established during the annual monitoring.

The overall physical progress of referral hospitals monitored was 80.6% against financial performance of 99%. Below is the detailed performance per hospital.

8.7.1 Vote 163-Arua Regional Referral Hospital

The hospital achieved 89.1% of the development targets. The detailed physical performance is show in table 8.15.

Table 8.15: Performance of Project 1004 Arua RRH FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget' bn Ug Shs	Weight Based on Budget	Weighted Score (%)	Remarks
Purchase of specialized machinery and equipment	1	1	100	0.108	0.1425	14.25	The equipment was procured and some already on the ward, however some equipment like infusion pump was supplied without a tube rendering it unsuitable for use
Administration block and dental unit renovated	1	1	100	0.080	0.1055	10.55	Target achieved

Phase I of staff housing unit completed	1	1	100	0.220	0.2902	29.02	Achieved however, some defects on wardrobes, doors and sinks were observed
Surgical and pediatrics wards renovated	1	1	75	0.330	0.4354	43.54	Target was not achieved
Operating theatre rehabilitated	1	1	100	0.020	0.0264	2.64	Target achieved
Total	5	4.75		0.75	1.00	89.115	Good performance
Financial Performance							
Annual Programme Budget	Release	Cumulative expenditure		Financial Performance Score (%)		Remark	
750,000,000	729,000,000	728,000,000		100%		Very Good financial performance	

Source: Field findings


Left: Renovated administration and dental unit and right: Completed staff quarters

8.7.2 Vote 165: Gulu Regional Referral Hospital

The hospital achieved 100% of its development targets. Table 8.16 indicates detailed physical progress of project 1004.

Table 8.16: Performance of Project 1004 Gulu RRH FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget Ug Shs	Weight Based on Budget	Weighted Score (%)	Remarks
Construction of staff accommodation	Slab casted	75% of the slab casted	100	1,200,000,000	0.8510	85.10638	Partially achieved
Procurement of office furniture	100	100	100	50,000,000	0.0354	3.5460	The unit costs for some of the furniture like office

							chairs was notably high.
Renovation of the main stores	100	100	100	100,000,000	0.0709	7.0921	Poor workmanship was observed in the renovation works
Supervision of civil works	100	100	100	60,000,000	0.0425	4.2553	Civil works were supervised.
Total				1,410,000,000	1	100	Very Good performance
Financial Performance							
Annual Programme Budget	Release	Cumulative expenditure	Financial Performance Score (%)	Remarks			
1470000000	1,425,999,999	1,404,677,812	98.5	Overall financial performance			
Source : field findings							

8.7.3 Vote 167: Jinja Regional Referral Hospital

The hospital achieved 82.6% its development targets with the workshop and OPD still incomplete at the end of the FY. Table 8.17 indicates detailed physical progress of project 1004.

Table 8.17: Performance of Project 1004 Jinja RRH FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget' bn Ug Shs	Weight Based on Budget	Weighted Score (%)	Remark
Internet services installed at the pediatric ward	100%	100%	100	0.01	0.019608	1.9	Achieved
Specialized Machinery and Equipment procured	100%	100%	100	0.036	0.070588	7.059	Target was achieved
Medical maintenance workshops constructed; Storage space for medicines in Pharmacy and records repaired	100%	85%	85	0.394	0.772549	65.67	Not achieved
Building to house senior consultants and specialists on duty calls renovated	100%	100%	100	0.04	0.078431	7.84	Target was achieved
OPD for casualty and emergency unit repaired, including the construction of the security gate house	100%	95%	95	0.03	0.058824	0.055	At substantial complete
Total				0.51		82.59	Good performance
Financial Performance							
Annual Programme Budget	Release	Cumulative expenditure	Financial Performance Score (%)	Remarks			
600,000,000	597,600,000	597,600,000	100%	Very good financial performance			

Source: Field findings

8.7.4 Vote 17: Mbarara Regional Referral Hospital

The overall physical performance was rated with only 53.8% against 100% financial performance. Table 8.18 indicates detailed performance of the hospital.

Table 8.18: Performance of Project 1004 Mbarara RRH FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget' bn Ug Shs	Weight Based on Budget	Weighted Score (%)	Remark
Assorted medical equipment procured	100	20	20	0.4	0.27	5.4	Under procurement
Pickup truck procured	1	20	20	0.115	0.08	1.6	Under procurement
Construction of the 16 units staff quarter	1	1	100	0.625	0.42	42	Target achieved
Medical air and vacuum installed	2	20	20	0.364	0.24	4.8	Under procurement
Total						53.8	Fair Performance

Financial Performance (Ug shs)				
Annual Programme Budget	Release	Cumulative expenditure	Financial Performance Score (%)	
1,328,706,400	1,184,706,400	1,184,706,400	100	Expenditures were not commensurate to achieved outputs

Source: Field findings

Staff quarter construction under construction at Mbarara RRH

Vote 176: Naguru Regional Referral Hospital

The hospital achieved 90% of its set development targets as shown in table 8.19.

Table 8.19: Performance of Project 1004 Soroti RRH FY 2015/16

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Government buildings and Administrative infrastructure (Records department remodeled, X-ray stair case remodeled).	2	2	100	423,196,000	0.3237104	32.37	Two targets achieved as planned
Commencement of construction of the retaining wall, I solation shelter constructed	2	2	100	234,404,000	0.1792999	17.93	Completed
Purchase of Office & ICT equipment	3	3	100	80,100,000	0.0612699	6.13	Achieved
Purchase of specialized machinery and equipment (medical oxygen trolleys procured, spare tyre for Ambulance procured)	2	2	100	25,400,000	0.0194289	1.94	Achieved
Purchase of office and residential furniture and fittings (rewiring of critical units prepaid metering done, file shelves for accounts procured, partitioning labour suit done, Notice boards for various wards procured, burglar proofing various units done	5	5	100	85,000,000	0.0650180 6	0.07	Achieved
Block 1 staff hostel completed	1	1	80	222,050,000	0.1698501 3	13.59	At substantial completion
Consultancy services for the construction of staff hostel paid	1	100	100	145,179,000	0.1110500 9	11.11	Achieved

Purchase of assorted medical equipment	100	100	100	92,000,000	0.07037249	7.04	Achieved
Total				1,307,329,000		90.17	Good performance

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,307,829,000	1,307,329,000	1,307,329,000	100	Very good absorption

Source: field findings

Left: Staff quarters at substantial completion, and Right: Remodelled records unit Naguru RRH

Installation of oxygen plants: Naguru hospital was selected as the principal recipient of the money meant for the construction of oxygen plants at the 13 RRHs of Arua, Fort portal, Gulu, Jinja, Kabala, Lira Masaka, Mbale, Moroto, Mubende and Soroti. The funds were initially allocated to the beneficiary hospital but later transferred to Naguru by each of the RRH. The hospital on behalf of other RRHs contracted M/s Silverbacks Pharmacy Limited on 30th May 2016 at a sum of US dollars 1,800,347. By September 2016, works had not commenced. However, an advance payment amounting to 1.820 billion (30%) had been paid. *No advance payment guarantee had been made by the supplier. The contract was not clear on the delivery schedules as well as project end date.*

Although the Permananet Secretary/Secretary to Treasury (PS/ST) in his circulars (15th January-21 March 2016) to accounting officers instructed that all contracts for works, goods and services are to be awarded in Uganda Shillings with effect from 15th January 2016, this contract was awarded in US Dollars in May 2016. As a result the hospital had already suffered from exchange losses of USD 11,325.71 arising from the advance payment as required in the contract.

Maintenance of equipment: the hospital infrastructure which was donated by the Republic of China had started to heavily deteriorate. The hospital lacks a clear infrastructure maintenance plan and budget.

Redundant equipment: The hospital received a breast cancer machine among other equipment from China, however, it had not been utilized for lack of complementary consumables such the film and cassette. This therefore needs to be prioritized in order to avoid redundancy and ensure effective use.

Vote 171 Soroti Regional Referral Hospital

Two out of the four planned targets were achieved. The hospital achieved 69.1% of the annual targets as illustrated in table 8.20.

Table 8.20: Performance of Project 1004 Soroti RRH FY 2015/16

Physical performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget' bn Ug Shs	Weight Based on Budget	Weighted Score (%)	Remark
Staff house completed	1	0.69	69	0.81	0.922551	63.67	Not achieved
Private wing completed	1	1	0.8	0.02	0.022779	0.02	Not achieved
Construction of walk ways completed	1	1	100	0.008	0.009112	0.91	Target achieved
Furniture procured	1	1	100	0.04	0.045558	4.56	Target achieved
Total				0.878	1	69.14	Fair physical performance

Financial Performance				
Annual Programme Budget	Release	Cumulative expenditure	Financial Performance Score (%)	Remark
0.9	0.812	0.812	100	Budget cuts affected execution of planned works.

Source: Field findings

Left: Staff quarters under construction, Right: Private wing remodelling at Soroti RRH

Overall challenges affecting Regional Referral Hospitals

- Inadequate and outdated staff structure therefore new services such as cardiology, oncology, renal and neonatal unit cannot be effectively handled by RRHs
- Limited budgets for medical supplies including specialist drugs. Shortage of supplies like gauze, giving sets, gloves, anaesthetic drugs were constraining service delivery. Patients were often asked to buy such items from private pharmacies.
- Inadequate staff accommodation: In Jinja RRH, only 20% of the hospital staff are accommodated in the dilapidated staff quarters. The hospital further suffers from unending land wrangles. The Uganda Land Commission gave away hospital land and efforts to have this reversed remained futile. The land had been ear marked for the construction of the staff quarters.
- Delayed commencement of the procurement process hence some hospitals like Mbarara awarded contacts on 15th June 2016, 15 days to the end of the FY.

8.8 PHC Development Grant (Local Governments)

On average, LGs monitored achieved 90% of their set targets against 93.9 financial performance. Table 8.21 indicates performance per district. Abim performed averagely at 61% with some planned outputs not done but funds spent, Kitgum also failed to achieve some outputs yet funds were spent.

Table 8.21: Performance of local governments by 30th June 2016

District	Overall Physical performance (%)	Overall financial performance (%)
Abim	61	89.51
Arua	98	98
Buhweju	100	100
Bushenyi	97	94.26
Gulu	99	84.30
Jinja	89	100
Kaberamaido	96	100
Kitgum	71	92.3
Kumi	80	82.03
Luuka	96	95.12
Mbarara	94	90.20
Moyo	99	97.23
Nebbi	87	100
Pallisa	99	98.47
Soroti	92	87.09
Average	1345	1408.51
Total	90	93.9

Source: Field findings

8.8.1 Detailed district performance

1) Abim district

The district achieved 61% of the set targets with some outputs being partially achieved. Table 8.22 indicates detailed performance of the PHC development grant at Abim district.

Table 8.22: Performance of PHC development grant (Abim LG) by 30th June 2016

District	Planned Outputs	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget (000)	Weight Based on Release	Weighted Score (%)	Remarks
Abim	Procurement of a vehicle	100	-	-	160,000	0.592593	0	UNICEF was in the process of availing a vehicle to the district. The activity was therefore halted.
	Taxation of the donated vehicle from UNICEF	100	100	100	40,000	0.148148	15	All taxes have been paid by UNICEF. The district was awaiting for communication from UNICEF to pick it up from its headquarters. UNICEF asked the district to undertake VHT training. The activity was done and completed.
	Completion of DHOs office (Phase one-Slab construction)	100	100	100	50,000	0.185185	19	Construction up to slab level was done by M/s Massy Limited at a sum of 140million. The value of works on ground did not reflect the amout of funds paid for the project. Efforts to have the BoQs to verify works proved futile.
	Repair of two vehicles	100	100	100	26,000	0.096296	9.629	These were operational and facilitating transport for outreaches, immunizations among other undertakings
	Completion of Oreta HC II	100	70	70	30,000	0.111111	7.777	Contractor paid Ug shs 30million but structure is already failing. Community was already demonstrating against shoddy works done.
	Procurement of furniture (nine drug shelves)-PHC normal grant	100	100	100	26,000	0.096296	9.629	The furniture was characterized by broken locks, poor quality timber behind the cupboards was noted (not hard wood as specified in the BoQs). Unit cost was Ug shs 2.7million inclusive of taxes and Ug shs 2million exclusive of taxes. This was noted to be too high in relation to the market prices.
	Total budget (PHC development and PRDP Grant)				332,000		61	

Grant	Annual Programme Budget (000)	Cumulative Receipts (000)	Cumulative expenditure (000)	Financial Performance Score (%)	Remarks
PRDP	270,000	267,000	239,000	89.51	A total of Ug shs 28million remained unspent
Total	270,000	267,000	239,000	89.51	

Source: Field findings

2. Arua district

The district achieved 98% of the set targets with most at substantial level of achievement. Table 8.23 indicates detailed performance of the PHC development grant.

Table 8.23: Performance of PHC Development grant-(Arua district) by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget (000)	Weight Based on Release	Weighted Score (%)	Remarks
Arua	Staff house in Ogoko HC constructed	100	98	98	159,838	0.4074	40	Substantially achieved
	Maternity ward in Bileafe HCIII constructed	100	98	98	60,738	0.1548	15	Substantially achieved
	Staff house with Kitchen at Malanga HCII constructed	100	98	98	139,554	0.355727	34.86	Substantially achieved
	VIP latrine constructed at Pawor HC	100	95	95	14,685	0.037433	3.556100	Substantially achieved
	Retentions paid for staff house at Rhino camp, Bunva HC and Pawor HCs	100	100	100	17,490	0.044584	4.458446	Achieved
				Total budget	392,307		98	Very good physical performance

Financial performance

Grant	Annual Programme Budget (000)	Cumulative Receipts (000)	Cumulative expenditure (000)	Financial Performance Score (%)	Remarks
PHC Development /PRDP	392,307	379,457	319,457	84.19	Ug shs 9,407,392 remained unspent
Total	392,307	379,457	319,457	84.19	

Source: Field findings

3. Buhweju district

The district achieved 100% of its set targets as indicated in table 8.24.

Table 8.24: Performance of Buhweju district (PHC Development Grant) by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity(%)	Score (%)	Annual Releases per Output	Weight Based on Release	Weighted Score (%)	Remarks
Buhweju	Administration Block at Nsiika HCIV renovated	100	100	100	13,836,850	0.673	67	Achieved
	Retention for Bihanga General ward paid	100	100	100	5,400,005	0.263	26	Achieved
	Retention for a completed walkway at Nsika HCIV paid	100	100	100	580,707	0.028	2.826	Achieved
	Balance for electrical installations at Burere HCIV paid	100	100	100	447,702	0.022	2.178	Achieved
	Construction works monitored	100	100	100	286,600	0.013	1.394	Achieved
				Total budget	20,551,864			
							100	Physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
PHC Development	20,500,000	20,500,000	20,500,000	100.				
Total	20,500,000	20,500,000	20,500,000	100.	Very good absorption			

Source: Field findings

4. Bushenyi district

The district achieved 98% of the set targets as indicated in table 8.25.

Table 8.25: Performance of (PHC-Development) Bushenyi district by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity(%)	Score (%)	Annual budget	Weight Based on Release	Weighted Score (%)	Remarks
Bushenyi	OPD constructed at Kabumbuli/ Kashabya HCIII (Phase I) in Bitooma Sub county	100	100	100	18,000,000	0.54	54	Achieved, however, the district does not have funds to complete the infrastucture
	Staff house in Ryeishe HCIV constructed	100	100	100	15,410,222	0.46	46	Achieved
				Total budget	33,410,222	1	100	Very good Physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
PHC/ PRDP	35,687,000	35,687,000	33,637,035	94.26	Ug shs 2,049,965 remained unspent by end of the FY. A total of Ug shs 226,000 was used for monitoring of PHC development projects.			
Total	35,687,000	35,687,000	33,637,035	94.26	Very good financial performance			

Source: Field findings

5. Gulu district

The district achieved 99% of the set targets as shown in table 8.26.

Table 8.26: Performance (PHC-Development grant) of Gulu district by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Gulu	Theatre Lalogi HCIV renovated	100	98	98	107,024,820	0.30	30	Substantially completed
	Four unit staff house at Awach HCIV constructed	100	100	100	94,000,000	0.26	26	Completed and occupied
	OPD at Awach HCIV renovated	100	98	100	120,000,000	0.34	34	Completed and in use
	Four stance drainable latrine with urinal at Awach HCIV	100	100	100	17,000,000	0.048	4.8	Completed and in Use
	Four stance VIP latrine with urinal at Binya HCII	100	100	100	17,000,000	0.049	4.9	Completed and in Use
	Total				355,024,820		99	Very good physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
PRDP and PHC Development	380,056,000	380,056,000	320,389,122	84.30	Ug shs 59 million remained unspent			
Total	380,056,000	380,056,000	320,389,122	84.30	Very good financial performance			

Sourc: Field findings

6. Jinja District

The district achieved 79% of the set targets. Outstanding works were noted on procurement of the transformer. Table 8.27 indicates detailed performance of the PHC development grant in the district.

Table 8.27: Performance of PHC development grant of Jinja district by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity(%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Jinja	A transformer procured for Buwenge General Hospital	100	60	60	18,009,437	0.494353	30	All payments were done, however UMEME had not yet installed it at the health facility.
	Certificate for Phase I works at a maternity ward in Wakitaka HCIII paid	100	100	100	17,000,000	0.466644	47	Payments were made. Phase II works did not kick start for lack of funds.
	Retention for renovation works at Mutai HCII paid	100	100	100	1,420,881	0.021756	2.176	Payments made. Actual completion of works including defects was done on 19th June 2015.
				Total budget	36,430,318		79	Good physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
PHC Development	33,970,000	33,970,000	33,970,000	100				
Total	33,970,000	33,970,000	33,970,000	100	Very good financial performance			

Source: Field findings

7. Kaberamaido District

The district achieved 99% of the set targets as indicated in table 8.28.

Table 8.28: Performance of PHC development grant at Kaberamaido district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Staff house in Aperikira HCIII completed	100	100	100	25,460,132	0.117231	12	Completed
Staff house in Apapai HC II constructed	100	98	98	89,906,510	0.413974	40.56942498	Substantially complete
Construction of a Theater at Kalaki HC III (PHASE I) completed	100	100	100	21,640,000	0.099641	9.96411872	Phase one included construction of the slab level
10-stances of pit latrines drained	100	100	100	10,000,000	0.046045	4.604491091	Completed
Cracks repaired and painting of private ward done	100	100	100	11,831,978	0.054480	5.448023729	Completed
Maternity ward constructed in Aperikira HCIII (Phase 1)	100	100	100	57,015,240	0.262526	26.25261646	Completed
Retention for completion of a staff house at Otuboi paid	100	100	100	479,407	0.002207	0.220742526	Completed
Retention for construction of a two stance pit latrine at Kaberamaido HCIV paid	100	100	100	846,000	0.003895	0.389539946	Completed
			Total budget	217,179,267	1.000000	99	Very good physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks		
PHC development grant	215,853,000	203,802,000	189,395,281	92.93	A total of 14million remained unspent		
Total	215,853,000	203,802,000	189,395,281	92.93	Very good financial performance		

Source Field findings

8. Kumi District

The district achieved 78% of the set targets as shown in table 8.29.

Table 8.29: Performance of PHC development grant at Kumi district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity(%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Retention for construction of staff house at Nyero HCIII paid	100	100	100	4,358,300	0.022040	2	Achieved
Retention for completion of Oseera HCII paid	100	100	100	1,880,345	0.009509	1	Achieved
Retention for completion of Aterai HCIII paid	100	100	100	7,861,827	0.039758	3.98	Achieved
Central store completed at DHO (PRDP)	100	100	100	35,109,975	0.177553	17.76	Store was completed, however, not yet in use by August 2016.
Maternity ward in Ongino HCIII completed (PRDP)	100	100	100	27,317,480	0.138146	8.89	Completed, however, the district had no funds to undertake Phase two works. These were is expected to include painting, shutters, electrical and plumbing works and general finishes.
Equipment procured for Ongino HCIII procured	100	100	100	17,319,997	0.087588	8.89	Procured, however equipment was still in storage in a container at the water department. Equipment included a delivery beds, mattresses, bed sheets and blankets among others.
Operating theatre completed at Kumi HCIV (PRDP)	100	95	95	46,947,600	0.087588	8.89	Substantially complete, however, the veranda had a number of cracks, terrazzo had not been polished, and the window putty was falling off rendering glasses liable to falling out. The tank stand had also failed.
Furniture procured at Oseera HCII	100	100	100	6,678,886	0.033776	8.89	The DHO procurement requisition made on 4th April 2016 indicated 15 pieces of chairs, valued at 2,250,000 at a unit

							cost of Ug shs 150,000. However only three chairs were delivered at unit cost not indicated. Delivery notes could not be traced. The requisition further had four tables without designs at 675,000 per table and two tables with designs at 864,444. The total requisition amounted to Ug shs 6,673,883. However only three tables were delivered to the health facility. The payment was not commensurate to items delivered.
Furniture procured at Ongooma HCII	100	100	100	9,850,080	0.049812	8.89	
Furniture, curtains and two air conditioners procured at DHO (PRDP)	100	100	100	40,418,658	0.204400	8.89	Achieved
Total				197,743,148		78	Physical performance (Good performance)
Grant		Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks	
PHC Development and PRDP		261,249,267	261,249,267	214,314,782	82.03	A total of Ug shs 46.6million remained unspent by 30th June 2016	

Source Field findings

9. Luuka district

The district achieved 97% of the set targets. Most of the targets were achieved at 100%, expect one that was not done as shown in table 8.30.

Table 8.30: Performance of the PHC development grant in Luuka district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Retention for renovation of staff house at Kiyunga HCIV paid	100	100	100	2,011,637	0.049608	5	Retention was paid for works completed in June 2015. The entire contract sum was Ug shs 40,232,750 however, works *on ground did not reflect payments done. The infrastructure continued to depreciate* despite the investment. *The ceiling was already cracking, paint was already peeling off, and there was no water connection among others.*
Retention for renovation of general ward at Kiyunga HCIV paid	100	100	100	3,961,047	0.097681	10	Retention was paid for works done at a contract sum of Ug shs 42,050,716. *Works on ground did not reflect payments done, the infrastructure continued to depreciate* despite the investment.
Retention for renovation of OPD at Kiyunga HCIV paid	100	100	100	878,685	0.021669	2.17	Retention was paid, however, the ward was still infested by bats, replaced glasses were already falling out, and mosses were growing on the newly scrapped and painted structures.
Renovation of DHO's office and drug store at Kiyunga HCIV	100	100	100	8,452,732	0.208447	20.84	Achieved
A two stance pit latrine at Lwaki HCII constructed	100	100	100	7,246,875	0.178710	17.87	Completed
Nakisunga HCII OPD completed	100	100	100	5,000,000	0.123302	12.33	A total of Ug shs 5,800,000 was paid to M/s Magamba Civil Engineering Limited on 12th April 2016 for works completed in FY 2011/12. Works had not been certified and the contractor dragged the district to court for non-payment of outstanding fees. The court ruled in the contractor's favour on 15th March 2016 and the district was asked to immediately pay all outstanding balances to the

							contractor.
Departmental assets engraved	100	-	-	1,110,000	0.027373	0	A total of Ug shs 1,110,000 was paid to the DHO to engrave all departmental assets. By 26th July, no asset had been engraved by the above officer.
Retention for renovation of staff house, laboratory, maternity and general ward at Bukova HCIII paid	100	100	100	11,890,000	0.293211	29.32	Retention paid
			Total budget	40,550,976		97	Very good physical progress
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks		
PHC Development	40,790,000	40,790,000	38,800,976	95.12	Ug shs 1.9 million remained unspent		
	40,790,000	40,790,000	38,800,976	95.12	Very good financial performance		

Source: Field findings

10. Mbarara district

The district achieved 99% of the set targets as shown in table 8.31.

Table 8.31: Detailed performance of the PHC development grant at Mbarara district by 30th June 2016

District	Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget per Output	Weight Based on Release	Weighted Score (%)	Remarks
Mbarara	OPD at Kibaale HCII renovated	100	100	100	7,000,000	0.102275	10	Achieved
	Staff house and two stance semidetached toilet in Kaliro HC II completed (Roll over project 2014/15).	100	100	100	18,179,363	0.265615	27	Completed, however, *the staff house had developed a huge crack from the wall to the ceiling. The infrastructure will most likely not last its design period.*

	Staff house and two stance semidetached toiled completed at Kagongi HCII (Roll over project FY 2014/15).	100	98	98	43,263,284	0.632110	61.94678	*Minor cracks on the veranda were noted. The toilet doors were also substandard* with
				Total budget	68,442,647		99	Very good physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
PHC Development	34,336,667	34,336,667	30,971,000	90.20				
Total		34,336,667	30,971,000	90.20				Overall financial performance

Source: Field findings

11. Moyo district

The district achieved 99% of the set targets as shown in table 8.32.

Table 8.32: Performance of the PHC development grant at the Moyo district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Releases per Output	Weight Based on Release	Weighted Score (%)	Remarks
Staff house with Kitchen constructed at Logoba HCIII	100	100	100	94,974,189	0.225344	23	Completed but was not yet handed over to the district. Cracks in the floor, door handles and peeling paint were noted.
Staff house with Kitchen constructed at Malanga HCIII	100	100	100	95,000,000	0.225405	23	Competed however, cracks in the floor of the house and toilet were noted.
Cokwe HC staff house rehabilitated	100	100	100	38,602,200	0.085282	8.53	Completed and in use
Four stance VIP pit latrine constructed at Dufuli HCII	100	100	100	15,093,500	0.035812	3.58	Completed and in use
Four stance VIP pit latrine constructed at Malanga HCIII	100	100	100	147,438,000	0.349824	34.98	Completed and in use
Four stance drainable pitlatrine constructed at Cokwe HC	100	100	100	15,178,000	0.036013	3.60	Completed but not yet handed over

Supply, installation and testing of solar accessories for Dufiri HCIII and electrical installations at DHO's office	100	100	100	15,178,000	0.036013	3.60	Activity done. Funds that were set aside for retention were used to undertake the activity at both Dufuli and DHO's office.
Four carpets for DHO's office procured	100	100	100		0.000000	0	Procured but not in use. There were still in the district store
Total			Total budget	421,463,889		99	Very good physical performance
Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks		
PHC Development and PRDP	452,643,989	324,882,000	315,881,000	97.23	A total of 9.4million remained unspent by end of the FY		
Total	452,643,989	324,882,000	315,881,000	97.23	Very good financial performance		

Sourc: Field findings

12. Nebbi district

The district achieved 97% of the set targets as shown in table 8.33.

Table 8.33: Performance of the PHC development grant at Nebbi district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity(%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Kitchen and latrine at Panyigor HCIII completed	100	100	100	25,000,000	0.099302	10	Completed however, structure is characterised by big cracks in the floor
Four stance pit latrine at DHOs office constructed	100	100	100	2,000,000	0.007944	1	Completed and in use
Four stance pit latrine at Abongo HCII	100	100	100	19,000,000	0.075469	8	Completed and in use
Modified staff house at Pakwach HCIV	100	100	100	20,000,000	0.079441	8	Completed and in use, however, the us
Poor floor works corrected and retention for maternity ward in Abongo HCII paid	100	100	100	16,725,650	0.043222	4	Completed, however, facility was not completed.
Erussi OPD HCII rehabilitated	100	98	98	100,000,000	0.397207	39	Structures were substantially completed.
Kokucwiny Maternity ward rehabilitated	100	100	100			0	

Four stance pit latrine at Kokucwiny Maternity	100	100	100			0	
Retention for OPD at Akworo paid	100	100	100	2,576,241	0.010233	1	Retention paid
Retention for completion of DHO's store and land scraping paid	100	100	100	1,557,350	0.006186	1	Retention paid
Retention for a two stance and Panyimur isolation ward paid	100	100	100	2,750,000	0.010923	1	Retention paid
Assorted laboratory equipment for HCIII procured	100	100	100	49,970,000	0.198485	20	Equipment procured and delivered
Retention and completion certificates for Goli staff house paid	100	100	100	2,418,348	0.009606	1	Retention paid
Retention for solar connections in Nyaruvur HCIII paid	100	100	100	500,000	0.001986	0	Retention paid
Monitoring and supervision of PHC project	100	98	98	9,260,000	0.036781	4	Funds were paid to the district planner, engineer and some politicians
			Total budget	251,757,589		97	Very good physical performance
PHC Development and PRDP	251,757,589	141,021,000	141,021,000	100.00			
	251,757,589	141,021,000	141,021,000	100.00	Very good financial performance		

Source: Field findings

13. Pallisa district

The district achieved 99% of the set targets as detailed in table 8.34.

Table 8.34: Performance of the PHC development grant at Pallisa district by 30th June 2016

Planned Output	Annual Planned Quantity or Target(%)	Cum. Achieved Quantity(%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Staff house in Butebo HCIV constructed	100	100	100	93,518,481	0.267513	27	Completed
General Ward in Mpongi HCIII constructed	100	98	98	159,691,241	0.456803	45	The contract was lagging for more than six months, the floor of the ward had cracks and poor quality internal wooden doors.

Retention for two stance pit latrine at Kaboroi HCIII paid	100	100	100	358,275	0.001025	0.10	Retention paid
Placenta Pit in Kaboroi HCIII constructed	100	100	100	4,088,700	0.011696	1.17	Completed and in use
Two stance pit latrine at Kaboroi HCIII constructed	100	100	100	8,364,000	0.023926	2.39	Achieved
Payment for double cabin completed	100	100	100	16,000,000	0.045769	4.58	Procured from Toyota Uganda at a sum of Ug shs 136million. The vehicle was planned, budgeted and executed under the health budget, however the vehicle belonged to the Finance department.
Kitchen at Pallisa General Hospital renovated	100	100	100	23,548,143	0.067360	6.74	Works were completed and fully paid, however the kitchen was not yet in use by 8th August 2016.
Five stance pit latrine constructed Pallisa General Hospital	100	100	100	15,604,092	0.044636	4.46	Completed
Retention for renovations at Nagwere General Ward paid	100	100	100	1,400,000	0.004005	0.40	Retention paid
Two- stance pit latrine constructed at Putti HCII	100	100	100	7,138,927	0.020421	2.04	Completed
Two- stance pit latrine constructed at Gogonya HCIII	100	100	100	8,496,000	0.024303	2.43	Completed
Retention for construction of a staff house at Kodokoleni HC paid	100	100	100	2,646,555	0.007571	0.76	Retention paid
Payments for monitoring and supervision of development projects, Environmental Impact Assessments Surveys and	100	100	100	8,730,000	0.024973	2.5	Funds were paid to the District Engineer, Environmentalist and the district monitoring team.

BOQs for FY 2016/17 paid							
			Total budget	349,584,414		99	Very good physical performance

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
PHC Development and PRDP	354,244,000	354,244,000	348,827,165	98.47	A total of Ug shs 5,416,835 remained unspent
Total	354,244,000	354,244,000	348,827,165	98.47	Very good financial performance

Source: Field findings

14. Soroti district

The district achieved 96% of the set targets as shown in table 8.35.

Table 8.35: Performance of the PHC development grant in Soroti district by 30th June 2016

Planned Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Release	Weighted Score (%)	Remarks
Tubur HCII fenced	100	100	100	23,565,685	0.113308	11	Completed
Maternity ward in Awaliwal HCII constructed	100	95	95	83,917,824	0.403494	38	Substantially complete, however, the infrastructure could not be operationalized due poor planning which led to omission of critical items on the BoQs. These included: lack of a placenta pit, vents, latrine, plumbing works (for hand wash basin), drainage works, water tank, sluice room. It was observed that the floor had also heavily cracked. The contract value and payments were not commensurate to the structure on ground. The contractor had been paid Ug shs 70,977,746
Maternity ward in Ocakacan HCII constructed	100	95	95	74,194,362	0.356741	33.89	Completed but could not be operationalized due poor planning which led to omission of critical items on the BoQs. (as those of Awaliwali maternity ward) The contract value and payments were not commensurate to the structure on ground.
Retention for renovation of old OPD and two stance pit latrine for Aukot and Ocakican HCII respectively paid	100	100	100	2,260,325	0.010868	1.09	Retention was paid, although the infrastructure was a year old, cracks in the floor were evident
Retention and final certificate payment for a general ward at Dakabani made	100	100	100	14,873,621	0.071515	7.15	Retention paid

Retention and balance on additional works at Tirir HC IV paid	100	100	100	9,166,310	0.044073	4.41	Retention paid
			Total budget	207,978,127			
Total						96	Very good physical performance

Grant	Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks
PHC Development and PRDP	238,820,000	238,820,000	207,978,127	87.09	A total of Ug shs 30million was unspent. Retention on some of the completed projects was not paid
Total	238,820,000	238,820,000	207,978,127	87.09	Overall financial progress

Source: Field findings

Left: A cracked floor at Nebbi DHO store; Middle: Failing tank stand at Kumi HCIV; Right: A cracked floor in a general ward in Mpongi HCIII in Pallisa district

Implementation Challenges

PHC Non-wage

- Over payment of non-wage in FY 2015/16 for PNFP facilities and under payment of government. For example Nyarieji Health Centre in Nebbi district (PNFP) received Ug shs 17,384,500 on 19th August 2015 instead of Ug shs 1,553,617. Instructions from MoH to refund the money was received on 15th September 2015 (almost a month later). Goli Health Centre received Ug shs 17,002,015 instead of Ug shs 4,735,000 during the same period under review.
- The quarter one release advice and press release (2016/17) indicated government health facilities as PNFPs. These were**:** Olujobo HCIII and Lazebu HCII in Arua district.
- Spelling mistakes in names and account numbers of health facilities have also continued despite corrections from districts. Such facilities end up failing to access funds hence affect service delivery. For example Tuku HCII was mis-spelt as Tiku hence likely to miss out on quarterly releases.
- Some health centres IIs were graded as health centre IIIs yet they had never been upgraded by MoH. This is likely to distort the planning figures of the new FY.

- Memoranda of Understanding (MoUs) between various districts regarding allocations and terms of service for PNFPs were not signed during FY 2015/16. This undermined performance of PNFPS since they were not obliged to achieve any targets agreed upon in the MoUs.

PHC –Development

- Scaling down of PHC development activities in all districts due to centralisation of the grant to procurement of medical equipment (FY2015/16) greatly affected implementation of development plans of various districts.
- Shoddy works; these were noted in Luuka, Soroti, Abim and Nebbi among others.
- Payment for poor quality works by various local governmens.
- Poor planning characterized by late award of contracts for example in Kitgum, some contracts were awarded in April 2016 while in Luuka district, contracts were signed in June 2016. A number of maternity wards were constructed without postnatal rooms, water, placenta pits, lighting systems, latrines among others. This was evident in Soroti district.
- Contracts irregularities with changes of project sites without varying contracts were noted. Examples include changes of construction sites from Awach to Oreta OPD in Abim district.
- Understaffing of the PDU with some districts like Abim and Kitgum lacking procurement officers.
- Poor supervision and monitoring. Heads of Departments (DHOs) were usually not availed with copies of contract documents including BoQs to facilitate proper monitoring and supervision. Most of these documents were often kept by the PDUs and not easily accessed by beneficiaries and other stakeholders.
- Irregular termination of contracts for example the contract for construction of Kitgum Hospital was terminated without advise from SG, Namukora OPD contract was terminated one month into project implementation. The contractor M/s Decom got the site on 3rd May 2016 and contract terminated in June 2016. Irregularities in the termination process were noted.
- Irregular withdrawal of PHC development funds by Kitgum DLG from the general account, which were kept in the district cash office to avoid return to the Consolidation Fund.
- Unspent balances, despite the policy redirection to centralize PHC funds, some districts failed to absorb all released funds hence returned to the Consolidated Fund.
- General lack of staff accommodation hence rampant absenteeism and late coming of health workers in various health facilities.
- Staffing inadequacies with general lack of critical cadres for example at Buhweju district, the staffing levels were at 46.1%.
- Lack of equipment for effective service delivery. A number of health facilities lacked simple machines like Blood Pressure (BP) machines, thermometers, delivery sets among others.

- Operationalised seven out of 30 health facilities were non-functional in Pallisa district. Funds on construction and completion were incurred, however the infrastructure has not been in use for a number of FYs.
- Dilapidated newly constructed infrastructure for example the OPD at Aperikira HCIII completed in FY 2014/15 was characterised by big cracks and breaking of patient benches as well as the entire floor. DHOs Store in Nebbi was completed in FY 2014/15 and retention paid in 2015/16, however the structure looked very dilapidated characterised by a number of defects.

Recommendations

- The MoH, MFPED, MoLG and DLGs should strengthen supervision and inspection of government projects at all levels. Health facility in charges, parish and sub-county chiefs should be involved at lower local governments to minimize cases of shoddy works.
- PPDA should black list contractors that continue to undertake poor quality works. Districts that continue to pay for shoddy works should be penalised as well.
- The Auditor General together with Inspector General of Government (IGG) should investigate transparency in award of contracts and irregular contract terminations for Kitgum district in FY 2015/16.
- The MoH together with districts should ensure that operationalization and functionality of established/constructed facilities to avoid wastage and redundancy of public funds.
- The MoH should undertake a clear needs assessment showing infrastructural and equipment gaps at various levels of health care at LGs. A clear plan with costs and timelines should be developed and implemented for improved health service delivery.
- The MoH should prioritize staff accommodation through a centralized one-off budget line to establish staff houses at least 80% of all health facilities in Uganda.
- The MoH should prioritize maintenance of newly established infrastructure at all health facilities through a clear budget line to avoid depreciation of structures beyond repair.
- The Cabinet together with the MoPs should finalize the updated staffing structures for improved health service delivery.
- The PDUs should adjust their specifications on both retention fees and defects liability period. These should be raised to allow ample time to beneficiaries and contractors rectify any defects that appear thereafter. Retention should be raised to at least about 15% and DLP raised from six months to one year

Overall Health Sector Performance

The overall sector performance during FY2015/16 was good (71%) however, financial performance was not commensurate with works on ground (91.35%). Table 8.36 indicates a summary of overall sector performance.

Table 8.36: Overall Health Sector performance by 30th June 2016

Vote	Vote Function	Program/Project/Output	Physical performance (%)	Financial performance (%)
014 MoH	Health systems Development	Health Systems Strengthening (Project 1123)	97	100
		Rehabilitation and expansion of General Hospitals	90	93.7
		District Infrastructure Support Programmes (Project 0216)	53	70
		Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital	92.8	100
		Support to Mulago Hospital rehabilitation (Project 1187)	82.3	100
	Pharmaceutical and other Supplies	Global Alliance for Vaccines Initiative	50.4	83.3
	Clinical and Public Health	Public Health Laboratory Strengthening (Project 1148)	62.5	100
	Policy, Planning and Support Services	Support to the recruitment of health workers at HC III and IV (Output 08 49 53).	47	99
		Health Sector reforms including financing and national health accounts (Output 08 49 04)	50.4	83.3
016-Butabika National Referral Hospital	Provision of Specialised Mental Health Services	Butabika and health centre remodelling/construction (Project 0911)	100	100
114-Uganda Cancer Institute	Cancer Services	Uganda Cancer Institute Project	31.3	56 (Average of UCI development project and ADB disbursements)
		ADB Support to UCI (Project 1345)		
115-Uganda Heart Institute	Heart services	Uganda Heart Institute Project	71.8	100
Regional Referral Hospitals	Regional Referral Hospital Services	Six RRH monitored	80.6	99.7
Vote 501-850	PHC Development Grant	15local governments	92	93.9
Total			1008.5	1278.9
Average performance			71.9	91.35

Source: Author's compilation

CHAPTER 9: INFORMATION AND COMMUNICATIONS TECHNOLOGY

9.1 Introduction

The Information and Communications Technology (ICT) sector is comprised of the telecommunications, broadcasting, postal, information technology, and information services sub-sectors. It is structured into three functional levels namely: policy, regulatory and operational. The Ministry of Information and Communications Technology (MoICT) - Vote 020, heads and coordinates all the ICT sector activities in collaboration with other stakeholders.

The key regulatory bodies are the National Information Technology Authority-Uganda (NITA-U) Vote 126 and Uganda Communications Commission (UCC); Uganda Posts Limited (UPL) operating as Posta-Uganda, and Uganda Institute of Information and Communication Technology (UICT). At operational level the sector is supported by: Telecommunications, Postal, Information Technology (IT), broadcasting operators and academia.

The mandate of the sector is to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for sustainable, effective and efficient development, as well as harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals.

9.1.1 Sector objectives and priorities

The overall sector objectives as outlined in the National Development Plan II are:

- Increase access to ICT infrastructure to facilitate exploitation of the development priorities.
- Enhance the usage and application of ICT services in business and service delivery.
- Increase job creation through ICT research and development.
- Increase the stock of ICT skilled and industrial ready workforce.
- Improve the information security system to be secure, reliable, resilient, and capable of responding to cyber security threats.
- Improve the legal and regulatory frameworks to respond to the industry needs.

9.1.2 Overall Sector Financial Performance

The ICT sector is primarily financed domestically (80%) through direct budget allocation and Non-Tax Revenue (NTR). The approved ICT sector budget for FY 2015/16 was Ug shs 224 billion of which, Ug shs 22.5 billion (10%) was direct GoU budget allocation, Ug shs 157.7 billion (70%) was NTR and Ug shs 44.25 billion (20%) donor funding. The budget is shared by five organizations namely: Ministry of ICT (5.5%), NITA-U (38.4%), Uganda Communications Commission (43.2%), Uganda Posts Limited (12%) and Uganda Information and Communication Technology Institute (1.8%). Table 9.1 provides the detailed budget performance of the two votes with direct central government funding.

Table 9.1 Sector budget allocation and outturn by 30th June 2016 (Ug shs billion)

Institution	Approved budget				Budget Outturn				% Outturn
	GoU	NTR	Donor	Total	GoU	NTR	Donor	Total	
MoICT	8.68	3.64	0	12.32	7.291	0.667	0	7.958	64.6
NITA-U	13.88	25.83	44.25	83.96	12.891	11.055	17.1	41.046	48.9
Total	22.56	29.47	44.25	96.28	20.182	11.722	17.1	49.004	50.9

Source: MoICT, NITA-U and IFMS June 2016

The sector budget for the FY2015/16 performed at 50%. This was largely due to poor performance of the projected Non-Tax Revenue for both NITA-U and MoICT.

9.13 Scope

The chapter reviews progress of selected programmes, policies and projects implemented by the Ministry of ICT and NITA-U for the FY2015/16. Under NITA-U, all programmes and one development project (National Transmission Backbone Infrastructure) were monitored. Under the MoICT, one development project (Strengthening Ministry of ICT) was monitored.

9.14 Limitations

- Lack of detailed work plans and targets for some programmes.
- Lack of disaggregated financial information by outputs which might have affected the weighted scores.

9.2. National Information Technology Authority (NITA- U)

The agency's mission is to "*coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda*". The vote has two development projects, that is- the National Transmission Backbone Infrastructure (NBI) co-funded by a loan from the EXIM Bank of China and GoU, and the Regional Communication Infrastructure Programme (RCIP) funded by the World Bank.

The objectives of the agency are to:

- Establish a national backbone infrastructure (high bandwidth data connection) in major towns of Uganda.
- Connect all ministries in a single wide area network.
- Establish a government data centre.

The agency is organized into six directorates namely: Technical services, e-government, Information security, Regulation and legal services, Planning research and innovation, Headquarters and finance and administration.

9.2.1 Performance

Financial performance

The approved budget for NITA-U FY 2015/16 was Ug shs 83.9 billion of which, Ug shs 41 billion (49%) was received and Ug shs 40.3 billion spent (98.4% of received funds). The budget outturn was less than 50% due to low performance of Non Tax Revenue (NTR) and delayed take off of phase III of the NBI. A total of US$4.7 million was disbursed from the Exim Bank of China.

1 Programme 1: Headquarters

The headquarters' programme is headed by the Executive Director. It is responsible for the management and operations of the Authority; management of the funds, property and business of the Authority and the promotion, training and disciplining of the officers and staff of the Authority in accordance with their terms and conditions. Table 9.2 shows the performance of the headquarters' programme.

Table 9.2: Performance of Headquarters Programme

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Annual review of the NITA-U Strategic plan conducted	1.00	0.80	80	1,036,429,900	1	93.33333	Final draft of the Strategic plan indicators prepared and circulated; The NITA-U reception and lounge re-branded and re-decorated; NITA-U Banners and Teardrops were printed and are being utilized; NITA-U Brochures printed and shared with stakeholders; Organised for NITA-U participated in the MTN Marathon in November 2015; NITA-U independence message was placed in the media; A NITA-U Risk Register developed and was undergoing review
NITA-U Brand promoted	1	1	100				
Sound risk management practices developed and mainstreamed in NITA-U operations	1	1	100.0				
Total			93.33333	1,036,429,900		93.33333	There were no specific targets under the programme.

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,036,429,900	307,257,000	306,922,758	99.89	

Source: NITA-U

The overall performance of programme 1 was very good (93%) with most targets achieved.

2. Technical Services

Background

The directorate core roles are to provide first level technical support and advice for critical Government information technology systems including managing the utilization of the resources and infrastructure for centralized data center facilities for large systems through the provision of specialized technical skills; and to Identify and advise Government on all matters of information technology development, utilization, usability, accessibility and deployment including networking, systems development, information technology security, training and support; and to provide guidance on the establishment of an infrastructure for information sharing by Government and related stakeholders. Table 9.3 shows the performance of the programme FY 2015/16.

Table 9.3: Performance of Technical Services Programme

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Preparatory works for building of the National data centre commenced	1.00	1.00	100	17,253,108,000	1	82.5	The National Data Center is operational; The centre provides co-location services to URA, EC, DCIC, OPM and hosting services to UIA for One-Stop-Centre Project; 74 MDA sites were connected to the Government
Five (5) MDAs hosted and / or provided disaster recovery services at the data centre	5	1	20				

Last mile connectivity extended to MDAs within the greater Kampala area and Entebbe (80 Sites in Kampala and Entebbe)	80	74	92.5				network bringing the total number of sites connected to 133 sites; 36 additional MDAs are receiving bulk internet over the NBI. This brings the total to 94 MDAs
Bulk Internet bandwidth procured and distributed to eighty (80) MDAs over the NBI	80	94	117.5				
Total			82.5	17,253,108,000		82.5	Good performance

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
17,253,108,000	5,896,733,767	5,894,685,030	99.97	

Source: NITA-U, field findings

The overall programme performance for technical services was good (82%).

3. Information Security

Background

The directorate provides leadership, organisational structures and processes at the national level that safeguards information against accidental or unauthorized modification, destruction, or disclosure. Coordinate efforts to remediate security alerts and respond to information security related incidents and threats; Coordinate with other institutions including law enforcement to identify and plan for security in all aspects of data, application, hardware, telecommunication, and computer installation and to carry out information security assessment for other organisations. Table 9.4 shows the performance of the programme.

Table 9.4: Performance of Information Security Programme

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Public Key Infrastructure (PKI) provider procured	1.00	1.00	100	688,981,000	1	77.5	The technical and financial evaluation for the procurement of a Transaction Advisor to implement PKI as a PPP was completed; National Information Security Framework(NISF) Compliance assessments conducted in Seven (7) MDAs of which four initiated this financial year; The National Information Security Advisory Group (NISAG) was operationalized; Seventeen (17) Information Security sensitization were undertaken.
National Information Security Framework (NISF) implemented in at least 4 MDAs	4	1	25				
National Information Security Advisory Group (NISAG) operationalized	1	1	100.0				
Information Security Sensitization undertaken in at least 20 MDAs	20	17	85.0				
Total			77.5	688,981,000		77.5	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure		Financial Performance Score (%)	Remark		
688981000	313261176	294588098		94.04			

Source: NITA-U

Performance of the programme was rated as good with 77% of the targets achieved.

4. E-Government

Background

Electronic government, also known as digital government, online government, or connected government is the comprehensive implementation of information and communication technology (ICT) in government Ministries, Departments, Agencies (MDAs) and Local Governments. The directorate's mission is "Integrating Uganda to provide quality services to citizens, and to improve the national competitiveness through administration innovation, and to reform unnecessary processes based on interconnected government and safe society" Table 9.5 shows the performance of the programme for FY 2015/16.

Table 9.5: E-government Performance

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Consolidation of MDA licenses undertaken: 30 MDAs enrolled on to the Master Business Services Agreement; At least 5 MDAs enrolled with Oracle	35.00	21.00	60	2,998,318,000	1	127.1429	Feasibility study for Integration of National Databases was completed. A stakeholders workshop was held in August 2015 to validate the feasibility report; IAC has been maintained (premises cleaned and utilities paid); At least 100 events have been coordinated. More than 3,200 people have utilized the centre; An e-citizens portal was developed and is currently hosting up to 23 e-government services www.ecitizens.go.ug; Feasibility study for establishment of an IT park was completed; Land for the ICT park was obtained and surveyed; Functional requirements and ToRs for the HR solution were developed.
Integration of at least 5 key national databases including National ID	5	1	20				
Information Access Centre (IAC) Operationalized	1	1	100.0				
At least 5 e-government services added onto the Government e-services web portal	5	23	100.0				

Design of IT Parks completed and finance partner identified	2	1	50.0				
Open source solutions identified and piloted at NITA-U (HR)	1	1	100.0				
Interactive web portal/solutions to support citizens developed	1	1	100.0				
Total			75.7	2998318000		75.7	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
2,998,318,000	1,964,816,560	1,954,255,275	99.46	

Source: NITA-U

Performance of the programme was rated as good (75%) with some targets surpassed.

5. Regulation and Legal Services

Background

The programme is responsible for providing an enabling regulatory environment for the achievement of NITA's mandate and the implementation of the cyber laws and other related laws; Ensure the compliance and enforcement of the cyber laws, NITA Act, regulations and other related legislation; Arbitrate disputes between arising between suppliers of Information Technology solutions and consumers; Provide legal services to NITA-U; Provide corporate secretarial services to NITA-U; and ensure compliance with all laws, procedures and policies. Table 9.6 shows the annual performance of the programme FY 2015/16.

Table 9.6: Regulation and Legal Services Performance

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Fifteen (15) awareness sessions about cyber laws carried out	15.00	19.00	100	521,832,000	1	100	Nineteen (19) sensitization events to create awareness on Cyber laws were undertaken; 24 Compliance assessments were undertaken; The draft Data Protection and Privacy Bill was tabled before Parliament and read for the 1st time. The Bill was referred to the Parliament Committee on ICT for further scrutiny; The Final Draft revised NITA-U (National Data Bank Management) Regulations had been produced; The Draft Certification regulations were developed and presented to stakeholders in a workshop held on 16th June 2016. The stakeholder comments were being incorporated by 30 June 2016.
Four (4) compliance assessments undertaken	4	24	100				
Support provided towards drafting of Data Protection and Privacy law	1	1	100.0				
National Databank Regulations completed and enacted	1	1	100.0				
The first draft of the certification regulations reviewed, a second draft prepared	1	1	100.0				
Total			100	521832000		100	Expenditures include non-tax revenue
Financial Performance							

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
521832000	233996500	174975031	74.78	

Source: NITA-U

Some of the targets were surpassed and the overall rating of the programme was 100%.

6. Planning, Research and Innovation

Background

The roles of the directorate are: To support the development, monitoring and evaluation of the National IT Strategies, Plans, Policies, Programmes and Initiatives in line with the NITA-U mandate. To lead change and provide a comprehensive approach in the development and implementation of IT strategic research & innovation agenda for the public sector in line with the NITA-U mandate and communicating corporate messages from agenda setting through impact assessment.

To formulate, enforce and monitor the implementation of national architecture blueprints, standards, certification and provide guidance for quality IT services including risk management & contingency planning. To create, implement and maintain an IT capacity building, training and awareness framework, Policy and Strategy in line with the NITA-U mandate.

To build and maintain a framework, model and process to provide centralized and coordinated support to programme management of all IT Projects across the Public Sector in line with the NITA-U mandate. Table 9.7 shows the performance of the programme FY 2015/16.

Table 9.7: Performance of Planning, Research and Innovation

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Statutory reports produced such as; Annual Report, BFP, MPS and PIRT	4.00	4.00	100	637,906,000	1	100	All mandatory reports were produced; these include; Quarterly performance reports (Q1, Q2, Q3 OBT), PIRT Status Report, Half
5 priority IT Standards developed	5	9	100				

Standards implementation guidelines and manuals prepared for the already gazetted IT standards	2	2	100.0				annual performance to PACOB, Half Annual & Government Annual Performance report, NITA-U progress report on implementation of the NDP, Status of Rationalization for PSs Forum; Nine (9) IT standards developed and approved by the technical committee; Two (2) Technical guidelines were developed. This is part of implementation of the already gazette standards; 9 MDAs were supported through handholding sessions and compliance assessment (URBRA, PPDA, MoICT, UNCCI, UIA, NDA, ERA, MTWA, NEMA); An International Accredited IT Certification Body was procured to conduct IT Certification commencing in 2016/17; Registration of IT service providers completed.
At least two MDAs supported to go through standardisation processes (technical support, mentoring etc)	2	9	100.0				
Service providers sensitized about the IT Certification and Accreditation framework	1	1	100.0				
At least 10 IT service providers certified	10	145	100.0				
Certification coordination office established	1.00	1.00	100.0				
Total			100	637,906,000		100	Expenditures include Non Tax Revenue

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score	Remark

			(%)	
637,906,000	208,208,000	150,504,150	72.29	

Source: NITA-U

Overall programme performance was very good (100%) with all targets achieved.

7. Finance and administration

Background

The directorate is responsible for providing administrative and technical support to the Authority to optimally plan, generate, manage, deploy and account for all financial and other resources in the delivery of its mandate. Table 9.8 shows the performance of the programme FY 2015/16.

Table 9.8: Finance and Administration Performance

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Preparatory activities of the Namanve ICT Hub (land acquisition , surveys and architectural design) completed	1.00	1.00	100	11,821,623,000	1	100	Feasibility study for the NITA-U home was done alongside the feasibility study for the IT Parks. The plan for the Namanve land was redesigned to accommodate a BPO Centre; All staff salaries, gratuity, and NSSF were paid; Subsidised Canteen services provided to staff; Medical insurance provided to staff; The Human Resource Manual was

Ensure retention of skilled, healthy and productive workforce	1	1	100				reviewed to include health and safety policy; The Procurement manual was updated to incorporate PPDA changes; Review of the Finance Manual started and is on-going; Revised Draft board paper on IT Advisory services framework was considered by the F&A Board Committee in August 2015; All utilities have been supplied and are up to date
Financial and Human resources manageme nt systems established.	5	5	100.0				
Adequate & timely Support Services provided	1	1	100				
Total	8.00	8.00	100	11821623000		100	Expenditures include NTR

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditur e	Financi al Perfor mance Score (%)	Remark
11,821,623, 000	10,940,659,800	10,561,830 ,866	96.54	

Source: NITA-U

The rating was very good with 100% of targets under the programme achieved.

9.2.3 National Transmission Backbone Infrastructure (NBI) Project 1014

Background

The National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) is aimed at connecting Ministries, Government Departments and Agencies (MDAs) onto the e-Government Network. This is done to create an efficient government through simplifying procedures, bringing transparency, accountability and making timely information available to citizens.

The project is funded by a concession loan (US$106,590,305) from the EXIM Bank of China with counterpart funding from GoU. In 2006, a contract was signed between the Ministry of ICT and M/s Huawei Technologies Company Limited of the Peoples' Republic of China at a sum of US$106,590,305. The project commenced in July 2007 and was expected to be completed in July 2012. The project was divided into three phases and implementation was staggered in 27 months. However, the project completion date was revised to July 2016 due to suspension of the project by Parliament in 2011 to allow a Value for Money, and Forensic Audits.

The objectives of the project are to: (i) Establish a National Backbone Infrastructure (NBI) with high bandwidth data connection in major towns of Uganda, (ii) Connect all Government MDAs in a single wide area network, (iii) Establish a government data centre, and iv) Establish district information centres.

Financial performance

The approved budget for project 1014, FY 2015/16 is Ug shs 49.3billion of which Ug shs 44.25billion is a loan from the Exim Bank of China and Ug shs 4.19 billion is GoU counterpart funding including tax[55]. Table 9.9 Shows that by 30th June 2016, a total of Ug shs 1.511 billion (47%) of the GoU approved budget was released, of which Ug shs 1.389 (91%) was spent. Information on the loan performance was not readily available for analysis.

Table 9.9: NBI Project Performance by 30th June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Surveys & designs for Phase 3 approved	1.00	1.00	100	3,189,309,901	1	64.880952	Surveys and designs completed; NOC civil works and installations completed; 450 km of optical cable laid between Kampala-Masaka-Mutukula and Masaka - Mbarara; and 2 transmission sites in Masaka and mutukula installed by July 2016 (works on going); procurement and installation of CCTV was awaiting completion of the transmission sites
Network Operations Centre (NOC) civil works undertaken and equipment installed	1	1	100				
Optical Fibre Cable laid between Masaka-Kampala, Masaka-Mutukula & Masaka – Mbarara-	756	450	59.5				

55 MFPED (2015), Public Investment Plan FY 2015/16-2017/18

Kabale-Katuna; Kyenjojo-Masindi							
Closed Circuit Television (CCTV) installed at 25 NBI sites and NOC to enhance security	26	0	0.0				
Total			64.880952	3,189,309,901		64.880952	Expenditures NTR

Financial Performance				
Annual Project Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,189,309,901	1,511,206,788	1,389,178,572	91.93	Donor funds not included

Source: NITA-U

Two of the three transmission sites had been substantially set up in Masaka and Mutukula. The alternative power units (generator and fuel tanks), active devices and racks had been delivered and installed. NITA-U had submitted applications for grid power connection at the two sites to the electricity distribution operators. Physical progress for both sites was estimated at 90%. Civil works on the third site in Kabale district had started and physical progress was estimated at 15% by 31st July 2016. The overall physical performance was fair, rated at 65%.


Installed NBI transmission line in Mutukula and a NITA-U labeled pole in Kyotera


Transmission site in Masaka and overhead optic cables crossing Katonga River in Mpigi

Challenges

- Delay in approval of Phase III which resulted from delayed conclusion of the financing modalities, changes in technology, design reviews and re-negotiation of the project implementation contract affected the commencement.
- Inadequate tax provisions for Phase III under the GoU component.
- Some MDAs have running contracts with Internet Service Providers (ISPs) which affects the NTR performance of NITA-U.
- Inadequate budget to meet licenses for MDAs on the Microsoft Master Service Agreement (MBSA).
- Protracted process of third party certification and absence of IT certification regulations.

Recommendations

- MDAs with running contracts with ISPs should cross over to the NBI at the end of the contracts.
- The NITA-U and MoICT should formulate IT certification regulations.

9.3 Ministry of ICT

9.3.1 Background

The Ministry of ICT was created in 2006 to provide strategic and technical leadership and coordination in all matters of ICT. The mandate of the ICT Ministry is ''*to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations, and strategy for the sector for sustainable, effective and efficient development, harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals*''[56].

[56] MoICT 2015

The mission is "to promote development and effective utilization of ICTs such that quantifiable impact is achieved throughout the country". The MoICT has three vote functions namely;

a) Information technology and information management services which is charged with developing enabling policies, laws and regulations as well as promoting, guiding and providing technical support, supervision, monitoring and evaluation to the development and use of IT;

b) Communications and broadcasting infrastructure which is charged with developing enabling polices, laws, regulations as well as quality assurance in infrastructure development for broadcasting and communications service delivery;

c) Policy, planning and support services which is responsible for ensuring that the sector complies with policy development guidelines and financial management standards in accordance with the Public Finance and management legislations.

Until May 2016 when the Directorate of Information and National Guidance was transferred to MoICT. The Ministry was organized into two technical Directorates (each subdivided into two departments) namely: i) Directorate of Communications and Broadcasting, ii) Directorate of Information Technology and Information Management Services. Support services are provided by the department of Finance and Administration. Annual monitoring focused on the development component of the MoICT.

9.3.2 Strengthening Ministry of ICT

Background

The objective of the project is to conduct ICT related research by creating an enabling environment to deliver ICT services to internal and external clients. The project started in July 2007 with a completion date of 30th June 2017.

The approved budget for the project FY 2015/16 was Ug shs 3.508 billion of which Ug shs 2.361billion was NTR, while Ug shs 1.147 billion was GoU. By 30th June 2016, Ug shs 655.717 million (57%) had been released and spent respectively from the GoU component, while Ug shs 666.507 million (28%) was received from NTR. The overall budget outturn for the project was poor at 37%. Table 9.10 shows the overall project performance.

Table 9.10: Strengthening MoICT Project Performance

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Architectural design for Ministry headquarters	1.00	1.00	100	3,508,409,000	1	51.90	The architectural designs for the Ministry headquarters were differed as the Ministry did not have land; One heavy duty network photocopier was procured and installed; Eight (8) staff members were supported for career development trainings (5 long and 3 short courses); in addition, a training on procurement and contract management was conducted
Three heavy duty photocopiers procured	3	1	33.33333				
Staff sponsored to undertake long-term and short term training programmes	10	8	80.0				
Four vehicles procured	4	2	50.0				
Office furniture and fittings procured	1	0	0.0				
The sector Strategic plan printed and disseminated	1	0	0.0				
Internet Bandwidth procured	1	1	100.0				
Total	21.00	13.00	51.90476	3508409000		51.90476	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,508,409,000	1,322,224,000	1,322,000,000	99.98	

Source: IFMS & MoICT

The project performance was fair, rated at 51%. The low performance was due to inadequate receipt of funds under NTR and GoU.

A station wagon and a double cabin pick-up procured under Strengthening MoICT project

Overall Sector Performance

The overall performance of the monitored outputs under the ICT sector was rated as good (82%). Some NITA-U programmes surpassed targets while 65% of the NBI project targets for the year were achieved. Over achievement of targets was attributed to frugal measures of undertaking some of the recurrent outputs which included consolidation of sensitization and awareness meeting across directorates to minimise the cost of stakeholder engagements. It was observed that some of the targets were not ambitious enough, a factor that might have contributed to achievement of targets with ease.

Phase III of the NBI was on course of being achieved with more than 50% of the optic fiber cable laid and 65% of works on the three transmission sites completed. On the other hand, 51% of the development targets under Ministry of ICT were achieved despite the fact that the budget underperformed with only 37% of funds received.

Box 9.1: Summary of ICT contribution to development under the three core sector outcomes

1: Improved service delivery through ICTs

The percentage number of fixed and mobile telephone lines (tele-density) grew from 51% in Fy2013/14 to 64% in 2014/15. The total number of subscribers was at 22,286,637 however, according to UCC, tele-density declined to 59% (21,491,384 subscribers) by March 2016.

In terms of access and utilisation of ICT resources and services, the percentage of households accessing internet significantly increased from 0.2% in 2012/13 to 13% in 2015/16 which was above the NDP II target of 7%.

The internet subscribers and users significantly grew with an estimated internet penetration of 37% (from 8.5 million in 2014 to 14 million by 2015), surpassing the NDPII target of 21% for FY 2015/16.

2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life:

Access to information generally improved, with 60% households having a radio and 14% of households having a television against the NDP II target of 12% for the year 2015/16. The mobile telephony financial service (mobile money) increased from 18.8 million subscribers in FY 2014/15 to 21.1 million in FY2015/16. The annual transactions were valued at Ugshs 32,500 billion, up from Ugshs 24,100 billion recorded in 2014.

The postal sub sector registered a decline in domestic ordinary letter postage. There was 21% decline in letter postage from 881,028 letters in FY2013/14 to 693,453 letters in FY 2014/15. GoU made a saving of over Ugshs 6.5 billion for bandwidth arising out of the operationalisation of the NBI as a result of several government agencies (80) opting for the network as a primary source of Internet services.

Costs saving mechanisms for government were executed such as consolidation of licences for Microsoft and Oracle software for 20 MDAs and provision of bulk bandwidth through NBI. In addition, e-government services (online) were promoted in several agencies. This has improved Uganda's rating in doing business.

3. Improved contribution of ICT to employment, income and growth:

The overall ICT sector grew by 16% in FY 2015/16 from 2.5% in FY 2014/15. The sector raised Ugshs 484.4 billion in tax revenue in 2015. In spite of this growth, employment in the sector stagnated at 1.3 million people.

Source: MoICT and UCC 2016

Challenges

- **Low staffing level in the Ministry of ICT especially in technical departments:** There is a ceiling on recruitment of staff and the Ministry of ICT has failed to attract and retain qualified technical staff at government salary rates for example telecommunication and broadcasting engineers leading to unfilled positions over long periods. This affects performance.
- **High taxation of ICT devices and services**; this discourages acquisition of ICT devices and consequently low use of data and limited ICT innovations. The 9% tax on international calls caused a reduction in calls routed to Uganda.
- **Inadequate ICT complimentary services** such as electricity are affecting the usage of ICT facilities across the country.
- **Weak sector working group:** The sector is not well coordinated and instances of duplication of effort are observed amongst the key players.
- Delayed execution of phase III of the National Transmission Backbone Infrastructure (NBI) by two years has caused missed opportunities and delayed lowering of ICT costs.
- **Delayed and inadequate release of Non Tax Revenue** (NTR) which affected execution of programmed activities in both the Ministry of ICT and NITA-U.
- **ICT requires constant training and upgrading for the sector officials to keep up to speed with private sector and changing dynamics.** However, only 8 staff members are planned in FY 2015/16 and only four supported.

Recommendations

- The MoICT and Ministry of Public Service should review the staffing requirements in technical departments to attract skilled staff.
- The GoU should review the taxation policy on ICT devices and international calls to make them attractive and affordable to stimulate innovation.
- The MoICT should constitute a sector working secretariat to coordinate the sector activities and avoid overlaps and duplication of effort.
- The NITA-U should fast track the implementation of phase III of the NBI to create a second link to the undersea cable through Tanzania and increase bandwidth capacity across the country.
- The MFPED should release the NTR budget to the sector agencies in a timely manner to avoid delayed execution of planned activities.
- The MoICT and NITA U should formulate IT certification regulations.
- The ICT Sector working group should appropriately project the Non-Tax Revenue and budget accordingly to avoid over estimation which affects work plan execution.
- The MoICT should prioritize skilling and upgrading of technical staff due to the dynamic nature of ICT.

CHAPTER 10: INDUSTRIALISATION

10.1 Introduction

The industrialization sub-sector is a component of tourism, trade and industry sector. The sub-sector operates through four votes namely; Vote 015 Ministry of Trade, Industry and Cooperatives (MoTIC); Vote 110 Uganda Industrial Research Institute (UIRI); Vote 154 Uganda National Bureau of Standards (UNBS) and Vote 008 Ministry of Finance, Planning and Economic Development (MFPED). The Uganda Investments Authority (UIA) and Uganda Development Corporation (UDC) are subventions under vote 008 and vote 015 respectively.

The sub-sector is an integral part of the Government's overall development strategy outlined in the Second National Development Plan (NDP II) and Vision 2040. Uganda is endowed with resources such as oil and gas, minerals, water resources, fertile land for agriculture, and abundant labour force which are key for industrialization. Experiences from developed and emerging economies show that there is a strong positive correlation between industrialization and development. The 2008 global financial crisis publicized the need to have a strong industrial base to cushion the economy from external shocks. A strong and competitive industrial base is therefore, important to create employment and a resilient economy.

The industrialization sector strategies are to: form viable cluster based industrial zones; develop labour intensive industries to create jobs; put in place a right policy framework to facilitate the private sector's development along the line of Uganda's comparative advantage; and set up Special Economic Zones (SEZs) as important tools for long term industrial and economic development.

10.1.1 The sector objectives are to:

- Promote development of industries that add value to farm produce.
- Increase competitiveness of local industries through development and promotion of Small and Medium Enterprises (SMEs).
- Improve the productivity of the informal manufacturing sub-sector, for example, (*Jua Kali*) artisans, through training and skills building.
- Strengthen research and technology developments in industrial applications

10.2.2 Financial performance

Overall, a total of Ug shs 51.13 billion was allocated to the different entities monitored across the sub-sector for FY 2015/16 of which 83% was released and 98.7% expended representing very good expenditure performance. Table 10.1 shows the overall budget, release and expenditure performance by project.

Table 10.1: Overall Sector Performance by 30th June 2016

Project	Approved budget	Release	Expenditure	% Release	% Spent	% Physical performance
United States African Development Foundation	3,600,000,000	3,600,000,000	3,600,000,000	100	100	65
Presidential Initiative on Banana Industrial Development	9,030,000,000	6,384,322,963	6,384,322,963	71	100	78
Development of Industrial Parks.	8,540,000,000	6,540,000,000	6,540,000,000	77	100	70
One Village One Product	488,264,345.00	327,834,300.00	327,834,300.00	67	100	73
Uganda Industrial Research Institute	14,340,000,000	13,299,000,000	13,143,000,000	93	99	58
Kiira Ashock Leyland	1,171,445,900	1,171,445,900	1,166,936,227	100	100	100
Value Addition Tea (Kabale and Kisoro)	6,000,000,000	5,453,291,442	5,453,291,442	91	100	50
Soroti Fruit Factory	4,482,787,000	2,469,238,775	2,079,020,216	55	84	52.2
Uganda Commodity Exchange	200,000,000	200,000,000	200,000,000	100	100	100
Uganda National Bureau of Standards	3,279,748,374	2,839,398,611	2,839,398,611	87	100	100
Total	51,132,245,619	42,284,531,991	41,733,803,759	83	98.7	68

Source: Author's Compilation

10.1.3 Scope

The chapter reviews progress of selected projects implemented by the Ministry of Finance Planning and Economic Development (MFPED) and Ministry of Trade Industry and Cooperatives (MoTIC).The selected projects were; United States African Development Foundation, Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks under MFPED.

Under MoTIC the projects monitored included: One Village One Product, Uganda National Bureau of Standards; Construction of UNBS headquarters, Uganda Industrial Research Institute and the Uganda Development Corporation projects of: Kiira Ashock Leyland, Kalangala Infrastructure Services, Value Addition Tea(Kabale and Kisoro) and Soroti Fruit Factory.

10.1.4 Limitation

- Some information for donor funded projects especially financial information was not readily available for assessment.

10.2 Ministry of Finance, Planning and Economic Development

The Mission of the Ministry of Finance, Planning and Economic Development is "*To formulate sound economic policies, maximize revenue collection, and ensure efficient allocation and accountability of public resources so as to ensure sustainable economic growth and development*" (MFPED, 2015).

The Ministry's mandate is:

- To formulate policies that enhances economic stability and development.
- To mobilize local and external financial resources for public expenditure.
- To regulate financial management and ensure efficiency in public expenditure;
- To oversee national planning and strategic development initiatives for economic growth.

The Ministry's planned outputs are executed through several vote functions namely: Macroeconomic policy and management, Budget preparation, execution and monitoring; public financial management; Development policy research and monitoring, Investment and private sector promotion, financial services; Policy, Planning and Support Services.

The annual monitoring (FY 2015/16) focused on three projects that had industrial interventions in MFPED namely; United States African Development Foundation (USADF), Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks.

10.2.1 United States African Development Foundation

Background

The strategic partnership between the USADF and the Government of Uganda was established in November 2006 through a Memorandum of Understanding (MoU). The MoU was initially for five years but was subsequently renewed in April 2012 for another 5 years. The USADF and GoU each make equal contributions of US$ 1,000,000 per annum towards grants to target farmer groups and Small and Medium Enterprises (SMEs). The funds are transferred by USADF through grants made to individual selected projects, which are developed and approved in accordance with USADF criteria and methodologies, and with the goals and objectives of the MoU.

Overall project objectives

- To promote the development of farmer cooperatives, producer associations, smallholder agricultural producers, small scale agri-business (SSAs) and SMEs in Uganda and increase their market competitiveness, with a particular focus on the development of underserved and marginalized community groups and enterprises.
- To increase the participation of small scale agricultural groups and SMEs in investment relationships with US and other trading partners.

Selection criteria for the grant

All projects presented to USADF for funding are initially scrutinized by the project coordination office for their ability to meet two major priorities:

i) Applications must originate from a community group or organization that represents its own development priorities, and includes the participation of the poor in setting project objectives.

ii) Applications must represent projects with maximum benefits to an underserved and marginalized group.

To qualify for selection, the organization must be 100% African-owned and managed, and legally registered. Due diligence and technical backstopping is provided by a local partner, the Uganda Development Trust (UDET).

Support under this project is extended under two grants; Enterprise Development Investment (EDI) where funding does not exceed US$100,000 per project over a period of two years. The purpose of this grant is to strengthen the capacities of the beneficiaries (managerial, technical and financial).

Beneficiaries who successfully implement the EDI grant are eligible for funding under the Enterprise Expansion Investment Fund (EEI). The Enterprise Expansion Investment Fund has a maximum funding of US$250,000 per project and it's intended to enhance the business development of the beneficiaries in order to enhance their competitiveness. At the end of the grant, each project should be self-sustaining. Table 10.2 shows the performance of USADF for FY 2015/16

Performance

Nine beneficiaries were monitored during FY 2015/16 namely: Banyonkole Kweterana Cooperative Union in Mbarara, Bugaya Area Cooperative in Buyende, Bunyangabu Bee Keepers Association in Kabarole, Gulu Community Dairy Farmers Cooperative, Katerera Area Community Enterprise in Rubirizi, Kweyo Growers Cooperative in Omoro district, Manyankabi Area Cooperative in Isingiro, Myanzi Area Cooperative Enterprise in Mityana and Panyimur Dei Area Cooperative Enterprise in Nebbi. Table 10.2 shows the performance of the project by planned outputs.

Table 10.2: Overall USADF Performance FY2015/16

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Storage facilities/ Infrastructure for selected groups constructed and or renovated	6.00	4.00	66.67	664,069,327.00	0.11	7.61	Out of the 9 groups monitored, six were earmarked for construction of storage facilities. Construction was substantively complete in four organization s; Banyankore Kweterana Union, Bunyangabu Bee keepers, Kweyo Cooperative, and Panyimur Cooperative. While Bugaya and Manyakabi had not started.
Agro processing equipment for beneficiary groups purchased	28.00	17.00	60.71	2,828,332,620.0 0	0.49	29.53	All 9 groups were designated to receive equipment ranging from agro processing equipment to trucks. Only five groups had

							complete set of equipment delivered. Three groups; Manyankabi Cooperative, Myanzi cooperative , Panyimur cooperative had partial delivery while in Bugaya Cooperative this activity had not yet been undertaken.
Working Capital/inputs provided	16.00	11.00	68.75	912,708,005.00	0.16	10.79	Eight groups were to receive support under this component and this activity was implemented in all with the exception of Bugaya Cooperative
Technical Assistance provided	61.00	24.00	39.34	458,533,616.00	0.08	3.10	This support was on going in all projects monitored with beneficiaries at various stages of training
Administrative Support provided	36.00	31.00	86.11	951,087,869.00	0.16	14.08	This support was either complete or being implemented in all

							projects monitored
Total				5,814,731,437.00		65.12	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
5,814,732,422.00	2,831,225,601.00	2,831,225,601.00	100.00				

Source: USADF and Field findings

Implementation of activities under the components of technical assistance and administrative support were ongoing throughout the project life cycle at each beneficiary ranging between 18 months to three years. Some of the funds transferred to beneficiaries were yet to be fully utilized awaiting delivery of outputs and defects liability though they were committed. Overall physical performance was at 65%. The targets under this project overlapped financial years which might have affected the physical performance.



L-R: Storage structure ready for roofing and 8 MT truck at Panyimur Dei Cooperative in Nebbi, and a 10MT truck at Manyakabi Cooperative in Isingiro district

L-R: Installed dairy equipment and processed yogurt in Gulu; Input shop in Myanzi-Mubende district

Challenges

- **Lack of enforcement in the grain and apiary sectors:** There is unregulated competition in the grain sector due to lack of enforcement of standards and as a result, there is high proliferation of poor quality grain and adulterated honey which demoralizes genuine producers/consumers.
- **Poor group dynamics:** Some cooperative members were selling their produce to middlemen instead of their respective cooperatives which affects growth like the case was in Myanzi Area Cooperative.
- **Lack of proper tax education by Uganda Revenue Authority:** Some cooperatives were being fined for non-compliance by the tax body as most of the management teams lacked knowledge on taxation and filing of returns.

Recommendations

- The MoTIC and MAAIF should enforce adherence to standards in the grain and apiary sub-sectors by the various stakeholders.
- Trainings on cooperative governance and principles should be emphasized in order to create mindset change amongst members and managers of cooperatives to mitigate dependency.
- The URA should endeavor to provide tax education to cooperatives to ensure increased compliance.

10.2.2Presidential Initiative on Banana Industrial Development

The Presidential Initiative on Banana Industrial Development (PIBID) is a pilot project of GoU whose underlying theory is that rural farmers with access to science led processing and value addition enterprises will be able to rapidly access profitable market chains, that supply local, regional and international markets; resulting into increased household incomes.

The project is in tandem with the Governmen's priority economic strategies, which among others include; value addition to agricultural products and agro-processing through research and development.

Objectives

i) To establish benchmarks for staring a rural based pilot plant banana processing industry in Bushenyi district.

ii) To ensure sustainable processing of quality products by a startup value addition enterprise through a Technology Business Framework for local and global framework.

iii) Capacity building for farmers in modern production technologies and agronomic practices, so as to ensure sustainability of matooke production and marketing for Bushenyi district for the banana processing industry.

iv) Linking farmers/entrepreneurs to favorable micro- financing mechanisms to facilitate the enterprises.

v) Establishment of reliable supply chains that link farmers to more profitable market outlets with the medium and large scale processors.

vi) To assess project impact on environmental sustainability, overall economic wealth and food and nutrition security at macroeconomic level.

vii) To transform Bushenyi TBI into the Banana Industrial Research and Development Centre.

viii) To promote entrepreneurship in the private sector and training at public institutions through establishment of an Industrial Technology Park.

Performance

The approved budget for the PIBID was Ug shs 9.03 billion of which Ug shs 6.38 billion (71%) was released and all spent. Table 10.3 shows the project performance during FY 2015/16.

Table 10.3: Overall Performance of PIBID FY2015/16

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
The Pilot Banana Processing Plant operationalized.	9	4	100	1,001,366,999	0.55	54.89	The plant was 98% ready for processing however; civil works especially external works remained incomplete. The contractor had demobilized most of his activities due to nonpayment of certificates and accumulated arrears to a tune of Ugshs 11 billion. Procurement and installation of

							biogas equipment was not undertaken due to inadequate funds. The electrical distribution board was delivered awaiting installation and connection to UMEME metering system. The biscuit line was ready for processing.
The Quality Assurance and Research facilities operationalized.	16	3	18.75	409,009,861	0.22	4.20	Some of the laboratory furniture was installed, however, little progress was made as the contractor had abandoned site.
Phase II Raw and instant flour equipment procured, installed and test run.	8	5	62.5	67,909,696	0.04	2.33	Hammer mill and pneumatic system for silos were installed & test run. Packaging machines installed and test run.
Banana Production at the TBI Increased	6	6	100	186,478,394	0.10	10.22	30 cultivars maintained and conservation of the 150 identified cultivars ongoing. 21 acres managed and 3 experiment acres maintained. The irrigation system in the Demo garden (20 acres) at the TBI was substantially completed pending testing and commissioning.
Development of production of *Tooke* Products for the market on a large scale.	4	4	100	11,998,035	0.01	0.66	Ongoing
Continuous research, 2 PhD and 4 Msc ongoing.	4	4	100	100,270,837.00	0.05	5.50	Completion phase of one (1) PhD, Second PhD is ongoing and 2 master's degree students graduated.
3 Community Processing	3	4	133.00	44,609,416.00	0.02	0.19	4 Community Processing Units (Co-

Units (CPU) set up in the districts of Rubirizi, Sheema and Mitooma.							operatives) formed and registered with a total of 1,230 farmers, in Sheema district.
Tooke book produced.	1	0	0	2,571,148.00	0.00	-	Not undertaken due to inadequate funds
Total				1,824,214,386.00		77.99	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
9,030,000,000.00	6,384,322,963.00	384,322,963.00	100	Very good			

Source: PIBID, Field Findings

Delivered power unit, installed hummer mill and furniture in research laboratories at Nyaruzinga

The agency had started filling key staff positions (in acting capacities) to operationalize the processing plant including the marketing department, and Commodity Trading Centre (CTC). These will man the distribution channels once processing starts. The agency was supporting farmers from other regions interested in potato and cassava processing.

The equipment suppliers from Germany were expected in the country in September 2016 to fine tune the processing lines and commission the facility. It was observed that the contractor had issued PIBID management a *Notice* to end contract as the duration had elapsed.

The factory was handed over to the Minister of State for Planning. The agency was advised by Government to review staffing and optimize manpower by maintaining critical human resources in processing, research and development and less of administrative staff, however, matching resources to pay terminal benefits were not provided.

During the FY 2015/16, PIBID was given clearance by Sanga Town Council to proceed with the process of developing a *Tooke* Industrial and Technology Park. Arrangements to process the lease were ongoing whilst the lack of resources.

Challenges

- Delayed clearance of pending certificates worth Ug shs 11 billion, had caused the contractor to abandon site and as a result, civil works at the TBI had stalled. In addition, the arrears were accruing interest which, if not cleared in time, shall cause cost overruns.
- There is a communication gap between PIBID and MFPED. Letters from the agency are not responded to and no follow up made for example, the MFPED had not given feedback on the business model submitted in the first quarter of the FY.
- Lack of resources to facilitate payment of terminal benefits and gratuity to staff due for termination of services.

Recommendations

- The MFPED should work with PIBID administration whenever they are clearing arrears to enable them negotiate with the contractor to resume works on favorable terms.
- The MFPED and PIBID should agree on a viable mechanism of clearing arrears to avoid cost overruns.
- The PIBID and MFPED should improve on communication.
- The PIBID should concentrate on operationalizing the processing plant before spreading efforts to development of the Industrial Technology Park.

10.2.3 Uganda Investment Authority

The Uganda Investment Authority is a semi- autonomous government agency established by an Act of Parliament (Investment Code 1991) with the aim of promoting and facilitating private sector investment in Uganda. The annual monitoring exercise for FY 2015/16; focused on the development of industrial parks project.

Development of Industrial Parks

The Government of Uganda formulated a ten (10) year National Industrial Parks Development plan and project with effect from FY2008/09 to FY 2017/18. The project aims to create 22 serviced (water, electricity, roads) industrial parks across the country. Implementation started with the Kampala Industrial Parks in Namanve, Bweyogerere and Luzira, and later land was secured in Jinja, Kasese, Mbale, Mbarara, Moroto and Soroti districts. Table 10.4 shows the performance of the project during FY 2015/16.

Table 10.4: Overall performance of Development of Industrial Parks Project by June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Design, Documentation and Construction of Roads in North Estates at KIBP Phase I (1.5 KM)	1.50	1.50	100.00	384,891,220	0.05	4.68	Design completed and works on going as scheduled. Physical progress at 10%
Extension of 3 phase power line to OPM , Valley View and Monitor at KIBP	1.00	1.00	100.00	167,909,030	0.02	2.04	Completed
Extension of 3 phase power line to Monitor and Picfare at KIBP	1.00	1.00	100.00	233,983,840	0.03	2.84	Complete
Maintenance of Roads at KIBP (7.5 km)	7.50	7.50	100.00	92,816,145	0.01	1.13	Complete
Routine Maintenance of Roads (3.5km) at Luzira Industrial and Business Park	3.90	3.90	100.00	102,436,726	0.01	1.25	Complete
Routine Maintenance of Roads at Bweyogerere Industrial and Business Park (1.29 KM)	1.29	1.29	100.00	66,704,422	0.01	0.81	Complete

Opening, widening and improvement of roads leading to Freight village in South B Estates at KIBP Park (1.015km)	1.02	1.02	100.00	255,775,915	0.03	3.11	Complete
Opening, widening and improvement of roads leading to Freight village in South B Estates at KIBP Park (3.05km)	3.05	2.50	81.97	673,503,054	0.08	6.71	Works on going
Opening of selected Roads in South C Estates at KIBP (10.620Km)	10.62	9.02	84.93	1,551,284,472	0.19	16.02	Works on going
Emergency repairs of Roads and drainages at KIBP	1.00	1.00	100.00	46,332,000	0.01	0.56	Complete, however, the Namanve river required di-silting
Inspection of investors construction sites	13.00	13.00	100.00	6,240,000	0.00	0.08	13 Sites were visited and investors offered technical assistance
Digitalization and computerization of cadastral maps	2.00	2.00	100.00	24,271,600	0.00	0.30	Awaiting final presentation for approval
Purchase of 2 vehicles	2.00	1.00	50.00	120,000,000	0.01	0.73	One double cabin pick up was procured

Compensation of squatters at Mbale Industrial Park	896.00	486.00	54.24	4,500,000,000	0.55	29.67	Budgetary provision to this by MFPED was Ug Shs 3 billion instead of 4.5billion. As a result, not all claimants were compensated and UIA had not budgetary for this shortfall in FY 2016/17
Total				8,226,148,424		69.92	
	Financial Performance						
Annual Programme Budget	Cumulativ e Receipts	Cumulative expenditure	Financial Performan ce Score (%)	Remark			
8,022,529,483	6,540,000 ,000	6,540,000, 000	100.00				

Source: UIA, Field findings

A total of 280 investors were allocated plots in KIBP of which, 74 had commenced construction and 28 had started operations. Over 8,000 people were estimated to be employed in KIBP with more than 50% working at construction sites. All plots in Luzira Park had been developed except two. 80% of the nine plots allocated to investors in Bweyogerere Park had been developed; and only one plot out of the 120 available in Soroti Park was being developed. The contract for opening 3.59km of roads in Kasese Park was terminated as the contract duration had elapsed with physical progress at 30%. Master planning for Moroto Park was estimated at 90% progress; however, engineering designs were differed due to inadequate budget and land wrangles over the procured land from Napak district.

The land offered by both Yumbe and Lira district LGs was not acquired during the year under review, pending the respective district councils to approve and transfer titles to UIA.

A total of 487 squatters out of 896 on Mbale Industrial Park land were compensated and given six months to vacate. However, UIA did not have a budget during FY 2016/17 to compensate the remaining squatters. With the increasing value of land, delays in compensating squatters make the project more expensive.

Out of the planned 45 Kilometers of roads in KIBP, 35 kilometers had been opened of which four kilometers are paved. The 1.5 kilometers leading to the North Estate were being upgraded to bituminous surface. Investors are not satisfied with gravel roads due to high dust emission which affects some processors especially in food related industries. The KIBP did not have a sewer treatment plant, fire brigade services and was experiencing poor security. The wear and tire of surface dressed roads in Soroti, Luzira and Bweyogere was high due to heavy traffic.


Potholed surface dressed roads in Luzira and Bweyogerere Industrial Parks


Newly opened roads in South C and North Estates of Kampala Industrial and Business Park-Namanve

Overall performance

The budget for development of industrial parks project performed at 77% while expenditure was 100% of the release. Physical progress was estimated at 69% which was fair. The fair performance rating was due to incomplete outputs such as compensation of squatters in Mbale which was expected to be concluded during the year. The much anticipated acquisition of land from both Lira and Yumbe district was not achieved as they both required the respective district council's approval which was still pending. The cabinet decision to develop 5 industrial parks per year with effect from FY 2016/17 is unlikely to be achieved if alternative and additional funding is not earmarked.

Challenges

- Inadequate funding: A number of activities were deferred due to a constrained resource envelope and budget allocation to the project. Servicing KIBP alone with paved roads, electricity, water and optic fiber cables was estimated to cost US$150 million (about 500 billion). However the budgetary allocations to the project for FY 2016/17 reduced from Ug shs 8 billion to Ug shs 4.2 billion.
- Low uptake of plots in upcountry industrial parks for example, only one plot was under development in Soroti inspite of roads and electricity being extended to the park.
- Land wrangles surrounding the proposed Karamoja Industrial and Business Park had stalled progress in completing the master plan and further developments.
- Land acquisition in most parts of the country for industrial development is slowed down by lengthy process requirements.

Recommendations

- The MFPED and UIA should identify alternative financing for development of industrial parks.
- The UIA should engage the Napak district leadership and other stakeholders to unlock the disputes surrounding the development of the proposed Karamoja Park.
- The UIA should work with PIBID to develop the proposed Industrial and Technological Park in Sanga, Kiruhura district.
- The Ministry of Lands, PPDA, UIA, and MFPED should review the processes of acquiring land for industrial development. Unnecessary bureaucracy within government institutions facilitating industrial activities and investment should be eliminated.

10.3 Ministry of Trade, Industry and Cooperatives

The mandate of the Ministry of Trade, Industry and Cooperatives (MoTIC) is: "*to formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology transfer, to generate wealth for poverty eradication and benefit the country socially and economically*" (MoTIC, 2014).

In executing its mandate, the Ministry supervises six agencies namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda Industrial Research Institute (UIRI), Uganda Export Promotions Board (UEPB), Management Training and Advisory Centre (MTAC) and Uganda Warehouse Receipting System Authority (UWRSA).

The annual monitoring FY 2015/16 focused on; One Village One Product, UNBS; Construction of UNBS Headquarters, UIRI and the Uganda Development Corporation projects of: Kiira Ashock Leyland, Kalangala Infrastructure Services, Value Addition Tea (Kabale and Kisoro) and Soroti Fruit Factory.

10.3.1 Uganda Development Corporation

The Uganda Development Corporation (UDC) is the investment and development arm of the Government of Uganda and is mandated to invest in projects that ensure diversification and grow Uganda's production capacity. The agency was re-established under the Uganda Development Corporation Act 2016.

The projects of; Soroti Fruit Factory, Value Addition Tea in Kabale and Kisoro (equipment leasing facilitation), Kalangala Infrastructure Services, Uganda Commodity Exchange; and Assembly and manufacture of vehicles under the Kiira Motors Corporation (KMC) were monitored during FY2015/16.

1.Kiira – Ashock Leyland Joint Venture

Background

The Government of Uganda acting through the Uganda Development Corporation embarked on a Pre-investment Analysis for the establishment of a truck and bus manufacturing plant in Uganda. The Ministry of Trade, Industry and Cooperatives inaugurated a Steering committee and Technical Task Team to which Ashok -Leyland appointed four staff to jointly undertake the Joint Venture Pre- Investment Analysis. The Pre- investment Analysis activities including the Macro-Analysis and Micro Analysis of the commercial vehicle segment in Uganda would be conducted to inform a sound portfolio management strategy for the investment in the Truck and Bus manufacturing plant. Table 10.5 shows the performance of the pre-investment analysis.

Table 10.5: Assessment of Kiira Ashock Leyland; Establishment of a Truck and Bus Manufacturing Plant in Uganda

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Pre-Investment Analysis; Micro Analysis study of the commercial vehicle Market in Uganda conducted	1.00	1.00	100	1,171,445,900	1.00	100	A report on the viability of the establishment of a bus and truck manufacturing plant in Uganda was produced.
Total			100	1,171,445,900		100	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)		Remark		
1,171,445,900	1,171,445,900	1,166,936,227	99.62				

Source: UDC and Field findings

Though the report of Pre-Investment Analysis on the establishment of a bus and truck manufacturing plant in Uganda yielded positive results, the lead actor; Ashock Leyland pulled out of the venture in preference of establishing the plant in Kenya. The management of Kiira Motor Corporation (KMC) was in the process of identifying other prospective partners including but not limited to; Toyota, Isuzu, and TATA. The criterion to identify the most suitable partner was adopted. It proposes that:

- Partner should have an entire portfolio of products in car manufacturing.
- Partner should have an international footprint.
- Partner should have presence in Uganda at least downstream.
- Partner should be able to consolidate the manufacturing capacity into one large entity as opposed to different divisions.
- Ensure proper human resource development.

For achievement of automobile manufacturing, the value chain of dealership, manufacturing and engineering need to be developed. Initial focus should be investment in parts manufacturing and the process should be gradually scaled up.

Challenges

- Lack of a strategic plan for automobile manufacturing.
- Lack of industrial infrastructure to support automobile manufacturing.
- Poor communication between partners in the joint venture.

Recommendations

- The KMC should shop for a strategic partner with reputable manufacturing record to ease take off of the project.
- The project should be submitted to the PPP unit of the MFPED for further handling and guidance.
- The UDC in partnership with relevant government bodies should initiate the policy formulation process for automotive manufacturing.
- The KMC, Makerere University, Ministry of Works and Transport and UDC should develop a strategic plan for automotive manufacturing in Uganda.

2. Soroti Fruit Factory

Background

The Soroti Fruit Factory is a proposed Government intervention aimed at supporting the value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso region. Teso region comprises of the districts of; Soroti, Kumi, Bukedea, Katakwi, Amuria, Serere, Ngora and Kaberamaido and is the leading producer of citrus in the country. Teso region approximately has three million fruit trees with a potential of producing 600,000 metric tonnes of fruits per year. Despite its potential, Teso region had not seen any investment in fruit processing.

The key challenges for fruit farmers in the region had been; lack of readily accessible markets, unfair pricing of produce; and lack of cost effective easily accessible storage and transport infrastructure. Teso region therefore experiences high post-harvest losses during peak seasons.

The objectives of the project are;

- To increase the incomes of the fruit farmers' in Teso region provided by a readily accessible and fairly priced market for produce.
- To promote value addition and agro processing agricultural produce.
- To reduce post-harvest losses
- Produce juice concentrates and pulp that exceed the local, regional and international market.

In 2012, the Government of Korea through their development arm; Korean International Cooperation Agency (KOICA) offered to provide a turnkey project for Soroti Fruit Factory. The MoU required that GoU establishes key infrastructure for construction including; provision of land, extension of water and power to the site, paving of roads, fencing of land and provision of land for the waste disposal site. By 2015, the GoU had substantially fulfilled its obligations to the construction of Soroti Fruit Factory. Table 10.6 shows progress on the GoU obligations by 30th June 2016.

The contract for the construction of Soroti Fruit Factory was awarded to Ms. Hwanshin Uganda Limited for a period of 15 months commencing 26th March 2015 and was expected to end in May 2016 at a sum of US$ 7.4 million. The scope of works covered: Construction of an office block and main factory, two internal roads, external storage, treatment plant and an external toilet. Table 10.6 shows the performance of the project by June 2016.

Table 10.6: Performance of Soroti Fruit Factory by 30th June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Completion of the perimeter wall	1.00	1.00	100.00	248,430,588	0.06	5.54	Completed
Fruit farmer training in Kaberamaido completed	1.00	1.00	100.00	117,203,460	0.03	2.61	Completed

Business plan for Soroti undertaken	1.00	1.00	100.00	250,000,000	0.06	5.58	Completed
EIA for waste disposal land undertaken	1.00	1.00	100.00	65,000,000	0.01	1.45	Completed
Training fruit farmer in Amuria conducted	1.00	1.00	100.00	87,188,180	0.02	1.94	Draft report submitted. Final report expected in September 2016
Waste disposal land fenced	1.00	1.00	100.00	116,000,000	0.03	2.59	Completed
Consultant hired to develop the strategic plan	1.00	1.00	100.00	150,000,000	0.03	2.59	Work ongoing
Product development carried out	1.00	1.00	100.00	46,100,000	0.01	1.03	1st draft produced. Completion expected in August 2016
Benchmarking study of the fruit industry in EAC carried out	1.00	1.00	100.00	60,000,000	0.01	1.34	Ongoing
Publicity activities for the project carried out	1.00	1.00	100.00	80,000,000	0.02	1.78	Ongoing
Security services provided on site	1.00	0.00	0.00	5,400,000	0.00	0.00	Taken over by UIA
Taskforce activities held	1.00	1.00	100.00	12,000,000	0.00	0.27	Conducted in Q2
Implementatio n of project activities evaluated	1.00	1.00	100.00	90,000,000	0.02	2.01	Ongoing
Project administrative expenses paid	1.00	1.00	100.00	550,000,000	0.12	12.27	Completed
Capacity building of	1.00	1.00	100.00	33,000,000	0.01	0.74	Completed

UDC staff strengthened							
Participate in local , regional and international symposiums on trade and investment	1.00	1.00	100.00	120,000,000	0.03	2.68	Completed
Designs for the waste disposal land developed	1.00	0.00	0.00	33,000,000	0.01	0.00	Awaits completion of the EIA
A contractor to install ICT furniture procured	1.00	1.00	100.00	6,000,000	0.00	0.13	Completed
ICT furniture installed	1.00	0.00	0.00	200,000,000	0.04	0.00	Contract signed. Installation expected to be done during FY 2015/16
A contractor to develop the waste disposal site procured	1.00	0.00	0.00	6,000,000	0.00	0.00	Deferred to FY 2016/17
waste disposal land developed	1.00	0.00	0.00	225,000,000	0.05	0.00	Deferred to FY 2016/17
Plant personnel recruited	1.00	1.00	100.00	30,000,000	0.01	0.67	Ongoing
Computers procured	1.00	1.00	100.00	200,900,000	0.04	4.48	Completed
Furniture and fixtures for the plant procures	1.00	1.00	100.00	114,000,000	0.03	2.54	Completed
Operating the fruit factory	1.00	0.00	0.00	1,637,564,772	0.37	0.00	This is contingent upon the completion of the factory. However factory still under construction. Deferred to next financial year
Total				4,482,787,0		52.24	

				00			
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
4,482,787,000.00	2,469,238,775.00	2,079,020,216.00	84.20				

Source: Field findings and UDC

The outside and inside structure of the proposed Soroti Fruit Factory under construction

By 30th June 2016, the overall physical progress on construction of the processing factory and related works under the auspice of the Korean funding was estimated at 75%. The works on the factory were substantially complete waiting for; final finishes, fabrication of window frames, fixing glasses in windows, painting, tiling the office block and plumbing works.

The base works for the open storage had been completed but it was observed that in the BOQs, timber poles had been quoted yet the location was experiencing heavy winds; as a result, steel materials were preferred as a variation. However, this had not been approved. Physical progress was estimated at 30%.

The pump house had been substantially completed (80%) pending installation of the pipes. The external toilet was scheduled to be complete by end of August 2016. The external works were in the preliminary stages and laying of culverts has commenced. However, it was estimated that the internal roads would be paved in October 2016.

Due to delays arising from design reviews and changes, a four months extension of time had been granted (July-October 2016). The installation of equipment for the fruit factory was expected to be undertaken in October 2016 upon completion of the factory.

The UDC had advertised the jobs for key production staff who would be taken to Korea for training in October 2016.

Challenges

- The intermittent power supply to the site slowed down the pace of metal fabrication works. The contractor had not completed the roofing of the factory due to power outages experienced between May through June 2016.
- Delays in remitting tax refunds back to the contractor affect the cash flow: The MoU between the GoU and KOICA exempted the contractor from Value Added Tax (VAT). The contractor is meant to recover the tax through refunds; however, the URA takes several months (4-7) to reimburse the funds to the contractor.
- Delayed approval of design variations which has caused delays in implementation.

Recommendations

- The UDC and URA should assist the contractor to process the VAT refunds in time to avoid delays.
- The UDC should fast track the approval process of design variations to avoid further delays.

3. Uganda Commodity Exchange

Background

The Government of Uganda though UDC is reviving the defunct Uganda Commodity Exchange with collaboration with private sector players. The initial plan is to start with maize since there is lack of a structured marketing system of maize in Uganda. Table 10.7 shows the performance of the program during FY 2015/16.

Table 10.7: Performance of Uganda National Commodity Exchange by 30th June 2016

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Shares purchased	20%	20%	100.00	200,000,000	1.00	100.00	All stipulated shares acquired
Total				200,000,000		100.00	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
200,000,000	200,000,000	200,000,000	100.00				

Source: UDC and field findings

The UDC acquired 20% shares in the entity and identified the Uganda Grain Council as a partner in running the commodity exchange.

4.Value Addition Tea (Kabale and Kisoro)

Background

The Government of Uganda through the Uganda Development Corporation and Kigezi Highland Tea entered into a partnership to setup tea factories in the districts of Kisoro and Kabale. The project intends to change the rural incomes of the people and change the rural economy through tea farming and processing. The role of UDC is to procure, install and commission equipment for the two factories under a turnkey arrangement while the proprietor is responsible for constructing the factories. Table 10.8 shows the performance of value addition tea project.

Table 10.8: Assessment of Value Addition Tea (Kabale and Kisoro)

Project: Value Addition Tea Factories (Kisoro and Kabale)							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Advertise for provider for machinery and equipment	1.00	1.00	100.00	10,112,001.00	0.00	0.19	completed
Machinery and equipment procured and installed	2.00	1.00	1.00	5,443,179,441.00	1.00	49.9	Machinery was ordered and pre-shipment inspection made. Awaiting delivery and installation
Total				5,453,291,442.00		50.09	Fair performance
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure		Financial Performance Score (%)	Remark		
6,000,000,000	5,453,291,442	5,453,291,442		100.00	Very good		

Source: Field findings and UDC

By July 2016, over 2,000 hectares of land had been planted with tea plantlets supplied under the NAADs programme in each of the districts. The proprietor had fulfilled most of his obligations of constructing the factories. The works for both factories were estimated at 90% progress. Pending works included; floor works, wall cladding and final finishes. The initial processing capacity for each factory is 35,000kg of green leaf per day with space for a second line. According to the delivery schedule, the first batch of equipment was expected in Mombasa on 28th August 2016 and the last batch expected in September 2016. Installation was expected to start in October 2016 and full production anticipated to start in February 2017 if resources for auxiliary equipment are available.


L-R: The inside of a completed tea factory structure in Kabale and an incomplete factory in Kisoro

Challenges

- Piecemeal procurement: The project did not cater for the procurement of auxiliary equipment without which the factory cannot run smoothly. These include; weighing bridge, 2 electrical cabling and control systems, electrical cabling for 2500 kVA generators, one 750kVA transformer. 10 five tonne trucks, two 10 tonne trucks, 2 pickup trucks and 2 water supply reservoirs (50,000 m3 each).
- Lack of extension services amongst smallholder farmers to promote better agronomic practices, and inputs to improve productivity.

Recommendations

- The UDC should review the auxiliary equipment needs of the proprietors with a view of facilitating the acquisition mechanism to ensure full operations after delivery and installation of equipment.
- The MAAIF and NAADs should provide extension services to tea farmers in Kigezi sub-region.

5. Kalangala Infrastructure Services

Kalangala Infrastructure services is a multi sectoral Public Private Partnership (PPP) project implemented at Bugala Island , Kalangala district aimed at provision of infrastructure and public services to the island in an economic and commercially viable manner. The deliverables under the project included; upgrading of a 66km road to Class B gravel, construction of a 1.6 MW hybrid power (solar and diesel plant), construction of water supply system to five settlement areas on the island and provision of two ferries.

In June 2015, the project had substantially completed power generation, distribution, and provision of ferries to the island. The remaining outputs were completion of road works and extension of water works to the five landing sites. Table 10.9 shows the performance of the project by June 2016.

Table 10.9: Assessment of Kalangala Infrastructure Services Project

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
66 Km road to class B gravel constructed	66	66	100.00	19,759,123,193	1	100	Upgrade of the road was completed and it was under defects liability period.
Two ferries built and delivered	2.00	2.00	100.00	3,154,125 Euros	1	100	Two ferries; MV Pearl and MV Ssese ply the Masaka, Bukakata route with eight round trips.
1.6 MW power generation and distribution network developed	1.6	1.6	100.00	3,1666,296 Euros	1	100	Hybrid power plant was completed and power transmitted to residents on the Island. Due to island conditions, KIS opted to use aerial earthing to address the problem of lightening. 2482 connections made so far awaiting extension to clients who require one pole and two poles.
Water systems and distribution to 5 landing sites constructed	5	5	100.00	$ 1,628,994	1	100	Water works to the settlements of Kagulube, Mulabana, Kasekulo, Mwena/Kalangala Town council (KTC), and Mutambala had been completed and contract under defects liability

							period. 430 connection had been made however there was a challenge of illegal connections inherited from the old system at KTC leading to monthly water loss of 3800m^3
Total				100.00		100	

Source: KIS, Field Findings


New ferry plying Bukakata-Luuku route, part of the paved section of the 66Km road


Water pumps at Mwena and power distribution network at Mulabana

All the works (electricity, water and roads) had been successfully completed and all components under the project were operational. Electricity and water connections to end user consumers was ongoing. The two ferries were making eight round trips per day between Bukakata and Bugoma landing sites. The 66 Km class B gravel road was completed and handed over to KIS in March 2016. The snags list was generated and the contractor was expected to rectify the defects by December 2016. It was observed that some borrow pits had not been reinstated as per environment management requirements.

Challenges

- **Losses due to illegal connections**: Some resident were not willing to pay for services such as water and electricity while others were illegally connecting to the networks.
- The UNRA had not remitted the road support funds to KIS as per the PPP agreement.

Recommendations

- The KIS should sensitize the communities on paying for the services and enforce the regulations on illegal water and power connections to avoid losses.
- The UNRA should remit the support funds to KIS as per the PPP agreement.

10.3.2 Uganda Industrial Research Institute

The Uganda Industrial Research Institute was established in 2002 by an Act of Parliament under The Ministry of Trade, Industry and Cooperatives as a government agency mandated to engage in activities that will result into Uganda's industrialization. In fulfillment of this mandate, UIRI's core activities focus of identifying affordable technologies and applied research, business incubation, analytical laboratory services, business advisory, prototyping to result into new products and value addition.

The agency aims at increasing opportunities for job creation through new value addition enterprises , support the increase of agricultural output by creating new markets for farm produce mitigating economic losses incurred by farmers' as a result of post-harvest losses and support nationwide efforts for improved product competitiveness in terms of export quality and high manufacturing standards.

The annual budget for UIRI was Ug shs 14 billion of which Ug shs 13.230 billion (92%) was released and all expended. Table 10.10 shows the overall performance of the project.

Table 10.10: Overall Assessment of UIRI

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Administration- 45 new staff recruited	45.00	2.00	4.44	5,920,000,000.00	0.42	1.85	Due to budgetary shortfalls, UIRI was only able to recruit 2 staff instead of 45. The institution was unable to pay subscriptions to international organizations such as; Laboratory Proficiency Testing schemes (PTS), Association of Analytical Chemists (AOAC) and American Public Health Institution.
Research and Development activities undertaken	155	691	100	1,863,000,000.00	0.13	58.30	Under this component. Research is undertaken to develop products which would later be adopted by the private sector for commercialization. On gong research is in the areas of; development of chicken feeds out of bio waste of fruits, development of bio-chair fertilizer form bamboo, research in pavers and tiles.
Industrial Incubation activities undertaken	75	63	84	1,702,000,000.00	0.12	10.04	This service was introduced to provide technical backstopping to prospective entrepreneurs in processing and manufacturing. Services include; practical training programs in value addition, new product formulations and

							process development among others. Currently at UIRI the incubation for; fruit processing, milk processing, meat processing, bakery are fully operational. There was little activity for ceramics as private sector players had paid little interest in it.
Maintenance of facilities undertaken	17.00	17.00	100.00	620,000,000.00	0.04	4.35	Model value addition centers established by UIRI were maintained and construction works progressed on a number of them such as Savoury Cuts in Arua; a meat processing plant, Bamboo and potato plant in Kabale and Lira peanut processing plant. However, Mbarara grape winery had stalled due lack of piped water.
Maintenance of Machinery and Equipment	37.00	37.00	100.00	600,000,000.00	0.04	4.21	During the year, all UIRI facilities were well maintained and serviced on time. They included repair and maintenance of equipment for pilot plant, upgrading of waste water treatment plant with advanced immobilizer cell reactor, repair of a micro wave digester among others.
Industrial Training and Capacity Building undertaken	28.00	28.00	100.00	150,000,000.00	0.01	1.05	The food laboratory conducted 102 training sessions in; ready to drink juice, fruit jam, peanut butter, 28 students from Mulago School of Ailled Health were trained in micro

							biological skills, 20 people provided with hands on training in detergent making, soap, cosmetics and toiletry product formulation. Five staff trained in ISO 17025 good laboratory practices, 16 University students from Food Science and Technology trained in good laboratory practices, and 30 entrepreneurs from various groups trained in vegetable and fruit training.
Technology, Innovation and Transfer	17.00	17.00	100.00	540,254,000.00	0.04	3.79	A number of products were being prototyped, tested and being made ready for commercialization. These included; the temperature monitoring and control project, the MUTIIMA project aimed at developing a diagnostic tool for pneumonia in infants, digital weighing scale, solar egg incubator and a hybrid controller for solar and wind energy.
Research and technologies popularized	9	0	0	60,000,000.00	0.00	0	The planned activities were not executed due to lack of funds. However every Tuesday the institution hosts members of the General public to showcase its achievements and products.
Administrative Infrastructure establishe	17	17	100.00	980,000,000.00	0.07	6.88	Several pilot plants established and construction commenced such as; Ntungamo Dairy

d							plant, extra works for Luweero Essential oils, designs for the proposed cheese factory in Ntungamo and designs for proposed soap manufacturing facility in Kabale.
Office ICT equipment purchased	20	20	100	100,000,000.00	0.01	0.70	ICT Machinery and equipment such as computers for various labs and off site centres procured, and intercom connectivity within the entire unit.
Specialize d equipment purchased	18	18	100	1,710,000,000.00	0.12	12.00	This involves the design and fabrication of specialized equipment and in the FY 2015/16 various equipment was at different stages of procurement such as; New Castle Vaccine dropper bottles, pathogen free eggs. Procurement of meat equipment t for virtual; incubates, upgrade of fruits and vegetable pilot plant.
Total				14,245,254,000		58	
	Financial Performance						
Annual Programm e Budget	Cumulative Receipts			Cumulative expenditure	Financial Performance Score (%)		Remark
14,245,25 4,000	13,230,000,000			13,230,000,000	100		

Source: UIRI, Field Findings

The agency had achieved 58% of its outputs during the period under review. The targets for research and development were surpassed by over 300%. However, the private sector was non-responsive to the various products and technologies innovated. The budget shortfall affected performance in some critical areas such as hiring staff to fill the staffing gaps at the institute. The regional centers set up over the years are generally struggling to take off as most proprietors of expect more than what UIRI can offer. For example, The Arua Fruit Factory commissioned in 2014 was not operational partly due to the incubate's inability to raise working capital, lack of three phase electricity and lack of clear selection criteria by the implementers.

Construction of the winery in Mbarara was completed but the National Water and Sewarage Corporation had failed to pump water to the plant. The Classic Savoury meat processing in Arua was completed and equipped, however, the incubate could not afford to extend a three phase power line to the facility. The bamboo processing facility was replicated in Kabale however, there was no signed incubate to utilize the facility.

Completed Winery in Mbarara district awaiting water supply

Newly completed Classic Savoury Meat Processing plant in Arua district and toothpick making at the bamboo plant in Kabale district

Challenges

- Low uptake of technologies by the private sector. As a result a number of technologies are not further developed.
- Weak entrepreneurial competencies among the incubatees. A number of incubatees exhibit weak entrepreneurial competencies and end up taking a long time to graduate to self-sustaining capability.
- Dependency syndrome: most offsite incubatees expect UIRI to facilitate them with working capital yet the agency has no mandate to provide capital.
- Lack of counterpart funding: Some projects under the institution required counterpart funding such as essential oils and the skilling centre in Kampala Industrial and Business Park. However funds had not yet been earmarked which hindered implementation of these projects.

Recommendations

- The UIRI should enhance the publicity of its research achievements in order to create awareness among the general public to create demand for its innovations.
- The UIRI should ensure that prospective entrepreneurs develop business plans; strategic plans and Return on Investment to ensure that incubates do not over stay at UIRI facilities.
- The MFPED and UIRI should identify alternative funding modalities such as research grants and endowment funds to provide counterpart funding to the agency if the desired social and economic transformation is to be achieved.
- The selection criteria for incubation and MoU between UIRI and incubates should spelt out the expectations of each partner.

10.3.3 Uganda National Bureau of Standards

Background

The Uganda National Bureau of Standards (UNBS) is a statutory body under the Ministry of Trade, Industry and Co-operatives established by the UNBS Act Cap 327. The mandate of UNBS is formulation and promotion of the use of standards; Enforcing standards in protection of public health and safety and the environment against dangerous and sub-standard products; Ensuring fairness in trade and precision in industry through reliable measurement systems; and Strengthening the economy of Uganda by assuring the quality of locally manufactured products to enhance the competitiveness of exports in regional and international markets.

Uganda National Bureau of Standards acquired 6.9 hectares of land in Bweyogerere Industrial Park for the construction of its office block, laboratories and other support facilities. The total cost of the project was expected to be Ug shs 46 billion and implementation was to be undertaken within 56 months. Phase one of the project was implemented in three sub-phases (Phase 1A, IB and 1C). Phase 1A &B were completed in 2013 and 2015 respectively. Table 10.11 shows the progress on phase 1C by 30th June 2016.

Table 10.11: Performance of Construction of UNBS Headquarters Phase 1C

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Completion of 2nd, 3rd and 4th floors	3.00	3.00	100.00	1,436,617,634.75	0.25	25.00	Completed
Ware house constructed	1.00	1.00	100.00	1,436,617,634.75	0.25	25.00	Completed
Boundary wall constructed	1.00	1.00	100.00	1,436,617,634.75	0.25	25.00	Completed
Gate House constructed	1.00	1.00	100.00	1,436,617,634.75	0.25	25.00	Completed
Total				5,746,470,539.00		100.00	
	Financial Performance						

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
5,746,470,539	4,669,849,363	4,669,849,363	100.00	

Source: UNBS



Completed warehouse, furnished 2nd floor and the 4th floor of UNBS headquarters

Phase 1 of the project was successfully completed and the building had been occupied by most of the departments of the agency except the laboratories. Plans were underway to embark on the second phase which will cover construction of analytical laboratories. The UNBS sought a consultant to review the design and BoQs to take care of inflation and other emerging needs.

Challenges

Shortfall in releases: During the first phase, the releases were inadequate to pay outstanding certificates in a timely manner.

Inadequate allocation: The construction of the entire UNBS complex comprising of headquarters, analytical laboratories and other facilities was supposed to last 56 months, however phase1 (construction of headquarters, boundary wall and warehouse) lasted 46 months. This was attributed to inadequate budgetary allocations**.**

Recommendations

- The MFPED should release funds in the right quotas to take care of certificates submitted.
- The UNBS should engage with MFPED to find alternative funding mechanisms for such private partnerships or contractor financing to complete the complex in a timely manner.

10.3.4 One Village One Product

The One Village One Product (OVOP) is a community centered and demand driven local economic development approach initiated by Oita Prefecture in Japan in the 1970s. It was introduced in Uganda in 2008. Government sought to integrate the OVOP programme in the National Development Strategies to eradicate poverty. The OVOP concept had been designed as a community based approach through utilization of local resources to boost production, processing and marketing of products and services.

The OVOP programme aims at transforming the peasantry and subsistence productive system into monetary and modern economy, spurring commercial and agriculture and industrial production. It focusses on value addition, for accelerated social economic transformation. The OVOP program also compliments the National Trade Policy, trading out of poverty into wealth and prosperity.

Objectives of the Programme

The overall objective of the programmee is to promote the production, processing and marketing of local products for wealth creation.

The specific objectives are to;

- Promote the establishment of production of networks/clusters within the country.
- Promote the value addition to local materials and products of comparative advantage at community level for social economic transformation.
- Reduce the post-harvest losses from the current 40% to less than 10% by 2014.
- Develop human capital and entrepreneurial capacities amongst the participating communities.
- Strengthen partnerships and linkages between Government, private sector and donor community.

- Create and strengthen market clusters for OVOP products.

The annual monitoring FY2015/16, reviewed physical performance at Busongora Intergraded Rural Farmers' Cooperative in Kasese, Kololo Progressive Farmers Group and Galatiya Tukorerewamu Savings Cooperative society both in Mpigi district and Patience Pays Professional Organization in Kyegegwa district. Table 10.12 shows the performance of the OVOP project.

Table 10.12: Assessment of One Village One Product

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Agro processing equipment procured and installed	11	7	63.64	238,020,000.00	0.73	46.2	Equipment for four sites was procured but not yet delivered and installed in Pallisa, Kasese, and Wakiso Eco friendly Innovation Limited and Chicken Processing
OVOP Secretariat maintained	4	4	100	21,519,000.00	0.07	6.56	The Secretariat equipment was maintained
Potential OVOP projects physically assessed	21	21	100	15,342,800.00	0.05	4.68	Proposed projects assessed
Trainings conducted on Standard Quality Requirements, Business Management Skills, Principles of Cooperative Movement and Value Addition Skills	2	2	100	11,880,500.00	0.04	3.62	Training undertaken
Procurement of a Billboard for Dr.Mutende Industrial Park in Mbale District	1	1	100	4,500,000.00	0.01	1.37	procured

Monitoring and Commissioning of OVOP projects Conducted	27	27	100	23,792,000.00	0.07	7.26	Monitoring conducted
OVOP Project Phase-end evaluation exercise conducted	1	1	100	12,780,000.00	0.04	3.9	evaluation exercise conducted and report due
Total				327,834,300.00		73.6	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remarks			
488,264,345.00	327,834,300	327,834,300	100	Very good			

Source: Field findings, MTIC

At Busongora Integrated Rural Farmers' Cooperative in Kasese, a coffee huller with a grader was delivered; however, it was not operational due to delayed delivery of accessories including a motor, pulley and an external pipe. Members were losing trust in the intervention due to the delays.

At Galatiya Tukolerewamu cooperative, a maize mill was delivered, installed and tested, however, the machinery was redundant due to lack of maize (raw materials) owing to a drought experienced by members. The group lacked capital to invest in stocking raw materials and the operational costs of a diesel engine were said to be high.

At Kololo Progressive Farmers, a coffee grader was delivered, however the group had not constructed an extension to the existing structure to accommodate the grader and the equipment was not in use.

At Patience Pays Professional Organization in Kyegegwa, the animal feed mill delivered had been installed, however the operations were slow due to lack of raw materials, inadequate capital, poor group dynamics and beneficiaries expecting additional support from government.

L-R: Parts of the coffee grader delivered to Kololo Progressive farmers, a maize mill at Tukolerewamu both in Mpigi and installed coffee processor in Busongora-Kasese

Challenges

- Inadequate support where groups are given processing equipment without key supporting infrastructure such as electricity.
- The dependency syndrome abounds where the supporting equipment, working capital and other infrastructure remain expected from government by beneficiaries.

Recommendations

- The MoTIC should invest more in provision of complete sets of equipment and machinery required in the value chain for effective implementation of projects.
- The MoTIC should conduct refresher training on group dynamics, cooperative movement and resource mobilization to avoid dependence on project support and ensure sustainability.

Overall Performance

The overall performance of the 10 projects monitored under industrialization sub-sector was rated as fair at 68%. Very good performance was observed at UNBS, Uganda Commodity Exchange, Kalangala Infrastructure Service and Kiira Ashok Leyland Pre-Investment Analysis with all planned outputs achieved. Fair performance was observed at Value Addition Tea factories, where equipment was yet to be delivered and installed.

Sector Challenges

- **Inadequate funding**: The sector is underfunded and as such unable to effectively execute and achieve the mandate as prescribed by the NDP and sector strategic plans. For example, servicing an industrial park with roads, electricity, water and ICT infrastructure requires on average Ug shs 500 billion and only 7 billion is allocated per annum. Under UIRI, there is lack of counterpart funding from GoU for the development of a US$30 million industrial training institute at Namanve and the US$ 2 million essential oil project.

- **Cost overruns resulting from accumulated arrears**. The Presidential Initiative on Banana Industrial Development has accumulated arears to the tune of Ug shs 11.2 billion part of which arose from delayed payments to the contractor over the years and interest. The contractors have time and again halted activities as cleared certificates are not promptly paid.
- **Low uptake and commercialization of industrial research results**. The UIRI has invested in research and piloting of several value addition initiatives, however, there is low uptake of results and thus few commercialized projects.
- **Lack of an automotive policy**. Although GoU through UDC is desirous to establish vehicle manufacturing capability in the country, there is lack of an automotive policy to guide this process.

- **Poor quality raw materials for value addition due to low levels of extension services.** For example, although GoU has supported the establishment of tea factories in Kigezi and a fruit factory in Soroti, there was low delivery of extension services to the farmers in the area to ensure high productivity.
- **Inadequate staffing, analytical laboratory infrastructure and equipment** for UNBS leading to proliferation of counterfeit goods in the country and domestic manufacturing of substandard goods. This is affecting Uganda's quality of exports.

Recommendation

- The GoU through MFPED should commit and allocate the prerequisite funds for industrial parks development and counterpart funding to the sector to ensure successful execution of projects.
- The UDC and Ministry of Works and Transport should expedite the formulation of an automotive policy and develop investment prospectus to encourage other stakeholders to come on board.
- The GoU through OWC and MAAIF should provide extension services to ensure quality raw materials for value addition processors especially in the tea sub sector to enhance productivity.
- The MFPED and MoPS should review the wage ceiling for UNBS to allow recruitment of critical staff to undertake surveillance of domestic manufactures and post standards officials at all points of entry to counter importation of counterfeits. The development budget for the agency should be enhanced to facilitate equipping of laboratories.

CHAPTER 11: MICROFINANCE

11.1 Introduction

Microfinance has been an important financial instrument for reaching the low-income households in Uganda. The focus of the Microfinance sector is to ensure financial inclusion of all Ugandans. In the last 10 years, the sector has been experiencing significant growth. The microfinance sector is the most complex component of the financial sector. Two providers of Microfinance services are in the category of Tier I, 2 are in Tier II and 4 Microfinance Deposit taking Institutions (MDIs) in Tier III. Additionally, Savings and Credit Co-operatives (SACCOs) and unregulated Micro Finance Institutions (MFIs) serve the microfinance market. These institutions are broadly captured as Tier IV institutions. Furthermore, there are commercial banks offering specific products for low-income households and community-based organizations and groups which are operating in villages.

The Microfinance Support Centre Ltd was established to provide financial services to the economically active poor Ugandans through SACCOs and MFIs, Co-operative Unions, Producer and Marketing Co-operatives, Small and Medium Enterprises (SMEs) & Teachers SACCOs. Through the Government of Uganda's Rural Financial Services strategy, the MSC has attained the linchpin status of the Government Microfinance Programmes, hence a wider role to play in financing the whole value chain and promoting the sustainability of rural financial enterprises.

11.2 Microfinance Support Centre Limited

Introduction/Background

Microfinance Support Centre Limited (MSCL) was established in 2001 as a company limited by guarantee, fully owned by the Government of Uganda (GoU) with the mandate to manage the Rural Microfinance Support Project (RMSP) and any other government supported microcredit programmes. A Board of Directors appointed by Government governs the company. It has so far executed its mandate through the implementation of five-year strategic plans, during which credit and capacity building services were extended to over 2,000 partner organizations countrywide.

The Strategic Plan 2014-19 identified the following strategic objectives[57] that included;

- To mobilize sufficient resources so as to effectively deliver rural financial development services
- To increase loan portfolio by 10% per annum
- To maintain portfolio at risk (P.A.R) past 365 days at 5%
- To identify and fill capacity building gaps of clients
- To develop at least one product for each client segment over the next five years

MSCL targets the provision of affordable financial services to SACCOs, Micro Finance Institutions (MFIs), Small Medium Enterprises (SMEs) and more importantly the provision of

[57] These formed the basis of assessment of the performance of the MSCL

financing of agricultural chains including assets, inputs, and purchase of crop and other produce. Thus, MSC aims at reaching a mass of rural enterprises to deliver services.

In order to take services nearer to the communities, the company offers its services through 12 zonal offices across the country, with each office serving an average of 10 districts. The MSCL offers a number of products administered through its offices to the clients and these include; Agricultural loans, Environmental loans, Special interest group loans, Commercial loans and SME loans for trade and commerce and agriculture.

Scope

The review focused on the performance of MSCL for the FY 2015/16 against identified criteria from the strategic plan 2014-2019. The MSCL headquarters and zonal offices of Jinja, Kabarole, Kampala, Lira, Mbale, Masaka, Mbarara, and Soroti were visited.

Findings

(a) MSC Headquarters

(b) Assessment of MSC source of funding

A total of Ug shs 46.991 billion was realized representing 96% of the budget of which; GoU was Ug shs 4.293 billion, the African Development Bank (AfDB-RIEEP) Ug shs 1.480 billion, Reflows and Interest Income including opening balances Ug shs 41.218 billion. Reflows of Ug shs 34.455 billion were repaid from loans and applied for onward lending and Ug shs 13.393 billion was for operations. MSCL did not receive any GoU credit fund in the FY 2015/16. A summary of funding sources is presented (table 11.1).

Table 11.1: Sources of funding for MSC for the FY 2015/16 (millions)

	Planned FY 2015/16	FY 2015/16 Planned Ug Shs	Actual Ug shs	Release Performance %
CREDIT,OPERATION AND CAPITAL EXPENDITURE FUNDS				
Funds brought forward for operations			857	
GoU operations support funds	4,293	4,293	4,293	100
RIEEP[58] operations funds -ADB	1,480	1,480	1,480	100
Reflows[59]	34,455	34,455	34,455	100
Reflows/Interest	6,743	7,428	6,743	91
Other income	19.556	1,457	19.556	1.3%
Total Funds Available	46,990	49,113	47,848	96%

Source: MSCL Headquarters

[58] Rural Income Enhancement and Employment Project
[59] Exclusive of interest income but including opening balances from FY 2014/15.

Interest rates

MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for Agricultural loans, 13% for the commercial loans and 11% for teachers SACCO. This is below the going market rate ranging between 20 to 36% for commercial banks.

Growth in Clientele and Number of Loans

Over the last two financial years, MSC registered a decline in the number of active clients from 587 to 510. This was attributed to the loan write off and general poor performance of SACCOs.

Credit Disbursement

Cumulatively, in the FY 2015/16 MSCL disbursed loans worth Ug shs 34.455 billion against a target of Ug shs 48.250 billion[60] (71.48% of target). The SMEs and SACCOs performed well in accessing credit. Uptake of loans by SMEs (companies) was 49% of the total value of loan disbursed in the period and 36% in terms of number disbursed. The overall performance per client type is shown in table 11.2.

Table 11.2: Loan Disbursement by Client Type FY2015/16

Client	No. of Loans	Amount Disbursed in Ug shs
SACCOs	71	8,065,000,000
MFIs & MDIs	12	2,790,304,883
SMEs (Companies)	119	16,961,125,000
SMEs (Cooperative Unions & other societies)	4	3,270,000,000
Groups	44	844,000,000
Special Interest Groups	39	619,600,000
Teachers	38	1,805,000,000
Total	327	34,455,029,883

Source: MSCL Headquarters

In terms of zonal disbursements; Kampala zone with the biggest region to cover had the highest value of loans (disbursed 7.898 billion), although this was just 65.82% of the set target and was only fair performance. Mbarara zonal office disbursed 92% (6.505 billion) of the targeted funds which was good.

The poorest performing zone was Soroti that achieved 38% of the target in the value of loans. This was attributed mainly to low SACCO base in the region. Table 11.3 highlights the zonal performance by loans disbursed.

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[60] Based on reflows

Table 11.3: Loan Disbursement by Zone FY 2015/16

Zone	No of loans			Value of Loans (Ug shs)		
	Target	Actual	% achieved	Target	Actual	% Achieved
Arua	34	18	52.94	2,500,000,000	1,260,000,000	50.40
Lira	19	14	73.68	1,200,000,000	615,000,000	51.25
Head Office	0	39	-	-	619,600,000	-
Hoima	20	21	105.00	3,000,000,000	1,710,000,000	57.00
Jinja	24	17	70.83	3,000,000,000	1,040,000,000	34.67
Kabale	40	21	52.50	3,500,000,000	4,115,000,000	117.57
Kabarole	45	37	82	8,500,000,000	6,125,000,000	72.06
Kampala	38	32	84.21	12,000,000,000	7,898,429,883	65.82
Masaka	29	16	55.17	2,500,000,000	1,880,000,000	75.20
Mbale	38	37	97.37	1,500,000,000	1,186,000,000	79.07
Mbarara	40	37	92.50	7,000,000,000	6,505,000,000	92.93
Moroto	22	27	122.73	2,000,000,000	929,000,000	46.45
Soroti	15	11	73.33	1,500,000,000	572,000,000	38.13
Total	364	327	89	48,200,000,000	34,455,029,883	71.48

Source: MSCL Headquarters

Performance by loan products showed SME loans had the highest value of Ug shs 20.951 billion. Commercial loan products followed with Ug shs 8.24 billion. The environment loan product was not implemented. The targets were not set by the MSC which hampered the performance rating. However apart from the SME loans, there was a decline in the performance of loan products from the FY 2014/15 .The teachers' fund performed at Ug shs 1.805 billion. The fund did not have targets as MSC was contracted in January 2015 by Ministry of Education and Sports to manage the fund[61]. By that time, the fund's operations were not clear. Detailed performance of loan products is shown in table 11.4.

[61] MoES cumulatively disbursed 9.317 billion to MSCL for the teachers' fund. Implementation approach was recently approved.

Table 11.4: Performance by Loan Product FY 2015/16

Loan Type	Actual Loan Disbursement		% of Target/Actual achieved	
	No.	Amount Ugx	No.	Value
Agricultural loan product	27	3,040,000,000	-	-
Environment loan product	0	0	-	-
Special Interest Group loan	02	60,000,000	-	-
Commercial loan product	48	8,240,304,883	-	-
SME Loan	144	20,951,125,000	-	-
Staff loan and self help groups	39	619,600,000	-	-
Teachers fund	21	700,000,000	-	-
Group loan through intermediaries	17	421,000,000	-	-
Group loan Direct	29	423,000,000	-	-
Total	327	34,455,029,883		

Source: MSCL Headquarters

Growth in Portfolio

The MSC registered 27% growth in portfolio[62] to Ug shs 61.262 billion in FY 2015/16. The highest percentage growth of 178% was registered under Hoima zonal office and the highest by value in Kabale zone (Ug shs 2.96 billion). Details of growth in portfolio is shown in table 11.5

Table 11.5: Growth in Portfolio for FYs 2014/15 and 2015/16

ZONE	FY 2014/15	FY 2015/16	Growth
Head Office	371,802,150	453,273,009	22%
Kampala	16,735,856,861	18,343,431,563	13%
Iganga	667,201,438	1,192,124,907	78%
Mbale	534,483,310	1,335,016,981	150%
Soroti	883,302,970	1,050,650,042	19%
Moroto	508,802,648	1,102,136,107	116%
Gulu	449,711,325	762,930,508	69%
Arua	1,016,063,916	1,795,393,963	77%
Hoima	683,293,336	1,903,221,924	178%
Kabarole	11,861,267,896	12,533,710,899	6%

[62] This measures the growth in asset of the MSC i.e. the higher the growth the better the performance

ZONE	FY 2014/15	FY 2015/16	Growth
Masaka	2,519,518,406	3,037,792,788	21%
Mbarara	8,711,771,310	11,382,540,784	30%
Kabale	3,414,715,196	6,370,230,776	86%
TOTAL	48,357,790,762	61,262,454,251	27%

Source: MSCL Headquarters

Quality of Portfolio

The cumulative repayment rate for the FY 2015/16 was good at 72%. The trend for the Portfolio at Risk (P.A.R)[63] was good as it declined from 8% for greater than 1 day to 2% for greater than 90 days. A total value of Ug shs 8.947 billion (15%) of the outstanding loan portfolio exceeded 90 days. The Kampala Head Office, Mbarara and Kabarole achieved the target.

The MSC policy is to write off loans that have been in default for over 270 days and for which reasonable effort has been made to recover without success. The quality of the portfolio is shown in table 11.6.

Table 11.6: Aged Portfolio at Risk (PAR) for the FY ended June 2015

Zone	PAR > 1 day	PAR > 30days	PAR > 90days
Arua	5.6%	1.33%	1.3%
Gulu	21%	6.2%	3.7%
Head Office	5.4%	0.38%	0%
Hoima	33%	13%	13%
Jinja	11%	11%	09%
Kabale	1.9%	1.1%	1.1%
Kabarole	14%	11%	0.1%
Kampala	6%	3%	1.7%
Masaka	10%	09%	08%
Mbale	6.9%	4.9%	0%
Mbarara	0.7%	0.7%	0.6%
Moroto	11%	11%	0.9%
Soroti	12%	12%	08%
TOTAL	08%	06%	02%

Source: MSCL Headquarters

[63] This is indicative of default rate above the target required the higher the percentage over the days the higher the risk

The declining repayment rate was attributed to the following;

- Poor governance and management in several SACCOs. This contributes to misappropriation of funds, theft, collusion, and endemic fraud.
- Minimal support from DLGs as District Commercial Officers tend to be disinterested in the microcredit funds work and in some instances they are indebted to these SACCOs which undermine their ability to supervise them.
- Under staffing of the zonal offices. On average two staff provide support to clients in 10 districts, despite the growth in clientele, the staffing levels have remained the same over time.
- Limited growth registered in the SME class due to lack of registered collateral.

Recommendations

- The Ministry of Local Government (MoLG) should include in their appraisal of districts a target for microcredit performance.
- A phased approach to client funding should be applied by MSCL to minimise the fraud instances
- Business Development Services (BDS) will continue to be offered by MSCL to the SACCOs on the importance of maintaining good governance principles. The purpose of BDS is to enable MSCL clients upgrade their capacities to manage their businesses profitably and sustainably.
- MSCL should consider filling the vacant positions in the respective zonal offices to ensure adequate staffing levels to handle the tasks.

Zonal offices

During the FY 2015/16, MSC zonal offices disbursed different loan products at different interest rates that included; agriculture loan to SACCOs 9%, SME agriculture loan issued at 13%, commercial SACCO issued at 13%, SME trade and commerce issued at 17% and group loans issued at 13%. Others were teachers' loan at 11% and environment at 13%.

This section presents the performance of the zonal offices;

(b) Jinja MSC Zonal Office

Jinja zonal office serves 10 districts of; Jinja, Kamuli, Iganga, Bugiri, Namayingo, Luuka, Kaliro, Mayuge, Namutumba and Buyende. The performance of the zonal office for the period under review is shown in Table 11.7.

Table 11.7: Jinja MSC Zonal Office Performance for FY 2015/16

No.	Indicator	Benchmark	Annual Target	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	3 billion	1 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	1.3: 1
3.	Repayment rate (on time)	95%	95%	68%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	2.4 billion	1.192 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 5% of total o/s loan portfolio	5%	2.85%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	increased	24%
7.	Existence of reference SACCO/ District	1/District	10 of 10	7 of 10

Source: MSC Jinja Zone

The value of loans disbursed was Ug shs 1 billion against a target of 3 billion. This was an improvement of 62% from the previous year.

The value of outstanding loan portfolio at the end of FY 2015/16 was Ug shs 1.192 billion compared to FY 2014/15 which was Ug shs 1.212 billion. This implies the group asset declined as it was both below target and prior year.

The portfolio at risk greater than 365 days was 2.85% against a target of 5%.This indicator performed well as most of the loan portfolio had minimal debt arrears.

The cumulative repayment rate was 68% which was below the benchmark of 95%.

The zonal office was however able to have a reference[64] SACCO in 7 of the 10 districts and registered 24% follow on loans.

The zonal manager attributed the unsatisfactory performance to the following implementation challenges;

- The would be partners in the enhancement of performance of SACCOs such as the commercial officers lack necessary skills in book keeping and facilitation
- Fraud in SACCOs and the delayed disposal of fraud cases by the courts of law. In some cases, the suspects are released without charge by the police which demoralizes other SACCO members.
- Small Medium Enterprises (SMEs) do not have the requisite security for loans such as land titles which is a mandatory requirement for loan access.
- The general poor loan repayment culture kept the payment rate at 68% below the MSCL target of 95%.

[64] Model SACCO is expected to be supported develop for each District served

c) Kabarole MSCL Zonal Office

Kabarole Zonal Office serves the districts of; Kabarole, Mubende, Kyegegwa, Kyenjojo, Ntoroko, Bundibugyo, Kamwenge and Kasese. The performance of the zonal office for the period under review is shown in table 11.8.

Table 11.8: Kabarole MSCL Zonal Office Performance for FY 2015/16

No.	Indicator	Benchmark	Annual Target	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	8.5 billion	6.125 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	0.2 :1
3.	Repayment rate (on time)	95%	95%	95%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	14.2 billion	12.005 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	0.13
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	20%
7.	Existence of reference SACCO/ District	1/District	100%	100%

Source: MSCL Kabarole Zone

There was a decline of 16% in the value of loans disbursed in FY 2015/16 as Ug shs 6.125 billion was disbursed against a target of Ug shs 8.5 billion.

The value of outstanding loan portfolio at the end of FY 2015/16 was Ug shs 12.005 billion compared to FY 2014/15 which was Ug shs 14.06 billion indicating a decline.

The cumulative repayment rate for FY 2015/16 was 72% a decline from 84% in the FY 2014/15.

The performance of the zone declined slightly from the prior year but had good performance on cost to income ratio and repayment rate.

Challenges in implementation were mainly;

- Governance issues affected operations especially so where board members did not play their oversight roles
- Multiple borrowings from SACCOs and SMEs which information is not available while assessing led to bad debts.

d) Kampala MSC Zonal Office

Kampala zonal office serves 12 districts; Buikwe, Butambala, Buvuma, Gombe, Luwero, Kampala, Kayunga, Mityana, Mukono, Mpigi, Nakasongola and Wakiso. The performance of the zonal office is shown in table 11.9.

Table 11.9: Kampala MSCL Zonal Office Performance by 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	14 billion	7.898 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	0.25:1
3.	Repayment rate (on time)	95%	70%	34%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	17.25 billion	18.344billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	2.33%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	(15%)
7.	Existence of reference SACCO/ District	1/District	13	9

Source: MSCL Kampala Zone

The cumulative repayment rate was 34% below the annual target of 95% and that of the prior year which was 89%.

In addition, the portfolio at risk greater than 365 days was 2.33% which was above the target of 5%. This was an improvement from the prior year that had a P.A.R of 13%.

The zonal manager pointed to some challenges in implementation;

- SACCOs lack the necessary collateral to secure big loans, this hindered the MSC capacity to issue loans.
- The default rate is high and continues to pose a challenge in performance.

e) Lira MSC Zonal Office

Lira zonal office covers the districts of; Lira, Amuru, Gulu, Nwoya, Lamwo, Kitgum, Pader, Agago, Omoro, oyam, Kole, Apac, Amolotar, Dokolo, Otuke, Alebtong.

The cumulative repayment rate was 29% below the annual target of 95% .Cost income ratio was 3:1 which was poor. The zonal office performed below target on all indicators in the FY 2015/16. The detailed performance of Lira zonal office is shown in table 11:10.

Table 11.10: Lira MSC Zonal Office Performance by 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	1.2 billion	.615 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	3:1
3.	Repayment rate (on time)	95%	20	29.16
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	1 billion	.762 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	12%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	(50%)
7.	Existence of reference SACCO/ District	1/District	16	2

Source: MSC Lira Zone

f) Masaka MSC Zonal Office

Masaka zonal office covers the districts of; Masaka, Kalangala, Kalungu, Bukomansimbi, Lyantonde, Lwengo, Sembabule and Rakai. The detailed performance of the zonal office as at 30th June 2016 is shown in table 11.11.

Table 11.11: Masaka MSC Zonal Office Performance by 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	1 billion	1.880 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	0.62:1
3.	Repayment rate (on time)	95%		
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	3.498 billion	3.037 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	3.14%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	5%	10%
7.	Existence of reference SACCO/ District	1/District	8	8

Source: MSC Masaka Zone

Except for a slight decline in the value of outstanding loan portfolio the Masaka zonal office performed well on all other indicators.

g) Mbarara MSC Zonal Office

Mbarara zonal office covers the districts of; Mbarara, Kiruhura, Isingiro, Ibanda, Bushenyi, Sheema, Rubirizi, Buhweju, Rutooma and Ntungamo.

Mbarara zonal office performed well on all key indicators; the zonal office was profitable achieving a cost to income ratio of 0.3:1. There was a decline of 10% in the percentage of loans disbursed from prior year. This was however positively matched by an increase in portfolio outstanding of 23.9% with a PAR of greater than 365 days at 0%.

This implies that the quality of loan portfolio was very good with a good repayment rate of 91.5%.The zonal performance for the FY 2015-16 is shown in table 11.12.

Table 11.12: Mbarara MSC Zonal Office Performance as at 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	7.5 billion	6.505 billion
2.	Cost Vs Income ratio	Costs < 1	1:1	0.3: 1
3.	Repayment rate (on time)	95%	80%	91.5%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	9.2 billion	11.382 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	0%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	(9.1%)
7.	Existence of reference SACCO/ District	1/District	10	10

Source: MSC Mbarara Zone

Challenges of implementation included;

- Governance challenges especially in the SACCOs where board members refuse to handover office after their term of service
- Lack proper record keeping, this has led to fraud instances in institutions.
- Poor loan repayments which brings MSC zonal performance down

h) Mbale MSC Zonal Office

Mbale zonal office covers the districts of; Mbale, Budaka,Kibuku,Pallisa,Kapchorwa,Bukwo, Kween,Bududa, Tororo,Butaleja,Busia, Bulambuli,Sironko, Manafwa.

The zone improved on the key performance indicators, the outstanding loan portfolio grew by 149% and PAR over 365 days at 0%. Detailed performance is shown in table 11.13.

Table 11.13: Mbale MSC Zonal Office Performance as at 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	1.5 billion	1.186 billion
2.	Cost Vs Income ratio	Costs < 1	1 :1	1.1: 1
3.	Repayment rate (on time)	95%	95%	92.8%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	536 million	1.335 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	0%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	(25%)
7.	Existence of reference SACCO/ District	1/District	15	6

Source: MSC Mbale Zone

Interference from the political leadership - Councillors and Members of Parliament (MPs) affected repayment by SACCOs.

i) Soroti MSC Zonal Office

Soroti zonal office covers the districts of; Soroti Amuria, Katakwi,Kaberamaido, Serere,Ngora and Kumi.

Table 11.14: Soroti MSC Zonal Office Performance as at 30th June 2016

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	1.5 billion	730 million
2.	Cost Vs Income ratio	Costs < 1	1:1	1.18 : 1
3.	Repayment rate (on time)	95%	90%	77%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year		

No	Indicator	Benchmark	Target FY 2015/16	Actual FY 2015/16
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	0
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	(8%)
7.	Existence of reference SACCO/ District	1/District	7	5

Source: MSC Soroti Zone

Although Soroti Zonal Office had 0% PAR > 365 days, number of clients taking follow on loans decreased by 8%, repayment rate was at 77% below the target of 90% and the optimisation costs were higher than the revenue.

Challenges encountered included;

- Inadequate staffing where three staff cover seven districts. The in-charge also works as zonal manager, finance officer and credit officer.
- Lack of transport to cover the region
- SACCO activity in the region is limited in the region this hampers disbursement of loans.

Overall Conclusion

The MSC overall performance for FY 2015/16 was good; MSC achieved a repayment rate of 72% against a target of 95% and portfolio at risk past 365 days of 9% against a target of 5%. Zones registered on average 80% reference SACCOs. The annual percentage growth in portfolio outstanding was 27% (to Ug shs 61 bn) above the annual target of 10%. MSC registered a decline in value of loans disbursed of 8% on account of poor performance by SACCO and a bad debt write off. The MSC was able to mobilize resources and disburse credit funds from reflows 100%. Performance by loan products registered a new line- group product. Special interest group loans were issued. Business development services were offered to clients across the zones. The participation of DLGs in micro credit activities was minimal and yet DLGs hold a strong influence on government programmes at this level. MSC did not receive credit funds from GoU in the FY 2015/16.

Recommendations

- The MFPED should enforce the recently passed MicroFinance Institutions (MFIs) and Money Lenders Act to regulate all SACCOs and MFIs. This will improve compliance and governance issues
- The MFPED through the Project for Financial Inclusion in Rural Areas (PROFIRA) should enforce compulsory training of MFI and SACCO managers.
- The MoLG should include in their appraisal instrument of districts a target for micro credit performance.

- A phased approach to client funding should be applied by MSCL to minimise the fraud instances.
- District local government authorities (political and technical) should spearhead the delinking of micro credit funds from political scheming and enforce recovery.
- Business Development Services (BDS) should continue to be offered by MSC to the SACCOs on the importance of maintaining good governance principles. The purpose of BDS is to enable MSC clients upgrade their capacities to manage their businesses profitably and sustainably

CHAPTER 12: PUBLIC SECTOR MANAGEMENT

12.1 Introduction

Public Sector Management (PSM) is a key function for efficient and effective management of public service delivery. It entails the establishment of institutions; structures; systems; formulation and enforcement of policies; laws; regulations; standards and procedures. The PSM sector incorporates the following entities: Office of the Prime Minister (OPM), Ministry of Public Service (MoPS), Ministry of Local Government (MoLG), Ministry of East African Community Affairs (MEACA), National Planning Authority (NPA), (Kampala Capital City Authority (KCCA), Public Service Commission (PSC), Local Government Finance Commission (LGFC) and 133 Votes in the Local Governments (LGs).

Sector Objectives

The key objectives of PSM are: (i) Establishing mechanisms that will promote coordinated and harmonized policy, planning, budgeting, monitoring and evaluation at national and local government levels; (ii) Attracting, recruiting and retaining a highly-skilled and professional workforce; (iii) Developing management and operational structures for an efficient and effective decentralized service delivery system; (iv) Implementing East African integration through implementation of the East Africa Customs Union; and (v) Establishing the East African Common Market, a monetary union and ultimately the East African Federation.

The PSM sector will prioritize the following areas as avenues of contributing to the National strategic objectives and National Vision 2040.

i) Review systems, structures, processes and procedures for effective coordination of service delivery
ii) Harmonize policies, laws and regulations at the Local Government, National, Regional and international level.
iii) Spear head reforms and manage talent to create a well-motivated, competitive public service
iv) Coordinate information flow
v) Coordinate resource allocation towards Government priorities including the special progamme areas
vi) Spear head comprehensive and integrated development planning at local and National Level
vii) Develop mechanisms for Local Government Financing

The above PSM objectives are inline with the NDP II strategic objectives namely: Improving coordination and harmonization of policy, planning, budgeting, Monitoring and Evaluation at National and local levels; improve recruitments,development and retention of highly skilled and professional work force; improve public service management operational structures and systems for effective and efficient service delivery; steer Ugandas Regional intergration Agenda in accordance with the objectives of the treaty establishment of EAC; coordinate the development capacities for mitigation, preparedness and response to natural and human induced disasters and enhance national response capacity to refugee emergency management.

12.1.2 Overall Sector Financial Performance

The approved budget for the PSM sector (excluding LGs) in FY 2015/16 was Ug shs 329.365 billion exclusive of external financing, taxes and arrears[65] except for MoLG. The release performance was good and absorption excellent. However, PSC and MEACA received supplimentaries. The sector performance for FY 2015/16 for seven out of the nine votes is summarized in table 12.1.

Table 12.1: Financial Performance of PSM Sector for FY 2015/16 (Ug shs billion)

Institution	Approved budget	Releases	Expenditures	% Budget released	% Release Spent
Office of the Prime Minister (OPM)	123.354	128.743	126.127	104.4	98.
Ministry of Public Service (MoPS)	34.845	30.264	29.513	86.9	97.5
Ministry of Local Government (MoLG)	117.656	28.732	25.892	24.4	90.1
Ministry of East African Community Affairs (MEACA)	27.286	32.510	31.911	119.1	98.2
National Planning Authority (NPA)	16.105	16.095	16.101	99.9	100
Public Service Commission (PSC)	4.936	5.609	5.448	113.6	97.1
Local Government Finance Commission (LGFC)	5.183	2.128	1.988	41.1	93.4
TOTAL	329.365	244.081	236.98	74.1	97

Source: MFPED Budget Directorate

12.1.3 Scope

The chapter reviews progress in implementation of selected programmes/projects under PSM during FY 2015/16 (July 2015- June 2016). A total of 33districts including sub-counties were monitored (table 12.2).

[65] MFPED 2016

Table 12.2: PSM Projects/Programmes Monitored

Vote	Project/Programme	Sampled institutions/ districts
Vote 003: Office of the Prime Minister	Project 1078:KIDP	Moroto, Napak, Nakapiripit, Amudat
	Project 0922: Humanitarian Assistance	Kiryandongo, Bulambuli, Kampala (Kisugu)
	Project 0022: Support to Luwero Rwenzori Development Programme	Nakasongola, Kayunga, Mukono, Kabarole, Mubende,Kyegegwa, Kyenjojo, Mityana, Lwengo
	Project 1251: Support to Teso Development	Kumi, Soroti, ,Bukedea, Ngora, ,Katakwi,
	Project 0932: Post-war Recovery and Presidential Pledges (PRDP)	Kumi, Soroti, Bukedea, Ngora, Nwoya, Arua, Nebbi, Kole, Koboko, Maracha, Butaleja
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Kampala, Wakiso (Namanve)
	Public Service Reforms: Upgrading the Civil Service College; Public Performance Management; Management of thePublic Service Payroll and WageBill; Demand for Service Delivery Accountability strengthened through Client Charters; Development and Dissemination of Policies,Standards and Procedures; Payments of Statutory Pensions, implementation of pension reforms.	Kiryandongo, Bulambuli Moroto, Napak, Nakapiripit, Amudat Nakasongola, Kayunga, Mukono, Kabarole, Mubende, Kyegegwa, Kyenjojo, Mityana, Lwengo Kumi, Soroti, ,Bukedea, Ngora, ,Katakwi, Nwoya, Nebbi, Kole, Koboko
Vote 011: Ministry of Local Government	Project 1292: Millenium Villages Project	Isingiro
	Project 1236: Community Agriculture Infrastructure Improvement Programme-3 (CAIIP III)	Ibanda,Ntungamo,Sheema,Mbarara,Kyegegwa, Hoima,Luwero
	Project 1088: MATIP I and Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP)	Masaka (Nyendo), Wakiso (Busega)
	Project 1307: Support Ministry of Local Gvovernment	Ministry of Local Government Headquarters, Zombo, Lwengo, Kabarole, Buikwe, Mbarara, Kole, Soroti, Amudat, Kumi, kayunga
Vote 021: East African Community	Project 1005: Strengthening Ministry of EAC Affairs	Ministry of EAC Affairs Headquarters
Vote 108: National Planning Authority	Project 0361: National Planning Authority	National Planning Authority Headquarters and planning units in all the above LGs
Vote 146: Public Service Commission	Project 0388: Public Service Commission	Public Service Commission Headquartersand all DSCs in the above LGs
Vote 147: Local Government Finance Commission	Project 0389: Support Local Government Finance Commission (LGFC)	Local Government Finance Commission Headquartersand and all above LGs

Source: Authors' Compilation

12.2 Vote 003: Office of the Prime Minister

Five Government of Uganda (GoU) development projects were sampled and monitored. These included: Humanitarian Assistance project; Karamoja Intergrated Development Programme (KIDP); Post- war Recovery, and Presidential Pledges; Support to Teso Development; and the Support to Luwero Rwenzori Development Programme (LRDP).

12.2.1 Project 0922: Humanitarian Assistance

Background

The main objective of the Humanitarian Assistance Project is to improve the physical infrastructure of refugee settlements ranging from roads, staff accommodation, offices, reception centres and enhance the refugee livelihoods by provision of income generating activities.The project is coordinated by Office of the Prime Minister (OPM) underthe Disaster Preparedness and Management department. and linked to the NDP II objectives of; increasing household incomes and promoting equity; strengthening good governance; enhancing the availability and quality of gainful employment and increasing access to quality social services. The project period is five years (1/7/2015 to 30/6/2020).

Performance

Table 12.3 shows the cumulative physical and financial performance of the project as at 30th June 2016.

Table 12.3: Performance of Humanitarian Assistance Project as at 30th June 2016

Physical Performance							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Effective preparedness and response to disasters	2	1	50	290,000,000	0.1	4.3	Regional Office has not been established however an officer as focal point was appointed.
Government Buildings and Administrative Infrastructure	9	2	22	2,476,248,021	0.7	16.3	Completed 98% construction works of the relief store; and 105 houses in Kiryandongo. Budgetary constraints affected realization of other planned outputs

Purchase of Motor Vehicles and Other Transport Equipment	3	1	33	610,000,000	0.2	6.0	Only one vehicle was procured. Others are still in procurement process
Total	14	4		3,376,248,021		27	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,376,248,021	3,376,248,021	3,376,248,021	100	

Source: IFMS data/MFPED

Government Buildings and Administrative Infrastructure output:

Permanent houses, two stance pit latrines with two bathrooms and water havesting system for landslide victims in Kiryandongo constructed: The site for resettlement is in Bududa Resettlement Zone A Panyadoli village, Kakwokwo Parish, Mutunda Sub-County, Kiryandongo District. By 30th June 2016, construction works of houses was completed and handed over to the beneficiaries who included the elderly; persons with disabilities, large families and widows. However, houses were awaiting commissioning by the Prime Minister.

Left: Previous house of Beneficiary Hatiya John; Right: Newly completed house for Widow Bukosera Margaret handed over by Habitat for Humanity in Zone B2, Panyadoli, and Kiryandongo District

Namanve Stores Building Completed: The contract sum was Ug shs 900 million for a period of 12 months with effect from 1st August 2015. By 30th June 2016, works were at 98%, the remaining works included plastering and building a rump.The store under this project is meant for storage of agricultural supplies for the Disaster Programme under OPM. Over 78% of the contract sum has been paid to the contractor.

Outside works at Namanve stores

Reception Center Constructed in Bulambuli District: The construction works of the reception centre and housing units had not yet began due to inadequate funds. By 30th June 2016, five community access roads had been opened in Plot 94. The district has so far spent Ug shs 190 million to open up access roads. However, grass had already started growing in the access roads.

Vegetation growth along the opened up access roads at Plot 94 in Bunambutye sub-county, Bulambuli District

Overall Performance

The physical performance was poor at 27%. This was attributed to long procurement processes and budgetary constraints. The Kiryandongo houses were built but lacked access roads, the resettled people lack income generating activities, sanitation facilities remain poor; there is no trace of a school or a health facility in Bududa Resettlement Zone A, Panyadoli Village, Mutunda Sub-County in Kiryandongo district.

The project is yet to achieve the NDP II strategic objective of coordinating development of capacities for mitigation preparedness and response to natural and human induced disasters.

Implementation challenge

- Long procurement processes and budgetary constraints affected implementation.

Recommendation

- The OPM should initiate early procurements.

12.2.2 Project 1078: Karamoja Intergrated Development Programme (KIDP)

Background

Karamoja Intergrated Development Programme (KIDP) overall objective is to contribute to human security and promote conditions for recovery and development in Karamoja as part of the broader NDP and the Peace, Recovery and Development Programme (PRDP). The link with NDP II is to enhance the availability and quality of gainful employment; increase household incomes, promoting equity; strengthen good governance, defence and security; and increase access to quality social services.The project period is 1st July 2015 to 30th June 2020.

Performance

The physical performance of KIDP during FY 2015/16 is summarized in table 12.4.

Table 12.4: Overall Performance of KIDP as at 30th June 2016

Physical Performance Karamoja Intergrated Development Programme(KIDP)							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Coordination of implementation of KIDP	8	3	38	1,552,583,670	0.10	3.7	Held 16 Regional and National KIDP Technical Working Group Meetings; Held and facilitated two out of four Cross Border Meetings.
Pacification and development	17	5	29	10,905,098,000	0.69	20.3	Eight out of 10 valley tanks were completed with works for two ongoing; 2,575 Heifers; 7000 Basins and 7000 jerry cans; Disbursed Ug shs 615M to Namalu Prisons to support the School Feeding Program
Government Buildings and Administrative Infrastructure	6	3	50	2,780,000,000	0.18	8.8	Completed the construction of two out of five dormitories and two VIP latrines at Lobalangit and Kacheri P/S; and 48 Housing Shades for Grinding Mills, two stores for grinding mills at Namalu Prisons; procured 10,000 Iron Sheets; completed four Staff Houses at Moroto High School.
Purchase of Motor Vehicles and Other Transport Equipment	2	2	100	550,000,000	0.03	3.5	Procured Double Cabin Pickups and one station Wagon
Total	33	13.0		15,787,681,670		36.3	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
15,787,681,670	15,751,681,670	15,694,603,670	99.6	

Source: IFMS data/MFPED

Pacification and Development output

Distribution of Animals: The beneficiaries included widows, orphans, ex-combatants, former abductees, female headed households, child mothers, unemployed youth, elderly and Persons with disabilities**.** Beneficiaries monitored acknowledged receipt of heifers and appreciated the project (table 12.5).

Left: Local KIDP Heifers brought in Kraal to mate with bulls in Moroto District; and Right: KIDP Heifers moving towards valley dam to drink water in Napak District

Table 12.5 shows the discrepancies in the total number of animals.

Table 12.5: Animals distributed to beneficiaries in sub-counties and districts during FY 2015/16

Kakomognole S/C in Nakapiripit	OPM records	Community Mobilzers records
Elders	60	0
Person With Disability	0	0
Women	8 heifers and 64 oxen	40 heifers
Youth	1 heifer and 70 oxen	0
Total No. of animals	203	40
Ngoleriet S/C in Napak District	OPM records	Community Mobilzers records
Elders	26 oxen and 14 heifers	30 heifers
Person With Disabilities	5	0
Women	36 heifers and 12 oxen	40 heifers
Youth	25 heifers and 30 oxen	5
Total No. of animals	148	75

Source: KIDP Project documents; District Community Mobilizers Report July, 2016

Namalu Prisons supported to produce food for schools in Karamoja: A total of 400 acres of maize was planted and 43,600 kgs had been harvested in the last season meant to support all schools in the Karamoja region. The contractor for the stores was M/s Roja Uganda Ltd contracted at a sum of Ug shs 703,907,996 with effect from November, 2015 and ending July 2016. By 30th June 2016, Ug shs 500 million had been paid to the contractor. Quality of works of the stores was good.

Left: Completed stores in Namalu Prisons, Nakapiripit District

Constructed parish valley dam in Ngoloriet sub-county, Napak District

Ten Parish Valley Tanks Constructed:The OPM disbursed Ug shs 2.2billion tothe Ministry of Water and Enviroment for construction of 10 valley tanks in Kaabong (2); Napak (4); Moroto (4)districts. Each valley tank was constructed at a sum of Ug shs 224 million.Two valley tanks were monitored. Each valley tank is fenced with treated timber poles and barbed wire to keep off animals away from the valley tank.

Government Buildings and Administrative Infrastructure output:

Four Semi-Detached Staff Houses Constructed at Moroto High School: The staff houses were completed and handed over. The quality of works was good.

Left: Completed staff Houses at Moroto High School; Right: Installed water harvesting tanks and attached kitchen house in Moroto District

A total of 50 Housing Units Constructed for Grinding Machines in Karamoja Region: Only 48 units were constructed. The contract was awarded to M/s National Agro Machinery Ltd. By 30th June 2016, all units had been completed in each of the sub-counties in the Karamoja region. So far Ug Shs 181 million has been paid. The machines were installed in Napak and Amudat Districts, however only one in Napak was functional. The units in Amudat lacked spare parts. Quality of works on constructed housing units visited was good.

Installed and functional grinding mill in Ngoloriet sub-county, Napak District

Four Dormitory Blocks for Selected Primary Schools in Karamoja Constructed: The contract was awarded to M/s Santor Business Link. Out of four only two were completed. However only two dormitories and two VIP latrines at Lobalangit and Kacheri P/S were completed. The incomplete ones were a dormitory in Okot Girls Secondary School in Amudat District and Lolachat Primary School in Nakapiripit District awarded in FY 2014/15. To date completed works on dormitories was only 30%. No clear reasons were provided by OPM for abandonement of site by the contractor. Details of contract payments were not availed to the team.

Incomplete Girls Domitory at Okot Secondary in Karita, Amudat District

Overall Performance

The physical performance of KIDP was poor at 36%. The project lacks prioritization of planned outputs geared towards the objectives of the project and has only one staff fully coordinating the project. There was an unexplained discrepancy on supply of cattle in Nakapiripirit and Napak Districts and delayed construction of dormitories that have been rolled over from previous FY 2014/15, non-functionality of the grinding mills. The project is yet to achieve its objectives and strategic NDP II objectives of enhancing the availability and quality of gainful employment; (2) Increasing household incomes and promoting equity; (3) Strengthening good governance, defense and security; (4) Increasing access to quality social services.

Implementation Challenges

- Discrepancy of information on the distribution of cattle animals in Napak and Nakapiripirit districts.
- Drought that caused maize in gardens to dry up for example in Namalu Prisons.
- Non-functional grinding mills in Amudat and Nakapiripit districts.
- Incomplete dormitories in Nakapiripit and Amudat districts since FY 2014/15 and contractor abandoned site.
- The project is coordinated and implemented by only one staff at the level of Assistant Commissioner and besides it has too many unrealistic planned outputs and targets.

Recommendations

- The OPM should explain the reason for the discrepancies of cattle supply in Karamoja region and the two grining units that were not constructed.
- The OPM should ensure suppliers provide entire complete sets of grinding mills as some parts were missing in Amudat and Nakapiripirit districts and train beneficiaries on the usage.
- The IGG should investigate the delayed construction of dormitories that commenced in 2014 and paid fully yet site abandoned and the Auditor General should audit the project as well.
- The project should second more staff and develop clear panned outputs and realistic performance targets clearly linked to the NDP.

12.2.3Project 0022: Support to Luwero Rwenzori Development Programme

Background

The Support to Luwero Rwenzori Development Programme (LRDP) is a joint comprehensive development intervention that was designed to offset the general effects caused by the NRM liberation war (1981-1986) and ADF insurgency of (1996-2003) that disrupted development of 43districts[66]in the sub-regions of Luwero and Rwenzori Triangle. The two major areas of focus for the programme are household income enhancement and social mobilisation for development and peace building and the linkange with NDP II is increasing household incomes and promoting equity, strengthening good governance, enhancing availability and quality of gainful employment and increasing access to quality social services.The project period is1st July 2015 to 30th June 2020.

Performance

The Cumulative Performance of the Support to LRDP is shown in table 12.6.

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[66]Bundibujo,Ntoroko,Kasese,Kabarole,Kyenjojo,Kyegegwa,Mityana,Mubende,Luwero,Nakasongola,Nakaseke,,Kyankwanzi,Kiboga,Wakiso,Mukono,Kibaale,Butambala,Bukomansimbi,Gombe,Buvuma,Kalangala,Kayunga,Kiruhura,Kiryandongo,Mpigi,Kalungu,Lwengo,Masaka,Masindi,Rakai,Hoima,Bullisa,Insingiro,Ibanda,Lyantonde,Sembabule,Buikwe, Kamwenge,Mbarara

Performance of Support to LRDP as at 30th June 2016

Physical Performance

Planned Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Coordination of the implementation of LRDP	11	5	45	1,051,000,001	0.30	13.69	4 LRTWG meeting were held; Undertook 21 technical and political support supervision and monitoring missions; Undertook 2 Bench marking visit in South Africa and USA (to study hydro form concept); however most funds were spent on workshops and seminars not in line with the key output.
Pacification and development	5	3	60	1,053,667,801	0.30	18.12	Procured 2000 spray pumps which and delivered to OPM stores; supported 10 crop nurseries; and Conducted customized training in financial literacy for 44 beneficiaries of Hydra form technology. Most funds were spent on agricultural supplies and staff training
Transfers to Government units	2	2.00	100	880,000,000	0.25	25.22	Ug shs 6.1billion was disbursed to 16 LRDP districts to support community driven enterprises to enhance household incomes. 44 Micro projects were supported.
Government Buildings and Administrative Infrastructure	3	1	33.33	370,121,000	0.11	3.54	Partial completion of Nalutuntu HC works at 82%; and renovation of monuments in Hoima and Buikwe district were done. However the regional offices have not been constructed.
Purchase of Motor Vehicles and Other Transport Equipment	1	1	100	135,000,000	0.04	3.87	Procured two Double Cabin Pickups.
Total	22	12		3,489,788,802		64.43	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
3,489,898,801	3,489,898,801	3,489,788,802	100	

Pacification and Development output

LRDP spray pumps in OPM stores in Kampala; Right: Coffee nursery in Lwengo district

Transfers to Government Units (Grants): By 30th June 2016, 16[67]LRDP districts household incomes groups/projects were supported and 73% of micro projects was towards enhancing household incomes for youth, women, farmer groups and people with disabilities (PWDs) supported andwere visited. Eight out of 16 districts were sampled to assess interventions whose funds are sent directly by the MFPED to beneficiaries of micro projects (Table 12.7).

Table 12.7: LRDP indicative planning figures for FY 2015/16

District	Grant	Monitoring funds	IPF
Kabarole	419,877,712	22,098,827	441,976,539
Kayunga	234,576,790	12,346,147	246,922,937
Kyegegwa	289,367,143	15,229,850	304,596,993
Kyenjojo	287,464,428	15,129,707	302,594,135
Luwero	480,764,584	25,303,399	506,067,983
Mukono	276,271,428	14,540,602	290,812,030
Nakasongola	336,041,857	17,686,414	353,7218,27

Source: OPM LRDP coordination offices

Funds sent to the districts were spent on Transfers to Micro project beneficiaries; Development projects; Monitoring and supervision (Monitoring funds); SACCOs; Procurement of beehives, piglets,heifers, broilers, establishment and management of woodlots, Supply and distribution of two Maize mills, Procurement of Petrol irrigation pumps; coffee pulper medium hard body, pulleys and V-bet accessories, wooden pane and mounting bolts and plastic troughs; milk coolers sheep, local goats and ox-ploughs; Construction of 15 market stalls; Establishment of 35 wet coffee processing plants; Opening/construction of 20 kms of access roads.

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[67]Bundibugyo, Ntoroko, Kabarole, Kasese, Kyenjojo, Luwero, Kyegegwa,Mubende, Mityana, Kiboga, Kyankwanzi, Kayunga, Nakaseke, Wakiso, Nakasongola, Mukono

Government buildings and administrative infrastructure output:

Completion of Nalutuntu Health Centre III: The Health Centre III is located in Nalutuntu Sub-County in Mubende District. The recent renewed contract was awarded to M/s Aswangah Construction Services Limited at a sum of Ug shs 263,657,988.

By 30th June 2016, civil works were at 82%. Pending works include solar installation cabinet fixtures and painting. However no advance payment had been given to the contractor.

Incomplete Nalutuntu Health centre in Mubende District

Overall Performance

The physical performance of the Support to LRDP by 30th June 2016 was fair at 64%, however the funds under grants sent to districts should be used for developmental projects rather than small micro projects that have no value addition. The biggest expenditure was on Coordination of the implementation of LRDP where focus was on meetings and political missions, and pacification and development. Delays in completion of Nalutuntu HC were attributed to delayed clearance from the Solicitor General on the extension and delayed payments of the contractor.The project is yet to achieve its NDP II objective of increasing access to quality services.

Overall Implementation Challenges

- Inadequate supervision, monitoring and accountability of project activities by the focal point persons and audit departments in DLGs.
- In Nakasongola and Teso Regions, beneficiaries monitored reported that the focal point person charged them over Ug shs 500,000 for receipt of the cow; while in the Teso region Parish Chiefs were demanding for Ug shs 50,000.
- Delay by the Solicitor General for almost a year to clear extension of the construction contract of Nalutuntu HC III and unexplained delayed payments by OPM to the contractor that have already attracted interest.

Recommendations

- The Auditor General should audit the Grants that have been sent by MFPED to districts and incompentent focal point staff sanctioned.
- The OPM and the district officials should investigate further and penalize the culprits who charged beneficiaries for the heifers delivered and money refunded.
- The OPM should address delayed paymentsof Nalutuntu HC III contractor so that the projectis completed on time to benefit communities.
- The Chief Administrative Officers as Accounting Officers should enhance monitoring and accountability in LGs.

12.2.4 Project 1251: Support to Teso Development

Background

The project objective is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Teso region. The project focuses on two major components: supporting households to improve their livelihoods and improvement of socio-physical infrastructure in the region as a way of unlocking the potential of the sub-region. A project unit was established at sub-region level to liaise with the respective district local governments to ensure effective implementation of several programmes.The project period is five years (1st July 2015 to 30th June 2020).

Performance

The overall physical performance of the project is summarized in Table 12.8.

Table 12.8: Performance of Support to Teso Project as at 30th June 2016

Physical Performance							
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Implementation of PRDP coordinated and monitored	8	3	37.5	1,544,556,303	0.80	30.10	Monitored restocking in Teso region; funds transferred to for micro projects, however most funds were spent on agricultural supplies, workshops and seminars; Attended UNAA convention in USA and UK convention not in line with the key planned output
Purchase of Motor Vehicles and Other Transport Equipment	1	1	100	85,000,000	0.04	4.42	Procured 1 double cabin pick up for the regional office
Purchase of ICT Equipment including Software	1	1	100	20,000,000	0.01	1.04	Procured 1 photocopier
Acquisition of Other Capital Assets	2	1	50	275,000,000	0.14	7.14	Output partially completed. Only Omatenga HC III Health Unit in

							Kumi District but Kadama HC III was not achieved.
Total	12	6		1,924,556,303		42.70	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,924,556,303	1,888,556,303	1,888,556,305	100	

Source: IFMS data/MFPED

Completed Omatenga Health Centre II in Kumi District

Acquisition of Other Capital Assets output: Omatenga Health Centre II is located in Kumi District and serves the beneficiaries. The completion was a Presidential Pledge to the community. By 30th June, 2015, it was found functional with health staff. Quality of works was fairly good.

Overall Performance

The physical performance of Support to Teso Project was poor (42%). The project is yet to achieve its intended objectives.

Challenges

- The Teso office is understaffed and not well facilitated yet most work is done by the team.
- Inadequate extension staff in the Teso region.
- Inadequate monitoring and supervision by the focal point person at OPM.

Recommendations

- The OPM should second more staff in the Teso office and facilitate them to conduct their work.
- The MFPED, MAAIF and MoPS should ensure more extension staff are recruited for LLGs in the Teso region.

12.2.5 Project 0932: Post-War Recovery and Presidential Pledges

Background

The objective of the project is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Northern Uganda and Karamoja regions.

Full-scale implementation for PRDP I started in July 2009 and ended in June 2012; PRDP II (01st July2012- 30th June 2015).

The third phase that began 01st July 2015-30th June 2018 builds on the programmatic framework established under phase two and currently covers 55 districts and nine municipalities in the greater North covering eight sub-regions of West Nile, Acholi, Bunyoro, Lango, Teso, Karamoja, Elgon and Bukedi. OPM centrally handles all incomes, expenditures and procurements for the project except for operational funds that are sent directly to the respective district accounts.

Performance

The overall performance of the project during FY2015/16 is summarized in table 12.9.

Table 12.9: Overall performance of Post War Recovery and Presidential Pledges

Post-war Recovery and Presidential Pledges	Physical Performance						
Out put	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Implementation of PRDP coordinated and monitored	8	2	25	1,276,165,160	0.04	1.1	Most of the funds were spent on rent to private entities, travel inland and workshops and seminars notin line with key planned outputs.
Pacification and development	8	0.79	9.875	2,042,500,000	0.07	0.7	Partial achievements in procuring agricultural supplies.
Restocking Programme	2	1.9	95	19,600,000,000	0.69	65.2	Partial achievement of animals 15,000 out of 18,600 were procured and distributed. Carried out four monitoring visit on Restocking programme on delivery of cattle
Transfers to Government units	2	2	100	1,100,000,000	0.04	3.9	Disbursed funds to the NUYDC for operations for Quarter 1,2,3&4 for FY 2015/16 and procured 1,500 goats to support Youth, women and other special roups
Government Buildings and Administrative Infrastructure	4	2.00	50	2,905,000,000	0.10	5.1	Met Maintenance costs at Gulu office and completed 92% of works on Butaleja stores. However there is a pending output of construction of 33 low cost houses
Purchase of Motor Vehicles and Other Transport Equipment	4	3	75	960,000,000	0.03	2.5	Specifications for the motorcycle repair kits were received late from Ministry of Works, thus delaying the procuremet process
Purchase of Specialised Machinery and Equipment	2	1	50	650,000,000	0.02	1.1	Three out of five tractors were procured as well as 500 sewing machines
Purchase of Office and Residential	1	1	100	20,000,000	0.0007	0.1	Procured furniture for Abia community Hall in Alebtong district.

Furniture and Fittings							
Total	31	13.69		28,553,665,160		79.7	

Financial Performance				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
28,553,665,160	27,893,665,160	27,893,665,161	100	

Source: IFMS data/MFPED

Restocking Programme: A total of 32 districts from the sub-regions of Acholi, Lango, Teso and West Nile were allocated Ug shs 18.632 billion for animals and Ug shs 840 million as operational costs under the restocking programme. **Teso Sub-region** constituting of nine districts planned for 4,668 cows but 3,691 were distributed. Categories of cattle supplied were long horned (1,061), short horned (3,188), and bulls (18). **Lango Sub-Region** constituting of eight districts had planned for 4,655 animals but 4,193 were delivered. **West Nile Sub-Region** constituting of eight districts had planned for 4,656 animals but 3,413 were delivered. **Acholi Sub Region** constituting of seven districts planned for 4,653 animals but 3,369 were distributed as shown in table 12.10.

Table 12.10: Distribution of animals in districts monitored for FY2015/16

District	Supplier	Planned	Delivered (FY 2015/16) L/H	Bulls	S/H	Total	Ammount paid in Ug shs
Bukedea	Rhino United Agencies Limited and Ongongson Foundation Construction and Supplies Company Ltd and Green Village Projects Uganda Limited.	426	0	0	426	426	381,660,000
Kumi	Rhino United Agencies Limited and Ongongson Foundation Construction and Supplies Company Ltd.	664	0	0	316	316	306,520,000
Ngora	Otuke Private Sector Enterprises Ltd and Kabim Limited	402	0	18	381	399	401,700,000
Soroti	Rhino United Agencies	550	0	0	548	548	531,560,000
Kole	Green Village Projects Uganda Ltd and Peace Investments Limited	462	0	5	451	456	Not availed to team
Maracha	Rwaboona Uganda Limited and OT and Sons Construction and General Supplies Limited	378	-	-	326	326	372,000,000
Koboko	M/s Rohi Services; Shell Kumi Service Station; Rural Communications Centre	441	225	30		255	449,640,000
Arua	Peace Investments Limited and Amuria Farmers and Transporters Ltd; Rural Communications Centre Limited	996	44	150	550	744	996,020,000
Nebbi	Nga Akonye Enterprises Limited and Otuke Private Sector Enterprises	498	26	81	470	577	497,450,000
Nwoya	M/s KABIM Ltd	375	0	0	0	0	0

Source: OPM Progress Reports July 2016

The heifers delivered in West Nile region looked healthier compared to the ones delivered in Lango region. However, Mr. Orode Roberta councillor from Omatenga Parish, Kumi district in Teso region received a heifer under the vulnerable group contradicting the implementation guidelines that were not followed. He was registered under the vulnerable group and when interviewed he reported that the heifer belonged to his sister.

Restocking programme output:

Left: PRDP heifers belonging to Koboko Catholic Parish and St. Charles Lwanga College in Koboko district; Middle: Untagged PRDP heifer belonging to Ms. Walewa Opio of Bukedea sub-county; Bukedea district; Right: PRDP heifer belonging to Councilor Robert Orode in Omatenga Parish, Kumi District

Government Buildings and Administrative Infrastructure output: The Butaleja Produce Store is located in Sagenda I village, Sagenda Parish, Butaleja Town Council. It is to be used to store rice. The contract for construction was awarded to M/s Pekasa Construction at a contract sum of Ug shs 800 Million. By 30th June 2016, the building was 92% complete. Quality of works on the building was satisfactory.

Left: Butaleja Produce Store at Butaleja Town Council

Overall Performance

The physical performance of the project by 30th June 2016 was good (79%) against all funds released. The OPM is yet to carry out further analysis and studies on the effectiveness of the programme.The project is moving towards achieving its intended objective of initiating, designing, coordinating and implementing special programmes and projects for the troubled and disadvantaged areas of Northern Uganda and Karamoja regions

Implementation challenges

- Quarantine restrictions by MAAIF due to the foot and mouth disease.
- Long bureaucracies in having the beneficiary consent forms approved by all district and sub-county officials.
- Shortage of agricultural and veterinary services for example in Maracha district, there is only one extension worker serving all the eight sub-counties. This leads to death of animals.

Recommendations

- The OPM and districts should ensure beneficiaries are sensitized about the programme
- MoPS, MFPED, and MAAIF shoud run a central advert in the recruitment of extension workers in LGs.

12.3 Vote 005: Ministry of Public Service

Background

Public Service Programmes (Reforms)

The main objective of the Public Service Reforms is "to support transformation of the public service so that service is affordable, efficient, accountable and responsive to the needs of the clients". The Public Service reforms are spearheaded by the Ministry of Public Service (MoPS).

The MoPS is guided by the following three broad strategic objectives; to strengthen human capital planning, Development and Management, to sustain efficiency and effectiveness of public service delivery structures, systems and processes, to enhance performance management and accountability of public service delivery.

The above objectives are linked to NDP II strategic objectives which are improved institutional and human resource management at central and LG; strategic outputs are institutional arrangements, structures strengthened and human resource attraction, recruitments and retention strengthened.

Three keyplanned outputs linked to the strategic objectives of MoPS and NDP II were sampled and monitored both at MoPS and LG and these included Human Resource Management, Management Structures, Payment of Statutory Pension and Pension reforms.

Performance

Table 12.11 shows the cumulative performance Ministry of Public Service by 30th June 2016.

Table 12.11: Cumulative performance Ministry of Public Service by 30th June 2016

Physical Performance							
Support to Ministry of Public Service							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Ministerial and support services	4	1	25	800,000,000	0.03	0.73	Computers and IT equipments Procured was accomplished as 6 Desktop computers; 6 Printers; 1 Overhead projector and toners were procured
Government Buildings and Administrative infrastructure	1	1	100	1,000,000,000	0.04	3.64	National Record Centre Phase I was completed, funds were processed and paid six hundred and fifty million for NARC Certificates
Purchase of Motor Vehicles and Other Transport Equipment	15	12	80	3,000,000,000	0.11	8.74	All 3 Executive Motor Vehicles were; 8 out of 12 pickups ; and one station wagon were procured
Purchase of ICT Equipment including Software Mobile shelving purchased	1	0	100	1,003,000,000	0.04	3.65	Instead of mobile shelves purchased for the NARC computer equipment were procured
Purchase of Office and Residential Furniture and Fittings	1	1	100	1,076,831,489	0.04	3.92	Blinders worth Ug shs 40 million and assorted Office Furniture worth Ug shs 210m were procured.
Upgrading of the Civil Service College Facility	10	7	70	1,600,000,000	0.06	4.08	Duplicated planned outputs in Human Resource Management and Human Resource Development however Six Core Learning programmes of the CSCU were delivered, supervised and monitored; and 335 Public Officers trained in MDAS and LGS.

MDAs and LGs Capacity Building	9	3	33	2,606,438,750	0.09	3.16	Duplicated planned outputs in Human Resource Management and Human Resource Development. Capacity building Guidelines for MDAS were developed and Draft HRP Framework in place was not planned for.
Public Service Performance management	3	1	33	317,757,000	0.01	0.39	An Impact Assessment tool was developed and implemented in 5 MDAs
Management of the Public Service Payroll and Wage Bill	2	0.2	10	1,187,945,000	0.04	0.43	Payroll validation and wage bill monitoring was carried out and is still ongoing
IPPS Implementation Support	5	0.1	2	2,957,400,000	0.11	0.22	Rolled out to only 109 votes out of 207. Other outputs were not achieved due to inadequate funding
Implementation of the Public Service Pension Reforms	8	2	25	697,734,150	0.03	0.64	There were no clear performance targets
Payment of Statutory Pensions	2	2	100	10,620,679,591	0.39	38.67	Outputs were achieved as planned
Organizational Structures for MDAs developed and reviewed	4	3	75	392,040,000	0.01	1.07	Restructuring reports approved by cabinet but not operationlized
Demand for Service Delivery Accountability Strengthened through Client Charters	2	2	100	208,000,000	0.01	0.76	Outputs were achieved as planned
Total	67	35.3		27,467,825,980		69.32	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
27,467,825,980	23,558,371,339	23,285,916,867	99	

Source:IFMSdata/MFPED

Government Buildings and Administrative infrastructure Output

Left: Completed NARC Building at Nakasero; Right: Boxes of records on floor due to inadequate mobile shelves

Construction of the National Archives and Records Centre (NARC) and Certificates paid: The NARC is a GoU facility constructed to create sufficient space to accommodate and manage public records/archives holding of the country, decongest satellite record centers, assure proper retention and disposal of records, and provide secure and economical storage and rapid retrieval service for inactive records.The premises are located in Nakasero within Kampala Capital City.

By 30th June 2016, overall work progress was 100%. The NARC building was handed over by the contractor to MoPS on 14th August 2015 and 12 months Defects Liability Period commenced. However, the records centre lacks adequate mobile shelves to store records.

Overall Performance

There was fair physical performance (69%) under this Vote especially completion of NARC, however under the Public Service reforms performance is unsatisfactory for instance there are duplicated planned outputs especially under the training component of MDAs and LGs and Civil Service Colledge that are not adding value to the achievement of the MoPS strategic objective of strengthening Human Capital planning, Development and Management. Pensions and salaries is good but not perfect as the validation exerciseon the payroll is on going and some staff especially the newly elected leaders had been deleted from the payrolls, the balanced score card is a new concept and not understood at Central and LGs. Some pensioners still remain unpaid for various reasons. The implementation of performance management is unsatisfactory especially in LGs and not linked to the balanced score card.

Implementation Challenges

- Lack of harmonization of planned outputs between the Human Resource Management (HRM) and Human Resource Development (HRD) function hence duplicated implementation of planned outputs in Local Governments and the Civil Service College.
- Lack of review of staff structures, jobdescriptions, competenciessystems and processes Public Service and Public financial reforms. For example the positions of Principal level in LG structures are non existent and yet a requirement as experience in the filling of strategic positions at LG level. This part explains why districts have failed to fill these positions.

- Poor attitude towards work and implementation of performance management framework to support the performance contracts and the introduction of the balanced Score Card in all Local Governments visited.
- Lack of furniture,archives equipment,archiving system and mobile shelving and specialized training of records staff in reprography,conservation,preservation and documentation
- Late coming and abseentism. For example of all LGs visited only the CAOs of Mukono, Koboko, Amudat, and Nebbi Districts were at their stations. While in sub-counties are office attendants, askaris and parish chiefs.

Recommendations

- MoPS shoud harmonize the capacity building plannedoutputs; develop clear performance targets under HRM and HRD and the Civil Service Colledge.
- MoPS should develop a clear strategy in reviewing staff structures, systems, policies in line with NDP II and current public service reforms and other reforms.
- The Ministry of Public Service should out source consultants to work with staff in the Organizational Development Unit under Management structures to spearhead organizational indepth analysis of staffing structuresand, business processing engineering.
- MoPS and NPAshould spear head the development of sector strategic plans that will strengthen Performance Management System, and the Balanced Score Card.
- MoPS and MoLG should introduce the Clock in and Clock Out in a phased mannerin the entire Public Service both at the central and LGs.

12.4 Vote 011: Ministry of Local Government (MoLG)

Introduction

The Vote's Mission is to coordinate and support Local Governments in a bid to provide efficient and sustainable services, improve welfare of the people and eradicate poverty.and constitutes of the following projects: Markets and Agriculture Trade Improvement Project (1088); Community Agriculture and Infrastructure Improvement Project CAIIP-3 (1236); Uganda Good Governance (1286); Millennium Villages Projects II (1292); and Support to Ministry of Local Government (1307)

Community Agricultural and Infrastructure Improvement Project-III; Markets and Agriculture Trade Improvement I; and Support to MoLG and Millennium Villages II Projects were sampled and visited.

12.4.1 Project 1236: Community Agriculture Infrastructure Improvement Programme- CAIIP-III

Background

The Specific Objectives of CAIIP III are; to enhance farmer's access to markets, attract competitive prices of farmers produce and increased incomes through investments in rural infrastructures and their sustainable management by well mobilized communities. The infrastructures implemented by the project include community access roads, agro processing facilities and rural electrification of the agro processing facilities to enable them function well. The project start date was April 2012 and end date 31st December, 2016. However the project has been extended to 31st December 2017 because of incomplete construction works and services.

The linkage of the project with NDP II is: enhancement of agricultural production and productivity, improved market access and infrastructure development. At the sectoral level the project contributes to the objective of Local Economic development. It contributes to two thematic areas of NDP II namely improvement of the stock of infrastructure and improving household incomes.

Performance

ADB and IDB loan performance

Table 12.12 shows the cumulative expenditures as at 30th June 2016. The highest expenditures were on the works category.

Table 12.12: Expenditures of the ADB Loan from July 2015– June 2016 (Ug shs)

Category	Budget	Expenditure	% spent	Remarks
Goods	5,984,400,000	2,008,703,820	34	Funds had been earmarked for advance payment for the Agro-processing equipment and grid extension but the suppliers didn't request for the advances and preferred to bill after delivery of the good
Works	48,236,750,000	47,217,440,666	98	The delays were attributed to extreme weather conditions that hampered progress of the works.
Services	1,127,582,360	715,781,778	63	Variance is due to planned closure studies and training and capacity building activities which have not been undertaken.
Operating costs	1,444,000,000	614,753,366	43	
Total	56,792,732,360	50,556,679,630	89	

Source: MoLG, CAIIP III Progress Reports June 2016

The IDB loan expenditure of the project by 30th June 2016 is shown in table 12.13.

Table 12.13: Expenditures of the IDB Loan from July 2015– June 2016 (Ug shs)

Category	Budget	Expenditure	Variance	% spent	
Rural Infrastructure	12,248,856,538	8,740,813,470	3,508,043,068	71	Variance was due to delays of a few contractors on execution of works.
Studies and Supervision Consultancy	790,440,000	564,600,000	225,840,000	71	The variance was due to delays in submission of payment requests by the supervising consultant.
Programme Management and Capacity Building Component	260,000,000	68,195,491	191,804,509	26	Planned Support supervision of civil works, ESMP implementation training and quarterly review workshops of about UGX 200 Million were covered under the ADB funding.
Total	13,299,296,538	9,373,608,961	3,925,687,577	70	

Source: MoLG, CAIIP III Progress Reports June 2016

GoU Performance

The overall physical performance of the CAIIP-III is shown in table 12.14.

Table 12.14: GoU performance of CAIIP-III as at 30th June 2016

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Monitoring and Support Supervision of LGs.	1	0	0	180,000,000	0.03	0	Funds spent on incapacity, death benefits; workshops and seminars; consultancy services and travel inland Funds spent not related to project work.
Roads,Streets and Highways	1	0	0	6,205,353,224	0.97	0	Funds were spent on taxes for structures and buildings

Total	2	0		6,385,353,224		0	
Financial Performance							
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
6,385,353,224	6,289,353,224	6,289,353,224	100				

Source: IFMS data/MFPED

Government Buildings and Administrative Infrastructure output: So far 39 out of 79 (49%) APF shelters have been completed. Physical progress for the remaining 40 shelters averaged 60%. Seven out of 14 milk coolers have been fully installed and test run and installation process is ongoing.

In regard to grid extension, the process of extending 100Km of national HEP grid to 55 APF sites commenced during the quarter under review and the implementation progress averaged 10% by end of June 2016.

Purchase of Specialized Machinery and Equipment: 79 planned Agro-Processing machines have been delivered into the country and they include 33 coffee hullers, 14 milk coolers, 2 rice hullers and 30 maize mills hence target was achieved at 100%.

Left: Incomplete APFMilk cooler facility in Shuuku sub-county, Sheema district; middle: Completed APF in Rukiri sub-county, Ibanda district but non functional; right: installation of a Milk cooler in Rugarama sub-county, NtungamoDistrict

Overall Performance

The overall performance of the project was fair at 53% under the loan component; components considered were the Government buildings and administrative infrastructure; purchase of specialized machinery and the HEP grid component; however the GoU component was poor as activities implemented were not inline with the planned outputs (monitoring and supervision).

Out of the seven districts sampled and monitored, Shuuku sub-county in Sheema district had incomplete works at 40% and works were at halt due to non payment.In Kagangu and Mwizi sub-counties in Mbarara district and in Rukiri sub-county in Ibanda district construction of Agro processing facilities (APF) were completed but coffee hullers had not yet been installed hence non functional. In Ntungamo a milk cooler was under installation and testing.

The rural electrification power grid connections were at 10%; infrastructure is in place but with no power connections in all sub-counties monitored. All ongoing works of all project components are expected to be completed in September, 2016 a date that is not realistic compared to the pending works on the APFs and grid connections

Delays of contractors to complete works within the stipulated time deprives communities access to services as originally planned and hampers realization of the overall sector goal of contributing poverty reduction and economic growth in Uganda through commercialization of agriculture. The project is yet to achieve the NDP II objective of improving household incomes.

Challenges

- Unexplained delayed payments of contractors who have executed works to completion. For example a contractor submitted an interim payment certificates in June, 2015 up-to-date it has never been paid and has temporarily abandoned works. It takes an average of 4 months for a contractor to be paid.
- Government of Uganda co funding expenditures on CAAIP III were not ably explained by MoLG officials and supportive documents were not availed to the PSM team
- Delays in completion of construction APF sites has a bearing on installation of machines and power connections thus prolonged non function of the APFs and failure to attain the intended objectives
- Delayed payment of VAT following the introduction of VAT on all contracts that has amounted to arrears of Ug shs 15.2 billion.
- Project overload of contractors is another challenge for example a construction company with inadequate financial and human capacity was allocated construction works in 3 sub counties for APFs and others the road component and given the same start date and end dates.

Recommendations

- The Auditor General should follow up the issue of delayed payments of contractors for CAIIP III.
- The Permanent Secretary MoLG should take interest and ascertain why contractors on completion of works are not paid on time and yet this is a project fully funded with timelines.
- The procurement unit in MoLG should carry out due diligence of companies to ensure that companies have the capacity to execute the works.
- MFPED provide resources to cover VAT payments.
- The Auditor General should audit the counterpart funding of the GoU component of CAIIP III.
- The project team should work tirelessly to see that the project ends on the scheduled extended time as extensions are costly.

12.4.2 Project 1088: Markets and Agriculture Trade Improvement Project-I

Background

The Government of Uganda secured funding from the African Development Bank (AfDB) and Arab Bank for Economic Development in Africa (BADEA) to finance the re-development and upgrading of urban markets.The first phase of the programme, MATIP-1 covered the reconstruction of seven markets in six urban Councils and one Capital City Authority namely; Jinja, Mbale, Fort-Portal, Hoima, Gulu, Lira, and Kampala Capital City Authority; MATIP-I (ADB component) was launched in May 2010 and closed on 31st December 2015. The completion of construction works under Nyendo in Masaka Municipality and Busega under KCCA for BADEA loan is now being handled by Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP).

Overall Objective: To enhance and develop the agricultural sector by providing an outlet for the agricultural product, Availing opportunities for the smallholders in the rural areas to sell their products for better prices than prices at farm gate, leading to the improvement of their incomes and hence reduction of poverty in rural areas as well as activating boarder trade between the local traders and the traders from the neighbouring countries, hence adding value to their products and facilitating exchange of trade.

Performance

BADEA loan performance

The BADEA loan cumulative performance both physical and financial is shown in table 12.15.

Table 12.15: BADEA Loan Performance as at 30th June 2016 (Ug shs)

Category	Budget	Expenditure	Variance	% spent
Civil works	15,240,556,133	11,565,623,409	3,674,932,724	24
Consultancy services	529,520,250	306,112,461	223,407,789	42
Auditing of accounts	25,000,000	0	25,000,000	100
Total	15,795,076,383	11,871,735,869	3,923,340,514	25

Source: MoLG coordination office June 2016

GoU performance

Table 12.16 shows the overall performance of MATIP I as at 30th June 2016.

Table 12.16: Overall Performance of MATIP I as at 30th June 2016 (Ug shs)

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Government Buildings and Administrative Infrastructure	2	0.9	45	7,571,000,000	1	45	Funds Were spent on non-residential buildings and taxes on buildings and structures. Establishment of the Market Management Information System for the re-constructed markets have not yet been implemented
Total	2	0.9	45	7,571,000,000		45	
Financial Performance							
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
7,571,000,000	7,092,750,000	7,092,681,678	100				

Source: IFMS data/MFPED

Table 12.17 shows the performance of Nyendo and Busega Markets as at 30th June 2016

TABLE 12.17: PERFORMANCE OF NYENDO AND BUSEGA MARKETS AT 30TH JUNE 2016

Market	Contractor	Contract sum (Ug shs)	Time progress (%)	Physical Progress (%)	Financial Progress (%)
Nyendo Market	Ambitious Construction Company Limited	11,680,535,075	94	75	39
Busega Market	Arab Contractors Limited	5,867,774,115	82	87	61
		US$ 2,168,869			63

Source: MoLG Coordination Offices June 2016

Left: Super structure of Busega market under KCCA; Right: Super structure of Nyendo market in Masaka Municipality

Overall Performance

The performance of MATIP I under the loan component was fair at 62.5%. By the end of June 2015 physical progress for Nyendo and Busega was at 25% and 12% hence averaged at 18.5%, by 30th June 2016 progress was at 75% and 87% respectively and averaged at 81% so physical progress achieved for FY 2015/16 avreaged at 62.5%. The GoU funds released were spent on taxes and non residential buildings however there was no documented evidence to verify this output yet non payment of VAT is still a challenge in the project hence it was poor. Delays by contractors to complete works within the stipulated time deprives the vendors to access services as originally planned and hampers the objectives of enhancing and developing the agricultural sector by providing an ourtlet for agricultural products which will lead to improvement of incomes and reduction of poverty.

Challenges

- Delayed payments of the contractors for example the NyendoMarket contractors in Masaka so far have five certificates unpaid including the advance payment. All the delayed payments have so far attracted interest.
- Non payment of VAT arrears on the MATIP project that has resulted into accumulation of arrears.
- Lack of intensified monitoring and supervision of projects

Recommendations

- The project implementation team at MOLG should address the problem of delayed payments to contractors that has a bearing on completion of works as scheduled.
- MFPED should expedite clearance of VAT that has attracted arrears**.**
- The MoLG should constantly monitor these markets so that problems faced are addressed on time**.**

12.4.3: Millennium Villages Project II (Project 1292)

Background

The Millennium Village Project (MVP) II is a Government intervention that focuses on lifting rural communities out of absolute poverty and achieving theSustainable Development Goals (SDG). The MoLG signed a contract with Millennium Promise Alliance (MPA) to implement the project based on their experience implementing MVP I in Isingiro District. MVP II is to conduct a baseline assessment to generate data that is needed to design future implementation of similar interventions in the districts of Gomba, Nakaseke, Bukedea, Amuria and Oyam. The Project period is three years (January 2014 to 31st December 2016). The total project loan cost is US$ 9.75 Million.

The overall objectives are; to work with Local Governments and rural communities in implementing a set of integrated holistic development interventions to achieve the clear quantifiable end points; to design a set of innovative tools and systems for the new sustainable development goals (SDGs).

Performance

GoU Performance

Table 12.18 shows the overall performance of the project by 30th June 2016.

Table 12.18: Overall GoU Performance of MVP II as at 30th June 2016

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
LGs supported to implement LED and the CDD approaches: Staff training, consultancy, travel inland and abroad	2	0	0	225,000,000	0.6	0.0	Funds spent on consultancy services.
Conflicts between appointed and elected officials in LGs resolved:	1	0	0	170,000,000	0.4	0.0	Funds spent on consultancy services and travel inland.
Total	3	0		395,000,000		0.0	
Financial Performance							
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
395,000,000	143,839,902	143,839,902	100				

Source: IFMS data/MFPED

Cumulative Overall Performance of MVP II under the loan financing as at 30th June 2016

The MVP II is implemented following seven components as provided in the project appraisal document and loan agreement. Funding comprises of IDB, ISFB, Government, Partners and Commission (Table 12.19).

Table 12.19: Cumulative Financial Performance of MVPII as at 30th June 2016

Component	Budget in US$	Budget	Expenditure	Available Balance
1. Increased Agricultural production and Enhanced Nutrition	1,300,000	980,000	864,993	115,007
2. Business Development & Microfinance	1,460,000	1,460,000	392,126	1,067,874
3. Promoting Access, Retention and Quality of Education	1,170,000	1,170,000	820,257	349,743
4. Promoting Health Service Delivery Systems	2,170,000	1,930,000	1,645,110	284,890
5. Infrastructure Development and Innovation promotion	1,450,000	1,170,000	944,995	225,005
6. Water for Domestic Consumption and Production	1,360,000	780,000	480,749	299,251
7. Project Management and Technical Support	1,290,000	1,180,000	1,253,681	-73,681
Contingence	1,190,000	990,000	0	990,000
Total	11,390,000	9,750,000	6,401,911	3,258,089

Source: MVPII Progress Report, August 2016

Exchange rate: 1 US$= Ug shs 2,400

Physical Performance

The project achieved the following under the respective components.

Component 1: Increased Agricultural production and enhanced nutrition. This component aims to promote interventions that will increase and diversify agricultural output for food and nutritional security. Activities included: Soil and water management; Improved agronomic inputs and practices; Diversification of crops and livestock; Postharvest handling of produce and Strengthening extension services.

Ruhiira SACCO offices in Isingiro District

Component 2: Business Development and Micro-Finance: Strengthen the capacity of SACCOs to ensure increased liquidity and strong operational modalities. The project trained 68 board members and staff from six SACCOS in financial management packages as well as **686** members in financial literacy; and strengthening the capacity of cooperatives in governance, management and market linkages

Ntungu Primary School in Isingiro district

Component 3: Education Promoting Access, Retention and Quality. This includedImprove quality of education to ensure completion, increase school attendances and appropriate-age enrolment of primary-age children.The project planned to construct 10 schools of which four are completed a total of Ug shs 325,205,821 was paid to the contractors.

The six schools are under procurement. Ntungu Boys and Ntungu TC Maize milling plant in Isingiro were monitored.

Component 4: Strengthening Health Service Delivery Systems for Improving Access to Basic Health Care. Activities achieved included: Strengthen and support health facilities, infrastructure andlaboratories and Implement and strengthen interventions to control malariaand HIV/TB, improve nutrition, and strengthen ansd support the community health worker system.

Ruhiira Medical staff quarters constructed in Isingiro district

Component 5: Infrastructure Development and Innovation; According to MVP reports a total of 11 road sections were planned to be constructed of which five were completed, four are ongoing and two are under procurement. A total of Ug shs1, 226,036,343 has been paid.

Nyamuyanja gravity flow scheme in Isingiro district

Component 6: Water for Domestic Use and Production; Out of the four planned outputs, only Extension of the Nyamuyanja Gravity Flow Scheme in Isingiro had been completed at a total sum of Ug shs 177,277,819. The others are ongoing.

Overall Performance: The overall physical performance of the project under the loan component was rated fair (65%) evidence of implemented activities was visible and other activities were still ongoing, however under GoU component it was poor (0%). Funds under the GOU component counter funding were not accounted for. Since inception a total of Ug shs 900 million has no accountability. Actual documentation of expenditure on the GoU component was not availed to the team by the project officials thereby making it difficult to physically assess progress and accountability of funds.

Success Stories for only the Loan Component

- School feeding and school scholarships highly impactful in increasing gross attendance in primary schools.
- The Community Health Worker and the introduction of ICT in health (e-health and mobile-health programs) have transformed health service delivery.
- Increase in food security, reduction of poverty, drop in child and maternal mortality, and increase in net enrolment in schools. Institutional child delivery increased from 8% to 79%.
- Increased access to improved drinking water from less than 5% to over 50%. Community members have formed boards for management of piped water, shared solar power generation and distribution systems, road maintenance etc.

Implementation Challenges

- Delays in release of IDB funds. Actual commencement of the project was delayed for about eight months pending disbursement of funds. The release of funds has been irregular thereby affecting timely delivery of activities.
- Inadequate staffing. While the project has improved health infrastructure and quality of care systems, service delivery will not be at full potential unless the staff structures at health centresare filled.

Recommendations

- The MoLG should come out with a sustainability plan as some activities are still ongoing
- The OAG should audit this project to ensure proper use of Donor and Government funds

12.4.4 Project 1307: Support to Ministry of Local Government (MoLG)

Background

The Mission of MoLG is to coordinate and support local Governments in a bid to provide efficient and sustainable services, improve the welfare of the people and eradicate poverty. The Strategic Objectives are; promote democratic governance transparencyand accountability in Local Governments; ensure local goernments deliver quality services; ensure adherence to statutory requirements in Local Goverments; build capacity of Local Government councils; facilitate realization of government poverty reduction initiatives.

Project Objectives

Provide facilities to support effective implementation of the Decentralization Policy; Support LGs in mobilizing resources for implementation of the decentralization policy within the context of the MTEF; ensure resources are channeled to core programs and activities to support implementation of decentralization policy.;Ensure coordinated and effective delivery of service at the local levels.; Provide skilled pool of officers at the Ministry and Local Levels.There is no clear link between the project objectives and NDP II strategic Objectives

Performance

The Project recorded the following achievements both financial and physical in FY2015/16 (table 12.20):

Overall Physical Performance

Purchase of Motor Vehicles and Transport Equipment: A Contract Agreement for the supply of 111 Motor Vehicles-4WD Mitsubishi L200 GL Double Cabin Pick-ups was signed between the Government of Uganda represented by Ministry of Local Government and M/s Victoria Motors Limited for District Chairpersons at a total of US$ 4,046,448 inclusive of taxes and charges. By 30th June 2016, all districts visited acknowledged receipt of the vehicle.

Left: The Nakasongola District Chairperson's Vehicle

Table 12.20: Overall Performance of Support to MoLG as at 30th June 2016

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Policy,planning and monitoring services: JARD, Afican Day of decentralization held, joint meetings for CAOs, RDCs,TC and district Chaipersons conducted; National assessment of LGs carried out; IFMS supported in LGs; and Climate change initiatives supported	5	2	40	1,857,900,000	0.12	5	The national assessment exercise in LGs was not implemented. Most funds went in workshops seminars, consultancies and travel inland
Ministry support services finance and administration	1	0.2	20	1,857,900,000	0.12	2	The funds were meant to support 523 enrolled LG accounts and audit staff on professional training. Districts visited indicated there was no support received from MoLG in training auditors and accountants.
Ministerial and top management services: Follow up of JICA , FAO in northern Uganda, and other projects in LGs; Support to LED initiatives; CDD; Co fund for Restoration of livelihoods in the Northern Region; Inclusive sustainable new communities support; Local Council courts trained; and consultancies undertaken	7	0.2	3	729,500,000	0.05	0	Most funds went into consultancies and welfare and entertainment other activities such as trainings and consultancies.

LGs supported in policy,planning and budgeting functions: Planning and PPP guidelines disseminated in 40 LGs; District Nutrition committees oriented in 20 LGs, M & E of projects and programs in 40 LGs conducted.	4	1	25	910,200,000	0.06	2	Most funds went into consultancies and workshops and seminars.
Government buildings and administrative infrastructure: Three LG administrative structures of Zombo, Matetee and MatetteTCs constructed.	1	0.2	20	500,000,000	0.03	1	Districts of Kayunga and Zombo had administrative buildings in place however funding was from Presidential pledge and revenues from the District Local Government.
Roads,streets and highways	16	7	20	398,000,000	0.03	1	Output was partially achieved. 7 out of 16 TCs were supported on the implementation of physical plans.
Purchase of motor vehicles and transport equipment	3	2	67	6,400,000,000	0.43	29	Part payment of 111 district chairpersons vehicles of Ug shs 5.4 billion and eight ministry vehicles purchased.
Purchase of Office and ICT Equipment including software	1	0.1	10	648,000,000	0.04	0	ICT equipment procured
Purchase of specialized equipment and machinery	1	0.2	20	800,000,000	0.05	1	Lwengo, Fort portal and Buikwe District received 16 solar packages.
Purchase of Office and residential fruniture	1	0.2	20	200,000,000	0.01	0	No documented evidence was given to verify purchase of furniture.
Acquisition of other capital assets	1	0	0	600,312,115	0.04	0	Activities are not coordinated to output. Funds were spent

							on Monitoring, supervision of usage of road equipments.
Total	41	13		14,901,812,115		41	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
14,833,312,115	12,464,899,573	12,314,939,892	98.8	

Source: IFMS data/MFPED

Overall Performance

The physical performance of the project was poor at 41%. The only major output achieved was purchase of vehicles for LC 5 Chairpersons in LGs and Ministry vehicles. The output of Policy planning and monitoring services is duplicated under LGs supported in Policy planning and budgeting functions and Acquisition of other capital assets. The project has no clear performance targets. The other planned outputs were not accounted for therefore could not be considered as achieved. The project has no clear link to strategic objectives of MoLGand the NDP II.

Overall General Vote Performance

Performance of projects (CAIIP III, MATIP I, Support to MoLG and Millenium Village Project II) monitored under this vote was unsatisfactory and attributed to failure in providing a detailed account of expenditure under the GoU funding yet a lot has been spent. There is lack of transparency and coordination amongst these projects especially under the GoU funding. The Support to Ministry of Local Government planning unit coordinates the project but has capacity issues.There is generally lack of coordination and a duplication of planned outputs. For example physical planning is in all projects and yet it has its own vote; training of councillors; policy and planning is duplicated and LED (Local Economic Developent which is crucial to the MOLG mandate but with no evidence of implementation.

Recommendations

- There is need for OAG to audit under MoLG to assess the use of GoUand Donor funds on all projects.
- MFPED shoud consider remitting funds for example of construction of administrativeunits and purchase of solars for primary schools and staff houses to the respective local Goverments not through the Ministry of Local Government
- MFPED should consider remitting funding of training of Accountants and Auditors be transferred to the Accontant Generals Office who will coordinate the training and realize return on investment.
- MFPED should consider remitting funding of training in Physical Planning to Urban Councils and Local Economic Development funding to Local Governments.

12.5 Vote 021: Ministry of East African Community Affairs (MEACA)

Background

The strategic objective of MEACA is to: Provide strategic leadership, guidance and support for EAC integration; ensure mainstreaming of EAC issues in NDP II, sectoral plans and budgets; ensure key EAC institutions & organs meet needs of Uganda & other Partner States; Enhance awareness and increase active participation of Public, Private sector, CSOs & other stakeholders in EAC integration; Ensure timely, effective implementation of EAC decisions, policies, and programmes; and Build MEACA’s capacity to effectively coordinate the EAC agenda in Uganda.and the linkage to NDP II is Steering Ugandas Regional Intergration Agenda.

Performance

Table 12.21 shows the overall perfomance of the MEACA by 30th June 2016.

Table 12.21: Performance of MEACA as at 30th June 2016

Physical Performance

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remarks
Harmonized Policies, Laws and Strategic Frameworks developed	5	1.22	24.4	179,381,050	0.15	3.7	Most activities are in meetings. There are no clear performance targets
Compliance with implementation of EAC decisions and directives Monitored and Evaluated	3	2	67	146,009,920	0.12	8.3	Most activities were in producing reports and were not inline with the planned output.
Strategic leadership, Guidance and Support for EAC regional Integration strengthened	11	3	27	692,643,032	0.59	16.1	Most activities like research, studies undertaken are not in line with the planned output.
Public awareness and Public participation in EAC regional Integration enhanced	3	1.5	50	152,886,673	0.13	6.5	Held talk shows during the EAC week, MEACA newsletter published. However other activities were not in line with the planned output.
Total	22	7.72		1,170,920,675		34.71	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
1,170,920,675	1,111,254,482	1,083,822,254	98	

Source: IFMS data/MFPED

Overall Performance

The overall physical performance under the recurrent budget was poor at 34% against 98% release. The highest expenditure was on Strategic leadership, Guidance and Support for EAC regional Integration. MEACA is yet to achieve its intended objective of steering Ugandas Regional intergration agenda in accordance with the Objectives of the Treaty for establishment of EAC.

Implementation Challenges

- Low awareness and knowledge of the integration agenda among the citizenry
- Mainstreaming EAC Agenda across the board in civil society, private and public sectors
- Limited Budget affects Uganda's participation in EAC activities

Recommendation

The MEACA should priotize planned outputs in line with the available resource envelope to achieve its strategic outputs.

12.4 National Planning Authority (Vote 108)

Background

The National Planning Authority (NPA) was established by the NPA Act of 2002 that operationalized Article 125 of the 1995 constitution of Uganda. The Act mandates NPA to produce comprehensive and integrated development plans for the country elaborated in terms of the perspective vision and the long term and medium term plans. In addition NPA is mandated to produce a certificate of compliance of the annual budget for the previous year.

Strategic Objectives: To strengthen and establish additional systems for a comprehensive, participatory and inclusive integrated development plans and frameworks ;To strengthen research for provision of evidence based public policy; To monitor and evaluate the effectiveness and impact of development policies, plans, programmes and performance of the economy;To develop and promote networks, collaboration, partnership for innovation development and planning. The above strategic objectives are linked to objective 1 of NDP II and objective which is to improve coordination harmonization of policy planning, budgeting and M&E at National and Local Governance levels and PSM objective of harmonizationof policies, laws and regulations at Local Government.

Performance

Table 12.22 shows the overall perfomance of the NPA by 30th June 2016.

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Functional Planning Systems and Frameworks/Plans: National Human Resource Development Framework; Second National Development Plan (2015/16-2019/20) and Uganda Vision 2040 disseminated; NDPII Popular Version	6	1	17	4,482,608,830	0.29	4.76	A draft Human resource planning framework is in place
Functional Think Tank: The Fifth NDP Report (2014/15); NDPII Baseline Survey Report NDP II(2010/11-2014/15) Evaluation Report; Policy Evaluation Reports; National Development Policy Forum Papers and Reports; Presidential Economic Council Papers/Reports	3	0	0	3,554,980,220	0.23	0.00	NDR for 2014/5 in draft.
Strenghening Planning capacity at National and LG Levels: National Capacity Building for Development Planning	2	1	50	600,000,000	0.04	1.91	Draft National Capacity plan in place; 76 districts and 51 MDAs trained

project document; LGs and Sectors planning capacity enhanced							
Coordination of Global, Regional and Cross-Sectoral national Initiatives: A PRM Programme of Action Report; PRM Country Self-Assessment Report; Country Review Mission Report; Participation in Global and regional engagements	3	1	33	1,475,150,000	0.09	3.13	Consultant hired to prepare APRM report and strategic plan and travels abroad.
Finance and Administrative Support Services: Strengthened NPA's Management and operational capacity and recruitment of staff	3	2	67	5,586,531,989	0.36	23.72	New staff recruited were 6 managers;3 senior officers;1 assistant officer;2 drivers; 2 vehicles procured
Total	17	5		15,699,271,039		33.52	

Financial Performance

Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
15,699,271,039	15,699,271,039	15,694,945,600	100	

Source: IFMS/MFPED

Overall Performance

The overall physical performance of the NPA under the recurrent budget was rated poor (33%) as all funds 100% were spent on hiring of consultants to do technical work and travels abroad.The biggest expenditure was on Functional Planning Systems and Frameworks/Plans. Most achievements are in draft form. NPA is yet to achieve its strategic objectives linked to the NDP II objective which is to improve coordination harmonization of policy planning, budgeting and M&E at National and Local Governance levels and PSM objective of harmonization of policies, laws and regulations at Local Government.

Recommendation: The NPA is the think tank of this country and it should minimize hiring of consultants to do technical work and seek technical guidance from the MoPS on the current staffing structure not aligned to the strategic objectives that has proved to be costly.

12.5 Vote 146: Public Service Commission

Background

The Public Service Commission (PSC) is a Constitutional Body established under theprovisions of Article 165(1) of the 1995 Constitution of the Republic of Uganda.Under Article 166(4) of the same Constitution, Parliament is required by law toempower the Public Service Commission to make regulations for the effectiveand efficient performance of its functions. Article 251(1) empowers theCommission to regulate its own procedure or confer powers or impose dutieson any officer or authority of the Government for the purpose of discharging its functions.

Strategic Objectives are to attract, recruit and retain highly skilled and professional staff in the Public Service; enhance the capacity of the Commission for effective and professional performance of its functions; and the linkage with NDP II is to improve recruitment, development and retention of highly skilled and professional work force.

Performance

The overall performance is shown in table 12.23.

Table 12.23: Overall Performance of PSC as at 30th June 2016

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
DSC Monitored and Technical Assistance provided	3	1	44	528,603,526	0.27	11.69	Partial achievement of targets. Only appeals output was achieved.
Selection Systems Development	3	2	67	641,877,596	0.32	21.50	They didn't train DSC staff in competence based recruitments which is crucial in attracting staff
DSC Capacity Building	1	1	100	135,475,588	0.07	6.81	Inducted DSC members
Recruitment Services	1	0	0	684,000,000	0.34	0.00	Percentage of declared vacancies and No. of recruitment submissions were not yet handled.
Total	8	4		1,989,956,710		40	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
1,989,956,710	1,984,576,090	1,984,572,187	100				

Source: IFMS data/MFPED

Overall Performance

The overall physical performance of the PSC was poor (40%). The vote is yet to achieve the NDP II strategic objective of improving recruitment of highly skilled and professional workforce. The limited computerization of PSC Activities; missing functionality in both IPPS and Commission's HRMS; performance enhancement and capacity building and heavy costs of traditional recruitment methods have affected progress of planned outputs.

Recommendation

- The MoPS should create a clear link between IPPS and HRMS to enhance efficiency and effectiveness of PSC.
- The PSC should prioritize training of DSC members in the newly created districts.

12.6 Vote 147: Local Government Finance Commission (LGFC)

Background

The Local Government Finance Commission (LGFC) is established in terms of article 194 (1) of the Constitution of the Republic of Uganda. The Constitution provides among others that LGFC is an independent; and impartial advisory institution to the President through the Minister on matters that concern financing of local government system.

Strategic objectives: (i) Contribute to Improvement of the state of funding for LGs in the National Budget; (ii) Promote Equity in Resource Allocation Among LGs; (iii) Support LGs to improve Local Revenue Performance; (iv) To Enhance the Institutional Capacity of the LGFC to Effectively Perform its mandate. **Link with NDP II:** Improve coordination, harmonization of policy planning, budgeting at National and Local levels.

Performance

The overall performance is shown in table 12.24.

Table 12.24: Overall Performance of LGFC as at 30th June 2016

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
LGs Budget Analysis	5	3.6	72	197,781,111	0.14	10	Most Funds (Ug shs 27 million) were spent on travel inland not on actual output
Enhancement of LG Revenue Mobilisation and Generation	5	2.2	44	662,887,540	0.48	21	Most funds were spent on travel) and consultancies totaling to Ug shs 375 million and not on actual

							output
Equitable Distribution of Grants to LGs	3	1	33	520,328,000	0.37	13	Travel inland, consultancies, workshops and allowances took the biggest expenditure ammounting to Ug shs 355 million and not on actual output
Total	13	7		1,380,996,651		44	
	Financial Performance						
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark			
1,380,996,651	1,072,454,790	1,070,230,784	99.8				

Source: IFMS data/MFPED

Overall Performance

The overall physical performance of LGFC under the recurrentbudget was poor at 44%. The vote is yet to achieve the NDP II objective. The lack of appropriate framework for handling LGFC advice to Government; conflicting policy interpretation and implementation by MDAs and creation of many LGs without corresponding resources have affected progress of planned outputs.

Recommendation

The planned outputs should be based on addressing the above challenges.

CHAPTER 13: ROADS

13.1 Introduction

"Roads'' is one of the three sub-sectors under the Works and Transport sector whose mandate is to: (i) Plan, develop, and maintain an economic, efficient, and effective transport infrastructure and transport services by road, rail, water and air; (ii) Manage public works including government structures; and (iii) Promote standards in the construction industry.

The sub-sector mission is to promote adequate safe and well maintained works and transport infrastructure services for social economic development of Uganda[68].

The road sub-sector has four votes namely; Vote 016: Ministry of Works and Transport (MoWT), Vote 113: Uganda National Roads Authority (UNRA), Vote 118: Uganda Road Fund (URF) and Vote 500: Local Governments (LGs).

The key implementing institutions in the roads sub-sector are: MoWT; UNRA; URF; Kampala Capital City Authority (KCCA), District Local Governments (DLGs), lower local governments (sub-counties) and urban councils. Other institutions outside the works and transport sector that have projects with roads sub-components include: the Office of the Prime Minister (OPM) and the Ministry of Local Government (MoLG).

13.1.1 Sub-sector Objectives and Priorities

The roads subsector objectives are to[69]: (i) develop an adequate, reliable and efficient multi modal transport network in the country; improve the human resource and institutional capacity of the Transport sector to efficiently executes the planned interventions; improve the national construction industry; and increase the safety of transport services.

The sector budget priorities for the FY 2015/16 were: upgrading 200km of roads from gravel to bitumen standard; reconstruction of 178km of roads; constructing of 10 new bridges and rehabilitation of 7 old bridges; re-graveling of 12.875km unpaved roads; constructing of 1,700km of ongoing road projects; constructing of 650km of new road projects; and maintaining and rehabilitating of 10,000km of National, District, Urban and Community Access roads.

Other priorities included: undertaking remedial measures through the construction of strategic bridges ravaged by floods e.g Kasese and other parts of the country; improving road safety; axle load control; reducing of road maintenance backlog; improving of railway transport infrastructure and services; improving of inland water transport infrastructure and services; expanding and upgrading of Entebbe International Airport; rehabilitating of upcountry aerodromes; increasing the stock of district road equipment and improving the capacity of Local Governments to implement force account; developing the capacity of the local construction industry; constructing of One Stop Border Post (OSBP) facilities; and developing a multi-model transport strategy[70].

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[68] Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

[69] The three sub-sectors under the MoWT are: 1. Transport Services; 2. Roads; and 3. Construction Standards and Quality Assurance

[70] Ministerial Policy Statement for Ministry of Works and Transport for FY 2015/16

13.1.2 Sector Financial Performance

The overall transport and works sector budget for the FY2015/16 increased by 38.5% from Ug shs 2,305.30 billion in FY 2014/15 to Ug shs 3,193.742 billion[71]. This was to be utilised by four votes viz: Vote 016-MoWT, Ug shs 928.024 billion (29.1%), Vote 113-UNRA, Ug shs 1,812.222 billion (56.7%), Vote 118-URF, Ug shs 417.93 billion (13.1%) and Vote 500- Local Governments Ug shs 35.566 billion (1.1%).

Table 13.1 shows the financial performance of the three votes by 30th June 2016. This was a good release (71.5 %) and very good absorption (99%) performance.

Table 13.1: Overall Financial Performance of the Votes by 30th June 2016

Votes	Vote Names	Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
016	MoWT	928.024	191.754	190.392	20.7	20.5	99.3
113	UNRA	1,812.222	1,797.250	1,776.78	99.2	98.0	98.9
118	URF	417.930	356.221	356.221	85.2	85.2	100.0
Total[72]		3,158.176	2,345.225	2,323.388	74.3	73.6	99.1

Source: UNRA, URF and MoWT Q4 Performance Reports for FY 2015/16, IFMS

The MoWT release performance was poor because the donor component of Ug shs 716.716 billion (77.2% of the MoWT approved budget) had a release of Ug shs 8.763 billion (1.2% of donor budget).

13.1.3 Scope

The projects/programmes monitored for performance during the FY 2015/16 were selected on the basis of regional representation, level of capital investment, planned annual outputs, and amount of releases during the FY. Three (3) projects were monitored under MoWT, National Roads Construction/Rehabilitation Programme under UNRA (12 projects) and two programmes under URF. Under URF the District Urban and Community Access roads (14 districts) and National Roads Maintenance at UNRA stations (8 stations) programmes were monitored. These programmes/projects monitored are shown in table 13.2.

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[71] Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15
[72] Figures exclude Ministry of Local Government

Table 13.2: Project/programmes monitored for FY 2015/16

Implementing Institution	Project/programme and location
Ministry of Works and Transport – Vote 016	East African Trade and Transportation Facilitation Project (EATTFP)- Busia, Elegu and Katuna Rehabilitation of District Roads (Gulu, Luweero, Mbale, Mbarara and Namanve) Interconnectivity project (Bugiri, Ibanda, Kumi, Rukungiri, Soroti)
Uganda National Roads Authority – Vote 113	Upgrading – 8 Projects Olwiyo-Gulu-Kitgum road (234km) Upgrade Gulu - Atiak - Bibia/ Nimule road (104km) Mukono-Katosi-Nyenga (72km) Kanoni - Sembabule - Villa Maria (110km) Ntungamo-Mirama Hills (37km) Ishaka-Kagamba (35km) Mpigi - Kabulasoke - Maddu (135km) Musita-Lumino-Busia/Majanji road (104km) Rehabilitation – 4 Projects Iganga-Kaliro (32Km) Pakwach - Nebbi (30km) Mukono - Kayunga - Njeru (94km) Nansana - Busunju (47km)
Uganda Road Fund – Vote 118	District, Urban and Community Access Roads (DUCAR) Maintenance Programme – 14 Districts Alebtong, Buikwe, Bujiri, Butalejja, Gomba, Hoima, Ibanda, Kayunga, Masindi, Moyo, Nakasongola, Nwoya, Rukungiri, Serere National Roads Maintenance Programme - 7 UNRA stations Hoima, Kabale, Kitgum, Kotido, Mbarara, Moyo, Tororo

Source: Author's Compilation

13.1.4 Limitations

- Lack of ready Q4 reports for sampled programmes/projects during monitoring.
- Absence of some respondents at the time of monitoring yet appointments had been made.
- Inconsistence of information provided by respondents.

13.2 Ministry of Works and Transport

The MoWT mission is "*to promote adequate, safe and well maintained works and transport infrastructure and services for socio-economic development of Uganda*." [73]

The approved budget for FY 2015/16 was Ug shs 928.024 billion having increased by 658.4% from Ug shs 122.364 billion in the FY 2014/15. The overall release and expenditure performance of the Vote by the end of FY 2015/16 was at 20.7% and 99.3% respectively. However, the release for Donor Support to Development which formed 77.2% of the approved budget was at 1.2% on account of slow pace of project implementation as shown in table 13.3.

Vote 016 is comprised of six vote functions namely: Transport Regulation; Transport Services and Infrastructure; Construction Standards and Quality Assurance; District, Urban and Community Access Roads; Mechanical Engineering Services; and Policy, Planning and Support Services.

Table 13.3: Financial Performance of MoWT by 30th June 2016

(i) Excluding Arrears, Taxes		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	8.867	7.844	7.644	88.5	86.2	97.5
	Non-wage	32.319	28.615	27.539	88.5	85.2	96.2
Development	GoU	170.123	146.533	146.426	86.1	86.1	99.9
	Donor	716.716	8.763	8.763	1.2	1.2	100
Total GoU		211.309	182.992	181.609	86.6	85.9	99.2
Total GoU + Ext Fin. (MTEF)		928.025	191.755	190.372	20.7	20.5	99.3

Source: MoWT, Q4 Performance Report for FY 2015/16

Annual monitoring for the FY covered three development projects namely: Interconnectivity Project under the Vote Function: Construction Standards and Quality Assurance; East African Trade and Transport Facilitation Project (EATTFP) under the Vote Function: Transport Services, and Infrastructure and Rehabilitation of District Roads under the Vote Function: District, Urban and Community Access Roads.

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[73] Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

13.1.4 Performance

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

Background

The EATTFP was approved by the World Bank in December 2005 and the Uganda component became effective in April 2007. Other components are being implemented in the rest of the East African member states.The project is financed by the International Development Association (IDA) and comprises a credit of Special Drawing Rights (SDR) of 18.2 million (US$26.4 million) to GoU. Following a request by the GoU, the project was restructured in June 2011 and the closing date of the credit extended by three years to 30th September, 2014.

The Project Development Objectives (PDO) are to:

(i) Enhance efficiency of customs agencies' clearance processes, for the East African Community (EAC) Partner States participating in the East Africa Customs Union, to facilitate trade;
(ii) Improve efficiency and reliability of transport and logistics services along the key corridors; and
(iii)Enhance safety in identified areas and reduce the rrecipient's fiscal transfers to railway institutions by rationalizing the work force on the Kenya-Uganda railway.

The project components are: i) Support to EAC Customs Union Implementation, ii) Institutional Support for Transport Facilitation, iii) Investment Support for Trade and Transport Facilitation and iv) Support to Kenya and Uganda Railways Concessions.

The Uganda component of the project is implemented by MoWT and the Uganda Revenue Authority (URA) through Project Implementation Teams (PITs) established by the respective agencies.

The annual performance of the EATTFP in FY 2015/16 is presented in table 13.4.

Table 13.4: Annual Performance of the East Africa Trade and Transport Facilitation Project

Output/District	Annual Target (%)	Annual Achieved Target (%)	Score (%)	Remarks
Construction Supervision of One Stop Border Post (OSBP) Facility at Busia	18	18	100.0	The contractor was attending to defects identified before expiry of the defects liability period. Additional works for the Exit road to Kenya were also ongoing. The Border Post was operational.

Output/District	Annual Target (%)	Annual Achieved Target (%)	Score (%)	Remarks
Construction Supervision of One Stop Border Post (OSBP) Facility at Elegu	50	30	60.0	The cumulative physical project was 40% against the planned 67% hence; project was behind schedule by 6 weeks with an expected completion date of 26th October 2016.
Construction Supervision of One Stop Border Post (OSBP) Facility at Katuna	80	40	50	This project is expected to end on 6th December 2016. However, this will not be possible because the contractor had acquired only about 62% of the right of way by end of June 2016.
Annual Budget FY2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Percentage Budget Received	Percentage Release Spent
8.9	8.81	8.81	99%	100%

Source: Author's Compilation

Construction of the main administration building at Elegu One Stop Border Post

Operational Immigration Counters in the main building at Busia One Stop Border Post

So far, the activities of Mukono Inland Container Depot and One Stop Border Post Facilities of Busia, Mutukula, Malaba and Mirama Hills had been completed and handed over to the relevant authorities. The progress of construction activities ongoing at Elegu and Katuna were affected negatively by: delays in payments for the contractors and consultants works done especially by the Ugandan component of the certificates and invoices; and partial site handover to contractors.

The World Bank funding for this component ended in FY2014/15. The GoU undertook to finance all the remaining activities in FY2015/16. Overall in FY2015/16, the EATTFP had a very good financial performance of 100% against an estimated physical progress of 70%.

ii) Interconnectivity Project

The project commenced in July 2008 and was expected to be completed in June 2013, with a total planned expenditure of Ug shs 13.125 billion. The project was extended to July 2017[74] and is funded by the GoU and implemented by MoWT through contracting local contractors. The roads designs and works supervision is done by MoWT.

The project was expected to improve, rehabilitate or upgrade a total of 700kms of roads outside the mandate of UNRA or DLGs across the country.Most of the interventions are on the district and community access roads network due to capacity problems at the districts and are mainly earth/gravel roads though some paved roads in peri-urban areas have been worked upon.

The objectives of this project are;

- Timely response to His Exellency the President's directives to improve sections of major road corridors in strategic areas of the country which are not economically attractive to development partners.
- Be in a better state of preparedness to respond to emergency of natural calamities to save the population from prolonged suffering.
- Improved interconnectivity of the country by rehabilitated critical road links.

Rehabilitation and maintenance works for the Interconnectivity Project in FY 2015/16 were planned for in 20 districts of which nine (9) districts of Buhwejju, Ntungamo, Kibaale, Kyankwanzi, Buyende, Kamuli, Butalejja, Mayuge and Bugiri had their contracts completed in FY 2014/15. Therefore, part of the FY 2015/16 release (*could not be established*) was used to pay for the outstanding payments for these contracts..

Works were implemented in seven (7) districts which included five (5) roads projects with a total length of 79km in Bugiri, Kanungu, Kumi, Soroti and Rakai and two (2) bridges in Rukungiri and Ibanda. The scope of works involved; site clearance, grading, drainage works, spot gravelling for roads and construction of bridges for river crossings.The performance of these activities is indicated in table 13.5.

[74] MoFPED Public Investment Plan, FY 2014/15-2016/17

Table 13.5: Performance of the Interconnectivity Projects

District	Annual Planned Quantity (%)	Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Bugiri District (Rehabilitation works of Namuganza – Naikoma – Bukiri road (5.1km), Namuganza – Kasongwere – Lwonko TC road (8.5km) and Namakoko - Busimbi road (2.7km))	100	100	100	535,011,882	0.19	18.605	The roads were in a good motorable state and had been handed over to the district.
Ibanda District - Construction of Mbogo Bridge	100	100	100	402,554,350	0.14	13.999	The project was completed and handed over to Ibanda DLG.
Kumi District (opening up of Kumi Tc-Olungia –Nyero(5.3Km), Omatenga Main Road-Owogoria P/s –Mukura Road (5.4km), Ariet-Odotuno-Kogil Road (5.5km) and Mukongoro-Okudu Road section (5.1km), Total length of 21.3km of community access roads in Kumi and Kanyum County,)	100	93	93	517,548,000	0.18	16.738	The contractor had substantially completed the road works within the stipulated contract period however, he was required to correct the some nags like improve approaches to culverts, open up mitre drains and restoration of all borrow pits
Rakai district - Rehabilitation of Kajju – Byezitetire (3.5km) and Dyangu – Kitaliza – Kayanja (8.4km) roads in	100	100	100	434,304,900	0.15	15.103	Project was completed in time and budget; and has been handed over to the district. There was notable poor workmanship on the drainage structures with the head walls on most of them cracking.

District	Annual Planned Quantity (%)	Achieved Quantity (%)	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Remark
Rukungiri District - Construction of Njororo River Crossing	100	44	44	514,425,956	0.18	7.871	Works were stilling ongoing. Key foundation works including casting of the base slab was complete.
Soroti District (Rehabiltation works of awadiang - abari road (8.7km) and oc`loi - adamasiko road (8.6km))	100	100	100	471,740,400	0.16	16.405	The roads was in a good motorable state and had been handed over to the district
Total				2,875,585,488		88.722	

Financial Performance

Annual Programme Budget (billions)	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
5	3.94	3.94	100	

Source: MoWT- Q4 Performance Report for FY 2015/16

Construction of Njororo River Crossing in Rukungiri District

Some of the materials mobilised for the construction works

Completed base while preparation of formwork for the superstructure on going

Rehabilitation of Kajju – Byezitetire (3.5km) and Dyangu – Kitaliza – Kayanja (8.4km) roads in Rakai district

Cracked culvert along the Dyangu – Kitaliza – Kayanja road section

Graded section of the road which will require gravel

A number of the planned outputs were not achieved. However expenditures were repoted under these outputs. For instance; the procurement of a double cabin pickup for monitoring (Ug shs 42.763 million), purchase of 6 laptops and 5 desktops (Ug shs 38.940 million), and 1 set of Dual Frequency GPS (Ug shs 185.760 million).

It was noted that the contract management of the Interconnectivity Project activities had greatly improved and the payments to the contractors were no longer delaying. The quality of works was good. Overall, this project had a good performance of 88.7 %.

iii) Rehabilitation of District Roads

The Government of Uganda received a loan from the Republic of China amounting to US$ 100 million. The loan was mainly used to purchase road equipment for maintenance and rehabilitation of district roads by force account. Whereas maintenance was to be done by Local

Governments, rehabilitation was to be carried out by the MoWT through zonal centres. The equipment was meant to clear the rehabilitation backlog of 10,000km in the next five years (June 2013 to June 2018). This meant 2,000km needed to be rehabilitated each year. Six (6) zonal centres were to be created for the rehabilitation of district roads.

The project is aimed at reducing the transport costs by improving district roads to an all-weather status by 2018 and should improve the stock and quality of road infrastructure. The project is funded by the GoU with a total project cost of Ug shs 4.062 billion.

The project budget for the FY 2015/16 was Ug shs 5.13 billion, of which Ug shs 4.63 billion (90.2%) was released.

i. Gulu Force Account Unit

The unit received Ug shs 1,482,234,000 (89.2% of the annual budget) of which Ug shs 424,236,642 (44.14%) was expended. The unit planned to rehabilitate 57.6km in Gulu district of which it executed 16km (27.74%). Details of the performance of the unit are reflected in the table 13.6. The performance of the unit was affected by the mode of release of funds which is small amounts every quarter of the FY vis-a-viz the work plan. This led to delays in completion of works and sometimes double expenditures through repeated works.

Table 13.6: Performance of Gulu District Roads Rehabilitation Unit

Road Name	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Gulu (Minakulu-Okwir-Koroba Road,10.5km)	100	40	40.0	416.303	0.16	6.51	Target was not achieved. The road was opened and shaped.
Gulu (Koro-Rom-Pece Road, 5km)	100	90	90.0	144.43	0.06	5.08	Gravelling completed and ongoing works were headwall construction
Amuru(Inspect and assess selected roads	100	0	0.0	5.00	0.00	0.00	Target was not achieved.
Gulu (Cwero-Omel-Minja Road, 20km)	100	40	40.0	513.361	0.20	8.03	Target was not achieved.
Gulu (Cwero-Omel-Minja Road, 22km)	100	36	36.0	577.531	0.23	8.13	Target was not achieved.

Road Name	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Gulu (Gulu High School, 2km)	100	0	0.0	902.098	0.35	0.00	Target was not achieved although the road was surveyed and was at design level
Total				2558.723		27.74	Physical performance of the unit
Financial Performance							
Annual Budget FY2015/16 (Million Ug shs)	*Cumulative Receipts (Million Ug shs)*	*Cumulative expenditure (Million, Ug shs)*	*Financial Performance Score (%)*	*Remark*			
1,661,627,675	1,482,234,000	654,289,650	44.14	Late release of funds			

Source: Author's Compilation


Left: A raised swamp section at Km 4+100 along Koro-Rom-Pece road; Right: A gravelled section with an off shoot drain along Palenga-Willacic (18km) road which was due for hand over

ii. Mbale Roads Rehabilitation Unit

The unit received Ug shs 560,502,450 (16.5% of the annual budget) of which Ug shs 424,236,642 (75.7%) was expended. The funds were disbursed in two quarters - Ug shs 171,049,200 in Q1 (on 7th August 2015) and Ug shs 389,453,250 in Q4 (on 14th April 2016). The unit planned to rehabilitate 123.8km in the districts of Mbale, Kapchorwa, and Moroto of which it executed 37.44km (30.24%). Details of the performance of this unit are indicated in table 13.7.

Table 13.7: Performance of Mbale District Roads Rehabilitation Unit

Activities	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Mbale (Completion of the road and construction of two arch bridges)	100	95	95.0	171.0492	0.05	4.61	Target was achieved.
Mbale [Nabweye-Bukikali road (5.3km), Bulweta-Bumalunda (4.60km), Mutoto-Busimba (6km) and Chema-Burkoyem (5.0km)]	100	25	25.0	372.376	0.11	2.64	Target was not achieved. Only bush clearing, shaping and compacting along Nabweye-Bukikali road (5.3km) were executed
Moroto Municipality - Circular road (2.3km)	100	95	95.0	121.637	0.03	3.28	Target was achieved. The entire road was bush cleared, shaped and gravelled. Stone pitching was in progress
Kapchorwa (105.6km)	100	24.3	24.3	2860.412	0.81	19.72	Target was not achieved. Only works on sub-county roads (58km) executed and 2.1km out of 5.1km were gravelled and 27.75 km out of 58km had been gravelled. Funds for other roads were not disbursed.
Total				3525.4742		30.24	This is the physical performance of the unit

Financial Performance

Annual Budget FY2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
3,403,844,225	560,502,450	424,236,642	75.69	Only 16.4% of the budget was released to the unit

Source: Author's Compilation

The low physical performance of the Mbale District Roads Rehabilitation Unit (DRRU) was mainly affected by: budget shortfalls (83.5%); frequent demobilization of equipment from the unit for other works like emergencies; and lack of supervision vehicles which are used for office coordination, maintenance works and delivery of fuel and meals for the field work staff.

Left: Dumped material along Nabweye-Bukikali road in Lwaso Sub-county for the gravelling activity; Right: A stone masonary arch bridge across River Wangoko on Nanyuna-Mukosi road at km 3+400in Nyanyusa Parish in Mbale district

iii) Mbarara Roads Rehabilitation Unit

The unit planned to rehabilitate 104km of the district roads in Buhweju, Ibanda, Mbarara and Ntungamo at an estimated budget of Ug shs 2,408,823,080. The planned scope of works on each of the projects was opening of the road, road formation, and installation of culverts and gravelling. By 30th June 2016, the unit had completed works on 17km while works on 54km were in progress. The unit exhibited a poor performance (43.23%) as shown table 13.8.

Table 13.8: Performance of the Mbarara District Roads Rehabilitation Unit

Output/ District	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Buhweju	100	80	80.0	150	0.06	4.98	Target was not achieved. Works were in progress on Rubengye - Kitojo-Rushozi - Engaju (11.6km) and Engaju-Katogo - Nyakaziba (4.9km) road
Ibanda	100	82	82.0	302.09	0.13	10.28	Mabona-Kicuzi-Rwabatenga(17km)- Opening of the road had been completed, grading and gravelling was complete. Installation of culverts and construction of head walls was in progress.
Mbarara	100	28	28.0	295.182	0.12	3.43	Target not achieved. Works were in progress along Biyuga-Rukuzi-Kakongora - Ngugi road while Works were yet to commence on Kabirizi - Katerero - Kibarama road.
Ntungamo	100	2	2.0	1661.549	0.69	1.38	Works had just commenced along Kakukuru - Kayenje - Kafunjo (24km) road, while on Rubaare - Kaina - Rwentobo (14.3km) and Nyakibobo - Bulanama - Rwentojo (11.9km) had not commenced
Total				2408.821		20.08	Poor performance

Financial Performance				
Annual Budget FY2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
2408.821	1008.343	669.295	66.38	

Source: Author's Compilation

A gravelled section of the Mabona–Kicuzi–Rwabatenga road

Preparatory works for construction of the culvert end structures

Challenges faced by the District Road Rehabilitation Units

- There is no clear selection criterion of the district roads to be worked on. It is a matter of responding to political pressure from Members of Parliament and other influential leaders.
- Inadequate equipment estimated at a 53% gap. The available equipment is not enough to enable timely implementation of works. For instance the units do not have sound supervision vehicles and dump trucks; the available rollers are ineffective because they are of low compaction strength.
- The procurement process of the road rehabilitation materials such as gravel and culverts took almost a year to be concluded.
- Lack of adequate supervision vehicles and offices for operation.
- Releases made in small amounts and inconsistently vis-a-viz the work plan, hence leading to the delays in works completion and sometimes double expenditures through repeated works.

Conclusion

The overall performance of the MoWT was fair at 62% by 30th June 2016. The EATTFP had a good performance of about 70% and the Interconnectivity Project at 88.7%. However; poor performance was exhibited by the District Roads Rehabilitation Unit which was majorly attributed to intermittent and late release of funds from MoWT.

13.3 Uganda National Roads Authority (UNRA) – Vote 113

Background

The mandate of UNRA is to develop and maintain the national roads network, advise Government on general roads policy and contribute to addressing of transport concerns, among others. The Mission is "To *develop and maintain a safe national roads network that fosters the economic development of Uganda*[75]". The national roads network was estimated at 10,000 km by June 2009 however, this has grown since to about 22,000 km.

The UNRA executes its mandate under two programmes and these are; National Road Construction/Rehabilitation (NRC) and National Road Maintenance which started in July 2008 with the establishment of the UNRA. National Road Construction/Rehabilitation Programme is funded by both the GoU and other development partners (donors) and it mainly caters for only paved roads. The entire development budget of UNRA is allocated to this programme.

National Road Maintenance Programme mandate is carried out by 22 UNRA stations across the country. The stations undertake maintenance works on all national unpaved roads and minor repairs on paved national roads. The works under the programme are financed by the GoU through Vote 118-Uganda Road Fund (URF). Details of the findings are presented under URF.

Overall financial performance of UNRA- Vote 113

Table 13.10 summarizes cumulative releases and expenditures by the end of FY2015/16.

Table 13.10: Overview of the UNRA Expenditure (Ug shs, billions)

Item	Approved budget	Release	Expenditure	% of budget released	% of release spent
Recurrent (GoU)	36.658	53.895	53.394	147.0	99.1
Development (GoU)	1299.761	1197.213	1177.284	92.1	98.3
External financing	465.930	538.333	538.333	115.5	100.0
Total GoU + Ext. Financing	1802.350	1789.441	1769.011	99.3	98.9

Source: Quarter 4 -UNRA report FY2015/16

There was an increase (47%) in the releases for the recurrent expenditures to cater for the restructuring in UNRA. The approved budget for wages was later revised and an additional wage provided to cater for the new UNRA staff structure.

The expenditures in the development budget were also affected by the restructuring which resulted in a slowed procurement and contract implementation since most of the staff had been laid off.

[75] UNRA's magazine Issue No.33, January 2015

National Road Construction/Rehabilitation Programme (NRC/R)

The annual planned outputs under the programme in FY2015/16 on national roads were: upgrading of 400km of gravel roads to bitumen standard, and reconstruction of 250km of old paved roads.

The following projects under construction/upgrading works in progress in the FY 2015/16: Atiak – Nimule (35km), Kampala – Entebbe Express way with a spur to Munyonyo (51km), Kiryandongo – Kamdini, Kamdini – Gulu (62km), Luuku – Kalangala (66km) Phase 1, Mpigi – Kanoni road (65km), Mbarara Bypass (40km), Mukono – Katosi/ Kisoga – Nyenga (74km), Pakwach - Nebbi (54km), Ntungamo – Mirama Hills (37km), Kampala Northern Bypass (17km); Olwiyo – Gulu – Acholibur – Kitgum – Musingo border (223km); Musita – Mayuge – Lumino – Busia/Majanji (104km); Mukono – Kayunga – Njeru (94km). Kanoni – Sembabule – Villa Maria (110km) and Cido Bridge in Nebbi of which eight (8) were monitored as illustrated in table13.11.

Table 13.11: Performance of the National Roads Construction/Rehabilitation Programme

Output/Road Name	Annual Planned Target (%)	Achieved Quantity (%)	Score (%)	Cumulative Physical Progress (%)	Remark
Acholibur – Kitgum – Musingo (86.4km)	30	15.38	51.27	40.00	Cumulative physical progress was behind schedule by 20.7%
Atiak-Nimule (35km)	30	24.65	82.17	94.65	Project was substantially completed by 6th May 2016 hence it was in the DLP.
Gulu-Acholibur (77.7km)	30	20.2	67.33	25.70	Cumulative physical progress was behind schedule by 24.6%
Iganga-Kaliro (32Km)	18	13.5	75.00	55.66	Cumulative physical progress was behind schedule by 37.31%
Ishaka-Kagamba (35.4km)	30	29.59	98.63	99.59	Was substantially completed by 30th June 2016 at 99.59% Vs 235% project time (completed at 48 months VS 24 months planned). Delays were majorly due to variations in quantities, land acquisition issues and persistent poor site management by contractor.
Kanoni - Sembabule - Villa Maria road (110km)	30	25.76	85.87	30.76	Cumulative physical progress was behind schedule by 21.87% and mainly attributed to bad weather, delayed payments of IPCs and slow mobilisation by the contractor.

Output/Road Name	Annual Planned Target (%)	Achieved Quantity (%)	Score (%)	Cumulative Physical Progress (%)	Remark
Mpigi-Kanoni (64km)	30	18.36	61.20	38.36	The project was behind schedule.This was attributed to contractor's slow mobilisation.
Mukono-Kalagi-Kayunga and Bukoloto-Njeru roads (95km)	37.2	35.6	95.70	41.20	Delayed payments of contractor's IPCs had affected steady progress of works.
Mukono-Kyeume-Katosi/Kisoga-Nyenga (74km)	43	34.57	80.40	45.00	Cumulative physical progress was behind schedule by 15%.
Musita-Lumino-Majanji (104km)	5	3.34	66.80	3.34	Cumulative physical progress was behind schedule by 56.82%
Packwach-Nebbi (30km)	30	66.8	100	71.8	Cumulative physical progress was ahead of schedule. This was due to improved performance by the contractors.
Olwiyo/(Anak)-Gulu Road (70.3km)	30	15.82	52.73	16.82	Cumulative physical progress was behind schedule with a lag of 37.46% by the end of June 2016.
Average			76.21		

Source: Q4- FY 2015/16 UNRA Progress Report and Field Findings

Laying Asphalt along Nansana–Busunju road in progress

Semi-permanent house within the ROW where owner has denied contractor access on the Mpigi-Kanoni road

Section of the Ntungamo–Mirama Hills road where residents have denied contractor access

Part of the completed and handed over Kalagi-Mukono section at Sezibwa river along Mukono-Kayunga road

REA electricity poles in the middle of the project road at Km 21+600 on Misuta-Lumino road

Atiak–Bibia road: Completed road section with concrete shoulders at Km 91+400 in Bibia Town

Key observations

- About 65% of the monitored projects did not achieve their annual targets.
- Land acquisition for the RoW is now being included as a provisional sum in the main contract. This was observed as a good practice on some projects such as Ntungamo - Mirama Hills, Musita-Lumino-Majanji and Kanoni-Sembabule-Villa Maria. However, this is still accompanied with under estimation of the value of the properties.
- Price variations were forecast on 85% of the road projects. This was mainly attributed to under scoping of projects and inadequate designs among others. Extremes were on Nansana-Busunju road (47.6km) which is expected to have up to 98% of the contract price and Atiak-Nimule (35km) up to about 68% among others.
- Most projects (85%) were behind schedule and even those at substantial completion were completed behind planned time. Extremes were in Ishaka-Kagamba which was completed at 235% of project time, Atiak-Nimule road completed after an extension of time by 40.5%, Musita-Lumino-Majanji (104km) was 56% behind schedule, Olwiyo

(Anaka)-Gulu (70.3km) and Iganga-Kaliro (32Km) which were both at 37% behind schedule.

- The access to the Mukono ICD along the Mukono-Kyetume-Katosi road is at a lower level than that of the road. This has led to premature damage of the road pavement at this point as a result of heavy trucks turning. Additionally the approaches to the Mukono ICD need to be widened to provide for parking for the heavy trucks as they wait to access the ICD. It was observed that during peak periods the truck park side by side of the road making the road narrows. There is need to review the design to enable improvements within the ICD section.
- The pace of implementation of the design and build Mukono – Kayunga – Njeru road was faster compared to the other projects. On this project, the Kalagi – Kayunga section had been handed over in time and within budget.
- Employment by Gender; all projects had their staffing level between 10-15% for female. The level of involvement of females was still low compared the recommended of at least 30%.
- There are cases of funds utilization but with no output achieved especially on land acquisition. For instance in the Quarter four report FY2015/16, the agency indicates expenditures for no land acquired.
- Vandalism of road signage along most of the trunk roads contributing to the increase in accident rate.
- Government of Uganda is still paying a huge sum of money towards acquisition of land along the road alignment. For instance during the FY2015/16 an estimated Ug shs 362, 829,809,000 was expended on land acquisition for RoW and related compensations for the Project Affected Persons (PAPs).

Implementation challenges

- Delayed land acquisition was a big challenge on about 80% of the projects especially; Gulu-Acholibur whose site had not been handed over at all, Ishaka-Kagamba where compensation was completed at about 200% of the contract time, and Ntungamo - Mirama Hills where 6km had not been handed over by 89% of contract time, Mpigi – Kanoni which has a number of sections whose RoW has not been handed to the contractor.
- Delays in payments to contractors and consultants on GoU funded projects leading to slow progress of works. The delays in payment will lead to escalation of the projects cost in form of government paying claims in form of interest.
- Poor equipment mobilization by the contractors slowing progress of works. It was observed that in some cases contractors had mobilized equipment of lower specifications/ production capacity than that stated in the contract. This was majorly along Kanoni-Sembabule-Villa Maria road, Olwiyo (Anaka)-Gulu road, Gulu-Acholibur road, and Musita-Lumino-Busia/Majanji road which was still about 5% after two years of commencement.

- Non availability of contractor's key personnel on site. On some projects, the staff deployed on the projects are not the ones or equivalent to the ones presented at the time of bidding. This was extreme on Ishaka-Kagamba, Musita-Lumino-Busia/Majanji, Olwiyo-Gulu-Kitgum-Musingo and Ntungamo-Mirama Hills projects.
- Delays by some PAPs to vacate their properties even after compensation along Ntungamo – Mirama Hills and Mukono-Kyeume-Katosi/Kisoga-Nyenga roads yet the contractors/consultants cannot enforce their evacuation. There is a laxity in the enforcement unit of UNRA.
- Delays in approval of design reviews by UNRA along Acholibur – Kitgum – Musingo road, Gulu-Acholibur, Nansana-Busunju, Iganga-Kaliro and Mukono-Kyetume-Katosi/Kisoga-Nyenga road.
- Contractors reporting before the supervision consultant which brings conflict of interest between the latter and UNRA in the initial phase of the projects due to issuance of contradicting instructions.
- Communication challenges with some of the contractor staff of Chinese origin.

Conclusion

The overall the performance of the NRC/R programme was rated good at 76.21%. The performance of the program was majorly affected by delayed acquisition of RoW on upgrading projects, poor mobilization of contractors and inadequate designs tendered for construction.

Recommendations

- The UNRA should acquire land before commencement of projects especially donor projects. Land acquisition for the RoW should be a provisional sum item in the main contract. The process of land valuation on the road projects should be fast tracked to enable timely approvals.
- The GoU/UNRA should ensure timely settlement of the contractors and consultants payments in order for them to meet their contractual mandates with less constraint from cash flows.
- The UNRA should setup an enforcement team on all projects being implemented such that compensated persons can vacate the RoW in time.
- The UNRA should step monitoring of the level of contractors equipment and personnel mobilization and the extent to which the equipment on site meets the project requirements and also ensure that these equipment are not idle.
- The UNRA should work towards ensuring approved engineering designs prior to issuance of commencement order to the contractor.
- The Office of Auditor General should carry out an audit on the expenditures reflected in the progress reports for no outputs achieved.

- The UNRA should try out more design and build projects for purposes of bench marking this implementation strategy for roads in Uganda.

13.3 Uganda Road Fund

The fund was set up to enable steady and reliable funding for routine and periodic maintenance of public roads mainly from road user charges. The fund derives its mandate from section 6 of the URF Act 2008. It is mandated to collect road user charges (RUCs) and manage the funds collected to finance road maintenance programmes.

The public roads network is managed by 135 Designated Agencies (DAs), comprising of 111 districts, two authorities (KCCA and UNRA) and 22 municipalities. The DAs and sub-agencies collectively look after a total of 78,000 km of public roads, made up of 21,000 km of national roads under UNRA management; 1,100 kms of KCCA roads; 22,500 km of district roads; 4,000 km of urban roads under town councils; 3,400 km of urban roads under municipal councils; and 30,000 km of Community Access Roads (CARs) managed by sub-counties.

The Designated Agencies employed a mix of Force Account and contracting to deliver planned works. There was a shift of policy emphasis towards use of force account by MoWT on the District, Urban and Community Access Road (DUCAR) network with effect from the FY2012/13. This was buttressed by the distribution of a fleet of road equipment from China, mainly comprising of pickups, a grader and a tipper for each local government or DA.

This Vote has two programmes namely: the District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP). These two programmes were monitored for their annual performance in the FY 2015/16.

Financial performance

The URF approved budget for FY 2015/16 reduced by 2.4% from Ug shs 428.1billion in the FY 2014/15 to Ug shs 417.93 billion. Table 3.12 shows the performance of the receipts for the FY 2015/16 by end of March 2016. The Fund disbursed Ug shs 347.9billion (97.67%) to the DAs to finance their respective maintenance programmes. A total of Ug shs 8.311billion (2.33%) was utilized for operational costs of the secretariat to the Fund.[76]

[76] Vote118, URF Release Schedule FY 2015/16

Table 13.12: Financial Performance of URF in FY 2015/16 by 30th March 2016 (Ug shs billions)

Description	Budget for FY 2015/16	Release by end of Q3 FY 2015/16	Spent by end of Q3 FY 2015/16	% Budget Release	% Budget Spent	% Release Spent
National Road Maintenance -UNRA	270.44	190.00	190.00	70.3	70.3	100.0
DUCAR	140.44	71.18	70.68	50.7	50.3	99.3
URF Secretariat	7.05	6.83	6.71	99.90	98.50	98.7
Total	417.93	268.01	267.38	64.1	64.0	99.8

Source: URF Q3 FY2015/16 Performance Report

i) District, Urban and Community Access Roads

District, Urban and Community Access Roads (DUCAR) are maintained by the respective LGs using central government funds under the DUCAR under URF vote and to a limited extent using locally generated revenue. The districts also utilise the non-conditional grants from the central government under the Local Government Management and Service Delivery (LGMSD), Peace Recovery and Development Programme (PRDP), Community Agriculture Infrastructure Improvement Project (CAIIP), Northern Uganda Social Action Fund (NUSAF) and U-Growth programmes. The MoWT provides the collective technical support and supervision to the LGs under DUCAR.

For the FY 2015/16, planned outputs on district roads were: routine maintenance carried out for 32,560 km; routine mechanised maintenance of 5,200km done; periodic maintenance of 1,050km; routine maintenance of 30No bridges carried out; and 6,650No culverts installed.

For FY 2015/16, 14 districts of Alebtong, Bugiri, Buikwe, Butaleja, Hoima, Ibanda, Kayunga, Kween, Masindi, Moyo, Nakasongola, Nwoya and Serere were sampled and monitored. The findings are presented below.

a) Alebtong

The district has a network of 416.3km which are all unpaved. The annual budget of the district in FY 2015/16 was Ug shs 442,173,000 of which 99.8% was released by the end of June 2016. Table 13.13 shows the performance of the district. The annual achievement of the targets was estimated at 68.5%; thus the district did not achieve all the planned outputs despite having an excellent release performance and absorption.

The periodic and routine maintenance activities made up 80.5% of the URF budget. Their performance was poor because the district had to hire equipment for the maintenance activities and this had not been planned for. The hiring of equipment thus took up a considerable amount of the release which affected the output of the programme.

Periodic maintenance was carried on Yat Amenya-Omele-Akura (9.6km) road in Akura Subcounty. The works which involved: realignment, bush clearing, culvert installation of nine lines of 900mm diameter culverts and spot gravelling.

Table 13.13: Performance of Alebtong District Roads Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	226	185.32	82.00	62,000,000	0.19	15.97	Target was not achieved
Routine Mechanised Maintenance	36	30.33	84.25	111,679,000	0.35	29.56	
Periodic Maintenance	19	9.6	50.53	144,622,000	0.45	22.96	
Total				318,301,000		68.48917	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*	*Remark*
442,173,000	441,390,160	441,326,253	99.98	Both release and absorption were very good

Source: Author's Compilation

b) Bugiri

The district has a network of 589.235km of which 400km are unpaved gravel and 189.235km are earth. The district's annual budget in FY 2015/16 was Ug shs 802,674,264 of which 121% was released by the end of June 2016. Table 13.14 shows a summary of the performance of the district.

The annual targets of the district were not achieved despite having an excellent release performance. This was attributed to political interference whereby funds were diverted to grade roads which were not in the approved annual work plan and equipment breakdown which resulted into hiring machines to make the roads motorable. Routine manual maintenance was only carried out in the first quarter. The funds for this activity in the subsequent quarters were diverted to routine mechanized activities as the district had taken their road gang team leader to Mount Elgon Labour Based Training Centre to acquire skills on how to improve the quality of works.

The district faces a challenge of recruiting road gangs in the areas near the shores of Lake Victoria since these communities are engaged in fishing. Further to this, the Ug shs 100,000 per 2km per month is low and yet this amount has to be paid in the bank which is about 80km from some of these communities. The communities and district proposed that the GoU should consider using of mobile money to effect payment for such activities.

Table 13.14: Performance of Bugiri District Roads Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	329.32	98.08	29.78	212,060,400	0.36	10.82	Executed only one cycle comprising 3months.
Routine Mechanised Maintenance	127.00	165.00	129.92	371,790,656	0.64	82.73	Requests to intervene in some roads that had not been planned for. Hence the increase in the length by 40km
Total				583,851,056		93.55	
Financial Performance							
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*			*Remark*	
802,674,264	973,036,950	535,084,694	54.99			Release was very good while absorption was poor	

Source: Author's Compilation

c) Buikwe

The district planned to carry out maintenance works on 301.58km of roads at an estimated budget of Ug shs 1,841.664 million. By the end of the FY2015/16, 79% of the budget had been received. The district achieved 85.79% of the planned outputs. Table 13.15 shows the performance of the district.

Table 13.15: Performance of Buikwe District Roads Maintenance by 30th June 2016

Out put	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	106.38	118	110.9	190.665	0.10	11.48	Achieved excess due to required repair of roads to venue of Heroes day celebrations in Ssi

Routine Manual Maintenance	301.58	290.9	96.5	245.606	0.13	12.86	Target was not achieved due to budget shortfall
Periodic Maintenance	70.15	60	85.5	786.633	0.43	36.53	Target was not achieved due to budget shortfall
Tarmac	0.5	0.3	60.0	400	0.22	13.03	Target was not achieved due to budget shortfall
Emergency	11	11	100.0	218.76	0.12	11.88	Target Achieved.
Total				1,841.664		85.79	This is the overall physical performance of the district

	Financial Performance			
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
1,996.16	1,595.85	1,595.85	100.00	This was inclusive of Ug shs 163.800 million for emergency works.

Source: Author's Compilation

d) Butalejja

The district has a network of 412.52km of which 0.2km is paved, 401.9 km are unpaved gravel and 10km are earth. The annual budget of the district in FY 2015/16 was Ug shs 443,675,030 of which 99.7% was released by the end of June 2016. Table 13.16 shows a summary of the performance of the district.

The annual targets of the district were not achieved despite having an excellent release performance. The district achieved only 45.9% of the planned outputs. This low performance was attributed to inadequate road equipment, and high turnover of road gangs. Gravel for the gravelling activity is also not readily available in the district.

Grading works were still ongoing in the district at the time of monitoring in July 2016. These works were addressing bottle necks arising from emergencies aimed at making motorable the roads that had were planned for under routine manual maintenance.

Inspection of Lusaka-Mugulu (4km) road in Busalwa sub-county graded in Q1 and Bunghoma-Bugangula-Bugangu (6km) road in Butalejja sub-county graded in Q3 revealed that the road surfaces were motorble with a few sections having deteriorated surfaces due to rains.

Table 13.16: Performance of Butalejja District Roads Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	224.00	170.00	75.89	85,362,707	0.25	18.84	Target was not achieved
Routine Mechanized Maintenance	37.54	13.50	35.96	258,548,132	0.75	27.04	
Total				343,910,839		45.87	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*	*Remark*
443,675,030	442,384,788	343,910,839	77.740	Release and absorption were good

Source: Author's Compilation

e) Hoima

The district has a total network of 1,086km with 60% of these being gravel roads. The district's annual budget was Ug shs 910,916,000 of which 77% was released by the end of June 2016. Table 13.17 shows both the performance of the district derived from the physical and financial progress.

Table 13.17: Performance of Hoima District Roads Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	20	20	100.0	150.649	0.19	18.86	Target achieved
Routine Manual Maintenance	613.5	594.2	96.9	411.086	0.51	49.85	Target not achieved
Periodic Maintenance	34	27	79.4	236.9	0.30	23.56	Target not achieved
Total				798.635		92.27	Very good

Financial Performance				
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
910.916	709.56	611.088	86.12	Budget shortfall

Source: Author's compilation

The district's performance was rated good at 92.3%. The district did not achieve the targets under periodic and routine manual maintenance due to a short fall of about 22% of the annual budget. Table 13.18 shows a summary of the findings on some of the roads inspected.

Table 13.18: Summary of findings on roads inspected

Road name	Planned Scope	Reported scope	Finding
Ruhunga – Kabaale (7km)	Road was not part of the work plan	Grading, spot gravelling and drainage works. District expended Ug shs 22.130 million in Quarter 1, Ug shs 10 million in Quarter 2 and Ug shs 25.080 million in Quarter 3	Road was too bushy The expenditure is not commensurate to the works on ground.
Munteme – Kajoga-Bubogo (7km)	Road was not part of the work plan	Grading, spot gravelling and drainage works	Only bush clearing of 5.0km had been carried out
Kihombya –Kyarubanga – Kahoojo (12km)	Periodic Maintenance by grading, spot gravelling and culvert installation at Ug sh 29.9 million	Spot gravelling and culvert installation	Gravelling was done. No culvert was installed on this road
Bujawe-Kasenyi-Nyakabingo (12km)	Periodic Maintenance at Ug shs 76 million	Periodic Maintenance by grading, spot gravelling and culvert installation	Road was maintained and two line of culverts (6m each) installed

Source: Quarterly progress reports and field findings

The condition of some of the roads monitored is shown in the photographs below.

Poorly maintained road with an incomplete culvert line at km 5+200 along Kasenyi-Nyakabingo

Part of Munteme–Kajoga-Bubogo road along which only bush clearing was done

f) Ibanda District

The district has a total network of 1,066.6km of which 401km are gravel and 468 km are earth. The total annual budget was Ug shs 406,115,000 of which 67.59% was released by 30th June 2016. Table 13.19 shows both the performance of the district derived from both the physical and financial progress.

Table 13.19: Performance of Ibanda District by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	14.4	14.4	100.0	56.64	0.16	15.74	Target not achieved
Routine Manual Maintenance	239	193	80.8	137.07	0.38	30.77	Target not achieved. Activities were not carried out due to lack of funds
Periodic Maintenance	11	4	36.4	85.22	0.24	8.61	However, the planned reshaping, gravelling and drainage works were not carried out
Culvert structures (Nos/m)	159	77	48.4	80.83	0.22	10.88	Rolled to FY 2016/17 due to budget cuts
Total				359.76		66.01	Fair
Financial Performance							
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)		Cumulative expenditure (Million, Ug shs)		Financial Performance Score (%)		Remark
406.115	274.494		261.244		95.17		Budget shortfall

Source: Author's Compilation

The district achieved 66.01% of its annual targets. This was majorly attributed to a shortfall in the funds (about 32%) arising from budget cuts.

There were cases of misreporting experienced where for instance; on Omukaceeri-Omukahate-Rushango road (11km), the district reported to have graded, procured gravel and spot graveled the road. This was not the case as the road was in a poor state and non-motorable as only bush clearing had been carried out in some sections, it was bushy and very narrow.

Omukahate-Rushango road claimed to have been graveled

Un-utilized heap of gravel gotten from the road side

g) Kayunga

The district has a total road network of 1,230km of which all are gravel and earth roads. During the FY2015/16, the target was to maintain a total of 619.86km using force account at an estimated budget of Ug shs 593,966,750. Table 13.20 shows a summary of the performance of the district.

Some roads implemented during the FY were sampled for inspection and the findings are summarized below.

Galiraaya-Bbaale-Nakatuli road (19km); the district graded the entire road length, graveled 14km and installed 54 culverts. At the time of the visit, the physical progress was estimated at 85%. The district did not carry out the entire scope on the road as indicated in the work plan.

The failure of the district to achieve the annual targets was attributed to lack of a sound grader to handle heavy grading works. The available grader frequently breaks down due to the heavy work it is engaged in.

Table 13.20: Performance of Kayunga District Road Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	69.3	23.7	34.2	149.641	0.31	10.77	Target not achieved
Routine Manual Maintenance			45.0	183.235	0.39	17.35	Activities were not carried out due to lack of funds
Periodic Maintenance	35.8	31.3	87.4	261.9	0.55	48.18	Target not achieved
Total				594.776		76.30	Good physical performance

Financial Performance				
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
593.966	582.47	582.470	100.00	Good release and absorption performance

h) Kween

The district has a network of 309.43km of which 40.6 km are gravel and 268.83 km are earth. The annual budget of the district in FY 2015/16 was Ug shs 417,179,000 of which 69.53% was released by the end of June 2016. Table 13.21 shows a summary of the performance of the district.

Table 13.21: Performance of Kween District Road Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	89.70	81.60	90.97	93.727	0.32	28.73	Targets not achieved due to budget cuts
Routine Mechanised Maintenance	42.3	20	47.28	67.211	0.23	10.71	
Community Access Roads	29	29	100.00	35.529	0.12	11.97	
Periodic Maintenance	4.5	1.2	26.67	100.342	0.34	9.02	
Total				296.809		60.42	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*	*Remark*
417,179,000	290,097,128	253,274,572	87.30	Budget shortfall of 30%

Source: Author's Compilation

The district achieved 60.42% of the planned outputs which was a fair performance. This was attributed to the budget shortfall of 30% and the lengthy procurement process for the routine mechanized works which commences in quarters three and four. Gravel for the regravelling activity is not available in the district. This material has a haulage distance of about 50km. The district road maintenance program is also affected by the hilly terrain as roads works do not last long especially in the rainy season.

i) Masindi District

The district planned to carry out maintenance works on 333km of roads at an estimated budget of Ug shs 637.128 million. By the end of the FY2015/16, 73% of the budget had been received. Table 13.22 shows the performance of the district. The district achieved 60.2% of the planned outputs due to budget shortfalls.

Table 13.22: Performance of Masindi District Road Maintenance Program by 30th June, 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	38.5	25	64.9	32.852	0.07	4.49	Target not achieved
Routine Manual Maintenance	375	83.25	22.2	228.318	0.48	10.66	Activities were not carried out due to lack of funds
Periodic Maintenance	31.7	31.7	100.0	214.098	0.45	45.05	Target achieved
Total				475.268		60.20	Fair performance

Financial Performance				
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
637.128	467.238	448.100	95.90	Budget shortfall of 27%

Source: Author's Compilation

The photographs below show the condition of some of the roads inspected.

A gravelled section of along Pakanyi-Nyakarongo road

Graded section along Ibaralibi-Alimugonza road

j) Moyo

The district has a road network of 220.8km which are all unpaved. The annual budget of the district in FY 2015/16 was Ug shs 869,936,420 of which 74.5% was released by 30th June 2016. Table 13.23 summarizes the performance of the district.

The district achieved 62.84% of the planned outputs. This was attributed to the low turn up of the road gangs, breakdown of equipment and unavailability of the machine operators. The district is only left with the option of hiring of equipment and operators which is expensive given that the district is in a far to reach area.

Table 13.23: Performance of Moyo District Road Maintenance by 30th June 2016

Physical performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Millions, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	220.80	165.60	75.00	206.940	0.47	35.24	Target was not achieved due to low output of road gangs
Periodic Maintenance	13.5	7.03	52.07	233.539	0.53	27.61	Target was not achieved due to breakdown of the grader
Total				440.479		62.84	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*	*Remark*
869,936,420	648,085,920	646,270,750	99.72	

Source: Author's Compilation

k) Nakasongola District

The district has a total of 583.6km all of which are gravel/earth roads. During the FY2015/16, the district planned to maintain a total of 392km under routine manual maintenance, 61km using routine mechanised and 4.75km under periodic maintenance. The performance of the district is shown in table 13.24.

Overall the district's performance was very good estimated at 95%. The failure to carry out routine manual maintenance impacted the performance of the district leaving the district at a weighted physical progress of 89% of the planned outputs.

Table 13.24: Performance of Nakasongola District Road Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	63	61	96.8	326.31	0.75	72.47	Target not achieved
Routine Manual Maintenance	392	0	0.0	33.88	0.08	0.00	Target not achieved due to lack of funds
Periodic Maintenance	4.75	4.75	100.0	75.776	0.17	17.38	Target achieved
Total				435.966		89.85	Good

Financial Performance				
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
530.295	503.27	503.27	100.00	Very good performance

Source: Author's Compilation

Some of the roads reported to have been maintained were sampled and monitored with the findings summarised in table 13.25.

Table 13.25: Inspection findings on selected roads visited

Road name	Planned Scope	Reported scope	Finding
Kiraka-Katuugo (12km)	Grading, spot gravelling and drainage/culvert installation	Grading, spot gravelling	Maintenance works were carried out. However, all the culverts lines installed were not completed because the end structures were not built
Wantabya – Kamuina (20km)	Grading, spot gravelling and drainage/culvert installation	Grading, spot gravelling and drainage/culvert installation	The road was only graded, no gravelling was done and no culverts were installed
Namunkanga – Nabutaka (12km)	Grading, spot gravelling and drainage/culvert installation	Grading, spot gravelling and drainage/culvert installation	Grading and spot gravelling were carried out. However, the culverts had been delivered on the road and were yet to be installed
Bujawe-Kasenyi-Nyakabingo (12km)	Periodic maintenance at Ug shs 76 million	Periodic maintenance by grading, spot gravelling and culvert installation	Road was maintained and two line of culverts (6m each) installed

Source: Quarterly progress reports and field findings

The condition of some of the roads visited is shown in the photographs below.

A completed section along Namunkanga–Nabutaka road

Culverts along Namunkanga–Nabutaka road yet to be installed

Installed culvert line along Kiraka-Katuugo with no end structures

A well graded section along Kiraka–Katuugo road

l) Nwoya

The district has a network of 303km which are all unpaved. The annual budget of the district in FY 2015/16 was Ug shs 417,179,000 of which 70% was released by 30th June 2016. Table 13.26 summaries the performance of the district.

The district did not achieve all the planned outputs due to low releases (69.5% of the annual budget). The roads that are being upgraded by programmes like CAIIP, RTI and PRDP do not have maintenance funds since the budget for road maintenance has remained stagnant yet the road network is increasing.

Kalango-Logolli road in Alew sub-county and Alero- Amuru road which had undergone routine mechanized maintenance were monitored. The roads were motorable with fairly good surfaces. Some sections of the road were not well shaped, - the camber was not well formed and therefore water was not getting off the road. In some sections, the side drains did not have offshoots and thus water was not getting off the road sides. These sections were prone to being slippery if this was not addressed.

Table 13.26: Performance of Nwoya District Road Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	302.81	234.00	77.28	165.999	0.43	33.15	Target not achieved due to budget cuts
Routine Mechanised Maintenance	44	44	100.00	83.700	0.22	21.63	Target achieved
Periodic Maintenance	14.427	9	62.38	137.265	0.35	22.13	Target not achieved due to budget cuts

Total				386.964		76.91	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditure (Ug shs)*	*Financial Performance Score (%)*	*Remark*
417,179,000	290,097,128	253,274,572	87.30	Good release and very good financial performance

Source: Author's Compilation

m) Rukungiri

The district has a road network of 1,162km of which 149km (12.8%) are gravel and 1,013km (87.2%) are earth roads. The total annual budget was Ug shs 566,877,000 of which 76.9% was released by 30th June 2016. Table 13.27 shows the performance of the district during the FY2015/16.

Overall the district did not achieve the planned targets. This was majorly attributed to a shortfall in the budget (about 23.1%) arising from budget cuts. The performance was estimated at 80% which is a good performance.

Some roads reported to have been maintained were sampled and monitored. The roads were in a fair to good state and motorable. The condition of some of the roads monitored is shown in the photographs hereafter.

Graded section along Kyomera–Ihindiro-Nyabukumba road

Rocky section along Minera–Nyabushenyi road with very loose material

Table 13.27: Performance of Rukungiri District Roads Maintenance by 30th June 2016

Physical Performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Mechanised Maintenance	189.4	109.1	57.6	260.949	0.54	31.28	Target not achieved
Routine Manual Maintenance	120	73.3	61.08	96.600	0.20	12.28	Target not achieved
Culvert Installation	74	74	100	27.000	0.06	5.62	Target achieved
Emergency Maintenance Works	10.5	10.5	100	96.000	0.20	19.98	Target achieved
Total				480.549		69.15	Fair

Financial Performance				
IPF FY 2015/16 (Million Ug shs)	Cumulative Receipts (Million Ug shs)	Cumulative expenditure (Million, Ug shs)	Financial Performance Score (%)	Remark
627.876	482.602	441.772	91.54	Good release and very good financial performance

Source: Author's Compilation

n) Serere

The district has a road network of 562.5 km of which 4.99 km are paved, 224.43 km are unpaved gravel and 333.08 km are earth. The annual budget of the district in FY 2015/16 was Ug shs 592,376,000, of which 75.6% was released by 30th June 2016. Table 13.28 shows a summary of the performance of the district.

Table 13.28: Performance of Serere District Roads Maintenance by 30th June 2016

Physical performance							
Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Score (%)	Annual Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Routine Manual Maintenance	248.00	174.90	70.52	219.673	0.22	15.29	Targets were not achieved due to late release of funds
Routine Mechanised Maintenance	33.6	32.3	96.13	263.933	0.26	25.05	
Periodic Maintenance	15.01	2.81	18.72	529.376	0.52	9.78	
Total				1,012.982		50.12	

Financial Performance				
Annual District Budget (Ug shs)	*Cumulative Receipts (Ug shs)*	*Cumulative expenditur (Ug shs)*	*Financial Performance Score (%)*	*Remark*
592,376,000	447,814,520	447,814,520	100	Good release and very good financial performance

Source: Author's Compilation

The district had a poor physical performance with only 50.12% of the annual planned outputs achieved by the end of the FY. This was majorly attributed to the late receipt of funds from URF. The first and second quarter funds were availed to the district in January 2016. There was no reason obtained for this anomaly.

The terrain of the district is majorly flat and therefore a lot of flooding is experienced during the rainy season. The flooding not only hinders roads maintenance works but also destroys works done. The district achieved only 50.12% of the annual planned outputs. This was attributed to low releases as a result of budget cuts. The district's overall performance was rated as poor.

The routine manual maintenance activities of the district performed poorly because the funds for this activity were used for routine mechanized activities since most of the roads had been damaged due to flooding. This was approved through a request which was cleared by the URF.

Overall Performance of the DUCAR Programme

Table 13.29 shows the overall performance of the DUCAR programme funded by URF. Overall the LGs did not achieve the planned outputs under this programme. The extent of achievement of the planned out puts was estimated at 71.5%. The overall absorption of funds was rated very good estimated at 90.4%.There were budget cuts in all LGs of about 23% on average.

Challenges affecting the DUCAR Programme

- Dilapidated and expanded road network that requires rehabilitation instead of routine maintenance.
- Lack of full sets of road equipment at LGs. All the districts didnot have complete road units. Districts with rocky and mountainous terrain like Kabale, Kween, Moyo and Rukungiri require specialized equipment (bulldozers and heavy graders) to carry out works on their roads.
- Budget cuts as on average LGs had a budget shortfall of about 19% and so could not achieve all the targets.
- Understaffing within the districts' works departments. About 80% of DUCAR agencies do not have substantive District /Municipal Engineers, support staff and in some LGs no Supervisors of Works. Bugiri, Kayunga, Nakasongola have District Water Officers (DWOs) acting as DEs.
- Lack of equipment operators with the required qualifications on the labour market. The requisite qualifications for these operators are a minimum of Advanced Level Certificate yet there is no training school for the operators.
- Low remuneration for equipment operators and road gangs at LGs has resulted into high turnovers and affected performance of the routine maintenance activities.
- The manual maintenance interventions in the district are hampered by the lack of interest from the youths who prefer to work with the private sector because of the low remuneration. Hence, the programme has to a larger extent attracted the elderly.
- Scarcity of road materials like gravel for maintenance works.
- Poor land tenure system where locals block opened drainage as they assume its their land and they ought to be paid for the channels in their land.

Recommendations

- The GoU should expedite the procurement process of the new equipment to LGs. The MoWT should ensure that the equipment procured is suitable for heavy grading works. Special consideration should be given to districts in rocky and high terrain areas whose maintenance works involve deep cuts. These should be provided with bulldozers and heavy duty graders.
- The District Service Commissions should ensure that the staffing structures are filled.
- The MoWT should set up an equipment operators training school.
- The URF and MoWT should review the remuneration to the road gangs so as to motivate them work. A proposal of Ug shs 150,000 – 200,000 per km of road maintained would be adequate.
- The MoWT and URF should conduct research on low cost sealing options in light of promoting these technologies for urban council roads.

Table 13.29: Overall Performance of the DUCAR programme

S/N	District	Budget Ug shs)	Release Ug shs)	% Release	Expenditure (Ug shs)	% Expenditure	% Workplan executed	Remark
1	Alebtong	442,173,000	441,390,160	100	441,326,253	100.0	68.5	The physical performance was rated as Fair and was not commensurate to the absorbed funds. The district did not achieve its annual targets despite an excellent release performance
2	Bugiri	802,674,264	973,036,950	121	535,084,694	55.0	93.5	Performance was rated as very good. However, Requests were made to intervene in some roads that had not been planned for. Hence the increase in the length by 40km and one out of four cycles under routine manual works was executed
3	Buikwe	1,996,160,000	1,595,850,000	80	1,595,850,000	100.0	85.79	Good performance. The annual targets were not achieved due to emergency repair of roads to host Heroes day celebrations in Ssi
4	Butaleja	443,675,030	442,384,788	100	343,910,839	77.7	45.9	Performance was rated as Poor as 54% of the annual targets were not achieved yet it had 100% release .The roads initially planned for routine manual works had deteriorated hence a need for emergency works which were ongoing.
5	Hoima	910,916,000	709,560,000	78	611,088,000	86.1	92.27	Very Good Performance despite the budget cuts of about 22%
6	Ibanda	406,115,000	274,494,000	68	61,244,000	95	66.01	Overall performance was Fair. The district did not achieve its annual targets due to budget cuts of about 32%
7	Kayunga	593,966,750	582,470,000	98	582,470,000	100	76.3	Overall performance was rated as very good. The district lacked a sound grader to handle heavy grading works.

S/N	District	Budget Ug shs)	Release Ug shs)	% Release	Expenditure (Ug shs)	% Expenditure	% Workplan executed	Remark
8	Kween	417,179,000	290,097,128	70	253,274,572	87.3	60.4	The district had good performance. However, it did not achieve its annual targets due to a budget short fall of about 30%
9	Masindi	637,128,000	467,238,000	73	448,100,000	95.9	60.2	Good overall Performance despite the budget cuts of about 22%
10	Moyo	869,936,420	648,085,920	74	646,270,750	99.7	62.8	Physical performance was Fair but not commensurate to the absorbed funds. The annual targets were not achieved due to a budget shortfall of 26%, low output of road gangs and break down of the grader.
11	Nakasongola	530,295,000	503,270,000	95	503,270,000	100.0	89.9	The overall performance was good however; the annual targets were not achieved due to budget shortfall of 5%.
12	Nwoya	417,179,000	290,097,128	70	253,274,572	87.3	76.9	A very good overall performance however; the annual targets were not achieved due to budget shortfall of 30%.
13	Rukungiri	627,876,000	482,602,000	77	441,772,000	91.5	69.2	Good overall performance however, the annual targets were not achieved due to budget cuts of 23%.

S/N	District	Budget Ug shs)	Release Ug shs)	% Release	Expenditure (Ug shs)	% Expenditure	% Workplan executed	Remark
14	Serere	592,376,000	447,814,520	76	447,814,520	100.0	50.1	Physical performance was fair and not commensurate to the absorbed funds. The annual targets were not achieved due to budget cuts of about 24%.
TOTAL		9,687,649,464	8,148,390,594	84	7,364,750,200	90.4	71.5	*Good Performance*

Source: Author's Compilation

ii) National Roads Maintenance Program

Introduction

The programme involves several activities of maintenance of 19,600 km on the national roads network, ferry services or inland water transport services and axle load control across the network. This programme is implemented by UNRA through their stations. It aims at improving and maintaining interconnectivity of the national road network across the country by reducing the rate of deterioration, lowering vehicle operating costs and travel time as well as ensuring safety of road users and ferry services.

The UNRA stations are responsible for directly executing force account activities which involve routine manual (labour based contracts) and routine mechanised maintenance. In addition, they undertake supervision services for periodic and term maintenance which are usually contracted out and managed at the headquarters.

Overall Financial Performance

During the FY 2015/16, the National Roads Maintenance Programme had an approved annual budget of Ug shs 270.4 4 billion indicating a 1.5% reduction from the budget of FY 2014/15 under the Uganda Road Fund (URF) of which Ug shs 241.097 billion[77] (89.2% of the budget) had been released by 30th June 2016. This was a good release. The release was disbursed to the different UNRA Stations whose road maintenance activities are funded by UNRA.

For FY 2015/16 annual performance, seven UNRA stations (Hoima, Kabale, Kitgum, Kotido, Mbarara, Moyo, Tororo and) were monitored.

Overall Physical Performance

The performance of the force account component of the National Roads Maintenance Programme was affected by the restructuring of UNRA in the FY 2015/16, late release of force account funds and reallocation of these funds to clear contractor's interim payment certificates. The restructuring resulted into changing of the staff at the stations with some of them operating with only two staff in the second half of the FY and delays in issuance of procurement guidelines to the stations for the purchase of force account consumables like gravel and fuel.

The road maintenance works involving filling of potholes, grass cutting, cleaning side drains, cleaning of culverts and weeding shoulders implemented using Labour Based Contracts were also affected by the restructuring. The old contracts were terminated and procurement of the new contracts were being finalised for the FY2016/17. The rates of these contracts had been increased from Ug shs 72,000 per km per month to Ug shs 120,000 apart from Kampala whose rate has been raised to Ug sh 160,000. This has been aimed at ensuring better service delivery. The findings are presented hereafter.

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[77] URF Q4 Release schedule FY2015/16

i) Hoima

The station planned four (4) term and two (2) periodic maintenance contracts. Table 13.30 shows a summary of the performance of the contracts during the FY2015/16. The station did not achieve the planned outputs under both periodic and term maintenance. The weighted physical progress was estimated at 75.1%.

Table 13.30: Performance of Term and Periodic Contracts in Hoima UNRA Station

Contract Name	Contract sum (Ug shs)	Target (%)	Cum. Work Progress (%)	Score (%)	Remark
Term Maintenance of Twenty three (23) selected National Roads-Lot 2; Hoima-Kiziranfumbi-Kagadi (92.0 Km), Kagadi-Muzizi (15.0 Km) and Hoima-Biiso (43.0 Km)	6,124, 280,000	100	78	78	Financial progress is at 60%. The contract is behind schedule and the contract duration has been surpassed.
Term maintenance of 24 selected national roads, lot 6: Kagadi-Kibaale road (40.2 km)	6,124,280,000	50	44.4	88.8	Financial progress is at 44.4%. This section of the road has been taken up by the upgrade contract and so the contractor has stopped works.
Term maintenance of Bukwiri-Kyankwanzi (29 Km) and Bukwiri-Ntwetwe-Kayindindi (39 Km)	2,622,631,440	50	28.8	57.6	Financial progress at 20%. The contract is behind schedule. More than half of the duration had passed.
Term maintenance of Bukomero-Dwaniro-Kyankwanzi (68 Km) Road	4,754,791,540	100	72.3	72.3	Financial progress at 55.6%.
Periodic maintenance of Nkooko - Nalweyo road	4,379,041,867	100	66	66	Contract behind schedule. Financial progress at 67.3%
Periodic maintenance of Masodde - Nkooko road	1,075,922,800	100	88	88	Contract behind schedule. Financial progress at 88.3%
Average Score				75.1	Good performance

Source: Quarterly work plans FY2015/16, Progress reports FY2015/16 and Authors' compilation

ii) Kabale Station

The station planned to maintain 319.4km using both term and periodic maintenance contracts (three under term maintenance and two under periodic maintenance) which were all spill over projects from FY 2014/15. Details of the planned road names, their length and the performance of each contract are indicated in table 13.31.

Table 13.31: Performance of the National Roads Maintenance Programme by Mechanised Contracts at Kabale UNRA Station

Physical Performance							
Output/Contract	Cumulative work Target (%)	Cum. Achieved Target (%)	Score (%)	Contract Sum (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Term maintenance of Ikumba-Nfasha-Buyogota (64.5km), Kanyantorogo-Butogota-Buhoma (3.14km) and Kabale-Lake-Bunyonyi (8.4km)	82.6	69	83.5	6,340,524,300	0.35	29.22	Target was not achieved. Project was in cycle five and is expected to end on 7th January 2017. Majorly gravelling works remaining.
Term maintenance of Hamurwa-Kerere-Kanungu(47km), Kanungu-Kihihi-Ishasha Jcn (33km) and Katojo-Kihihi (17km)	82.6	79.9	96.7	6,216,384,350	0.34	33.17	Target was not achieved. Project was in cycle five and is expected to end on 7th January 2017.
Term maintenance of Kakuru-Rubaare-Kyempene-Rubirizi roads (35.1km)	81	61	75.3	2,059,915,000	0.11	8.56	Target was not achieved. Project was in cycle four and expected to end in March 2017.
Periodic maintenance of 44 selected national roads (28) lots - lot 11: Katobo-Bugangari-Bwambara Road (44km)	206	98	47.6	1,389,454,720	0.08	3.65	Project is now in DLP as contractor received his substantial completion certificate.
Periodic maintenance of 44 selected national roads (44) lots - lot 10: Rwashamaire-Kyafora-Kiyenje (18.9km) and Muhanga -Kyogo-Kamwezi (20.1km)	150	66	44.0	2,122,307,880	0.12	5.15	Contract was expected to end on 6th February 2016. However, contractor abandoned works during UNRA restructuring in December 2015 due to delayed payments at 28% progress.
Total				18,128,586,250		79.74	Good performance

Source: Kabale Station Quarterly progress reports FY 2015/16 and Authors' Compilation

Gravel being spread along Ikumba – Nfasha road maintained under term maintenance contract

Graded section along Katuna–Muko road maintained by force account

iii) Kitgum

Kitgum UNRA station network comprises of 1,065.8km all of which are unpaved. The road network is found in the following districts: Lamwo, Kitgum, Agago, Pader, and part of Gulu and Amuru.

The station had only two (2) staff between January and June 2016, - the Acting Station Engineer and a Road Inspector. The station also has only one vehicle for supervision and one grader whose output is low (2km per day). In addition to this, there was no approved fuel supplier, and the force account funds for Q2 were released in Q3 (January 2016). There was no Q3 release because there were unutilised funds on the account. These affected the implementation of force account works at that station.

The station had five (5) term maintenance contracts which were ongoing in the FY 2015/16. Their performance was as shown in table 13.32. The general scope of works for these contracts is grading of the entire road length in all the six cycles, spot gravelling and drainage improvement.

Table 13.32: Performance of Term Maintenance Contracts at Kitgum UNRA Station

Contract Name	Contract sum (Ug shs)	Target (%)	Cum. Work Progress (%)	Weighted Score (%)	Remark
Term maintenance of Kilak-Adilang road (65km)	4,456,898,600	83	76	92	Financial progress was at 66%. The contract is behind schedule by 7%
Term maintenance of Kitgum-Lukung (34km) and Lukung-Ngomoromomo (34km)	3,238,639,700	100	98	98	Financial progress was at 86.2%. Contract was substantially completed.
Term maintenance of Orom-Locomo-Karenga (42km)	2,891,100,520	83	71	86	Financial progress was at 64%. The contract is behind schedule by 12%.
Term Maintenance of Kitgum-Orom (90km) and Palabek-Atiak	10,379,238,980	50	43	86	Financial progress was at 39.7%. Contract was in 3rd cycle.

Contract Name	Contract sum (Ug shs)	Target (%)	Cum. Work Progress (%)	Weighted Score (%)	Remark
(64km)					
Term Maintenance of Pajule-Pader-Kwonkic (27km) and Namokora-Lokapel-Adilang (74km)	7,180,895,700	50	48	96	Financial progress at 41.7%. Contract was in 3rd cycle.
Weighted Score				90.7	Very good

Source: Kitgum UNRA Station

During the inspection of these roads, it was noted that the section where culverts were installed needed more gravel at the approaches to reduce on the bumping as the traffic passes this point.

iv) Kotido

Kotido UNRA station network comprises of 849.2km all of which are unpaved. The road network is found in the following districts: Abim, Kabongo, Kotido and part of Otuke.

The station received Ug shs 1,333,886,520 for force account activities of which Ug shs 685,000,000 (51.4%) was returned to the UNRA headquarters and Ug shs 143,438,028 (10.8%) was returned unspent at the end of the FY. The unspent balances were committed funds for the station's suppliers. There were no releases to the station in the second and third quarters.

The station had two (2) term maintenance contracts which were ongoing in the FY 2015/16. Their performance was as shown in table 13.33.

Table 13.33: Performance of Term Maintenance Contracts at Kotido UNRA Station

Contract Name	Contract sum (Ug shs)	Target (%)	Cum. Work Progress (%)	Weighted Score (%)	Remark
Term maintenance of Kotido-Kapelimoru-Lopei (68Km) & Ariamoi-Lopei (28Km)	8,027,833,000	47	34	30.82	Financial progress was at 34% against 47%. The contract is behind schedule by 13%.
Term maintenance of Kanawat-Koputh-Kaabong (63Km), Kaabong-Kapeedo (38Km), Kapeedo-Karenga (36Km)	10,813,823,020	50	33.5	38.19	Financial progress was at 33% against 53%. The contract is behind schedule by 17%.
Average Score				69.01	Fair

Source: Kotido UNRA

The implementation of the contracts has had the following challenges: unwillingness of the communities to share water sources which results into long haul distances which severely retard progress; the lack of road station staff since December 2015 curtailed the regular supervision of the works. However, extra staff begun reporting to the station in June; and late payment of certificates by the client which caused poor cash flow.

It's therefore recommended that the contractors aim at increasing their output during the wet season and UNRA should excavate dams for road maintenance works to be used by its contractors and for force account activities.

Dumped dead rock for graveling at km 9+500 from Kopoth along Kopoth-Kabong road

Graded section along Kanawat-Kopoth road

v) Mbarara

The station planned to maintain 361.4km of roads using both term and periodic maintenance contracts. Details of the planned road names, their length and the performance of each contract are indicated in table 13.34. The station achieved 77% of the planned outputs against a financial expenditure of 100%. The failure to achieve the planned outputs was attributed to a shortfall of about 41% of the budget.

Table 13.34: Performance of the Mbarara National Roads Maintenance Programme

Output/Contract	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Term maintenace of Kabwohe-Kitagata-Kanira (51km) & Kabira - Rukungiri (15km)	20.1	20.1	100.0	1,169,825,000	0.10	9.60	Target was achieved
erm maintenance of Kabwohe - Nyakambu-Bwizibwera (35km) & Nyakambu - Nsiika (12.4km)	32.2	32.2	100.0	566,763,500	0.05	4.65	Target was achieved
Periodic maintenance of Kyankanda - Bisya - Ruhoko and Access roads (56km)	100	61	61.0	3,132,593,200	0.26	15.68	Target was not achieved. Works spilled to FY2016-17
Periodic maintenance of Rwenjaza - Kabujogera (34km), Kabujogera - Kagongo (8km) and Ruhoko - Kagongo (4km)	100	28	28.0	2,014,382,130	0.17	4.63	Target not achieved. Works spilled to FY2016/17
Periodic maintenance of Nsiika - Bihanga-Katerera road(44km)	100	100	100.0	1,929,900,000	0.16	15.84	Target was achieved
Periodic maintenance of Kyabura - Katerera - Bihandagye - Kabujogera-Mahyoro land site road (57km)	100	98	98.0	2,278,354,700	0.19	18.33	Works substantially complete
Periodic maintenance of Nyakabirizi - Burere - Nsiika road (45km)	100	100	100.0	1,092,282,007	0.09	8.96	Target achieved
Total				12,184,100,537		77.70	Good performance
Annual Budget FY2015/16 (Ug shs)	Cumulative Receipts (Ug shs)		Cumulative expenditure (Ug shs)		Financial Performance Score (%)		Remark
12,184,100,537	7,161,958,573		7,161,958,573		100.00		

Source: Mbarara Station Quarterly progress reports FY 2015/16 and Authors' Compilation

vi) Moyo

The station has a total road network of 776km of which 1.5km (0.19%) are paved and 774.5km (99.81%) are unpaved. The station network is in the following four (4) districts: Adjumani, Amuru, Moyo and Yumbe.

In the FY 2015/16, the station received Ug shs 3.486 billion for its force account activities of which Ug shs 3.485 billion was expended. However, the performance of the force account activities could not be assessed due to missing information as a result of the restructuring which brought about information gaps.

In the FY 2015/16, the station had four road (4) contracts, all of which were spilling over from the previous FY. Two of these were term maintenance contracts, a periodic maintenance contracts and a supervision contract for the periodic maintenance contracts. Details of the performance of these contracts are as shown in table 13.35.

Table 13.35: Performance of Contracts at Moyo UNRA station by 30th June 2016

Output/ Contract	Annual work Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Billion, Ug shs)	Wt Based on Budget	Wtd Score (%)	Remark
Term maintenace of Moyo-Yumbe (69km) and Moyo-Ayugi-Atiak (93km)	99	99	100.0	1.773	0.23	22.97	Target was achieved.
Term maintenance of Adjumani-Mungula-Amuru (88km)	50	43	86.0	2.604	0.34	29.01	Target not achieved
Periodic maintenance of Obongi-Kulikulinga (45km)	100	94	94.0	2.462	0.32	29.97	Contractor was being charged liquidated damages
Consultancy services for supervision of Obongi-kulikulinga (45km), Adjumani-Sinyanya (33km) and Dzaipi-Tete-Nimule (35km)	100	34	34.0	0.881	0.11	3.88	The consultant has only supervised one contract of Obongi-Kulikulinga (45km). The other two contracts had not commenced
Total						85.83	Very good performance

Source: Quarterly work plans FY2015/16, progress reports FY2015/16 and authors' compilation

During the inspection of the roads, it was observed that maintenance works of grading were ongoing on the roads planned for under the force account intervention like the Moyo-Sudan Border. The Moyo-Yumbe (70km) road was motorable with generally a good riding surface except for a few sections which were developing potholes and others getting eroded. Between

Km 0 in Moyo Town to Km 27, the gravelling operation had been done using dead rock due to unavailability of natural gravel in Moyo district. From there on, the operation was done with natural gravel up to Yumbe Town.

Works on the Obongi-Kulikulinga (45km) road had ended in May 2016 and the road was under a defects liability period of four (4) months. The road was motorable and in a good condition and surface. However, the grass was over grown on the road side, some sections were eroded due to inadequate offshoots like at Km 18+200 from Kulikulinga.

For the force account activities, the station lacks a roller which affects the quality of works done. Other equipment at the station but are not adequate are the tipper trucks and supervision vehicles (pick-ups and motorcycles).

vii) Tororo

The station has a total road network of 647.3km of which 112km (17.3%) are paved and 535.3Kkm (82.7%) are unpaved. The station road network is found in the following districts: Butalejja, Busia, Bugiri, Manafwa, Namayingo, Tororo and part of Budaka and Mbale.

For the force account activities, the station had an annual budget of Ug shs 2.177 billion, of which Ug shs 1.608 billion (73.9%) was released in the FY 2015/16. This was exclusive of the Q1 funds which could not be established. Part of the release amounting to Ug shs 756.136 million (47%) was returned to the Headquarters to clear outstanding IPCs for the contractors.

Two term maintenance contracts were ongoing at the station during the FY 2015/16. The performance of these contracts is indicated in table 13.36.

Table 13.36: Performance of Term Maintenance Contracts at Tororo UNRA station by 30th June 2016

Contract	Contract sum (Billons, Ug shs)	Target (%)	Cum. Work Progress (%)	Cum. Financial Progress (%)	Remark
Term maintenance of Tororo-Nagongera (19.56km), Nagongera-Busolwe-Busaba (24.2km), Busolwe-Nabumali (34.59km) and Busolwe-Budumba (16.06km) roads	12.307	66.68	49	56	The contract was in Cycle 4 and the contractor had completed the following on-carriage way works on grading, drainage works such as offshoots, side drain construction of stone pitching, river training and culvert installation.

Contract	Contract sum (Billons, Ug shs)	Target (%)	Cum. Work Progress (%)	Cum. Financial Progress (%)	Remark
Term maintenance of Magodes-Busumbu-Munaba, Munamba-Lwakhakha and Munamba-Magale roads	2.265	57.75	60	53.8	The quantities of gravel and drainage improvements provided for in the contract were inadequate given the terrain of the project road.
Weighted Score	14.576		78.9		Good Performance

Source: Tororo UNRA

Tororo station performance in the FY 2015/16 was greatly affected by the restructuring of UNRA. A new team took over the station in December 2015 with an operational manpower of only two personnel until June 2016. Since the takeover, the only activity ongoing was grading of roads which started in Q4 and was still ongoing by July 2016. Due to the above, the force account activities could not be assessed.

Issues affecting implementation in UNRA stations

- Inadequate and ageing equipment associated with frequent breakdown.
- Term maintenance contracts are not performing to their best because of poor or under mobilisation by the contractors. During the FY2015/16, most of the contractors were adamant to mobilise and work for fear of losing money.
- Restructuring of UNRA affected the agency's performance during the FY2015/16.
- Stations have a uniform staffing structure, same personnel and equipment which is not in tandem with the road network.
- Delay in procurement affected gravelling and installation of culvert works and commencement of new periodic and term contracts.
- Depletion of good gravel.

Chellenges affecting implementation of term and periodic maintenance contracts

i) The contractor's personnel carrying out the works are unskilled. These are not the personnel whose documents the contractors submit during tendering.
ii) The contractors hire equipment yet they are required to have their own equipment for such contracts.
iii) The design of the term maintenance contracts does not reflect what is on ground. Like on Kitgum-Lukung-Ngomoromomo road, the culverts designed for these roads have only one shape yet they is need for catch pits to trap water in order to go through these culverts.

Other key issues noted

The function of axle load control is neglected on the gravel national roads. Cases of over loading by trucks transporting construction materials were observed on these roads causing damage to the road pavement and culvert structures installed.

Conclusion

Overall, the performance of term and periodic maintenance contracts was rated good at 79.5%. However, the performance of force account maintenance was below 50% for all the stations. This was attributed to inadequate staff at most of the stations following the restructuring of UNRA. It was noted that the financial expenditure was not commensurate to the physical performance because some of the funds were reallocated to pay for IPCs for projects managed at the UNRA headquarters.

Recommendations

- The GoU should procure new and sufficient equipment for each station to enhance the performance of force account.
- The UNRA should prioritise periodic and force account maintenance compared to term maintenance. The monetary value of term maintenance contracts is far higher than that of periodic maintenance followed by routine mechanised maintenance combined for the same period of time.
- The UNRA should ensure that the staffing structure at the stations matches the size of the network.
- The UNRA should decentralise procurement of force account inputs and periodic and term maintenance contracts to regional level.
- The UNRA should intensify research on appropriate technologies for rural roads construction.
- The UNRA should extend the services of axle load control to gravel roads especially in areas of Kabale and Rukungiri where timber felling is common.

CHAPTER 14: WATER AND ENVIRONMENT

14.1 Introduction

The Water and Environment Sector (WES) consists of Vote 019-Ministry of Water and Environment (MWE); Vote 0150 – National Environment Management Authority (NEMA); Vote 0157-National Forestry Authority (NFA); Votes 501-850 Conditional Grants to Local Governments (LGs) and Vote 0122-Conditional Grant to Kampala Capital City Authority (KCCA).

The mission of the sector is *'To promote and ensure the rational and sustainable utilization, development and effective management of water and environment resources for socio-economic development of the country''*[78]

14.1.1 Sector objectives and priorities

Strategic objectives

The Ministry is guided by the following strategic objectives in the implementation of the policies and programs;

i. To provide safe water within easy reach and hygienic sanitation facilities based on management responsibility and ownership by users to 79% of the population in rural areas and 95% in urban population by the year 2020 with 80%-90% effective use and functionality of the facilities.

ii. To provide viable urban Water Supply and Sewerage/Sanitation systems for domestic, industrial and commercial uses.

iii. To develop water supply for production/multipurpose use for socio-economic development, modernize agriculture and mitigate the effects of climate change.

iv. To manage the water resources of Uganda in a wise, integrated, sustainable and coordinated manner so as to secure water of adequate quantity and quality to meet all social and economic needs of present and future generation.

v. To promote a sustainable productive Natural Resource Base (NRB) and healthy environment for improved livelihoods, poverty eradication and economic growth.

vi. To develop capacity and promote sustainable harness and use of climate and weather resources for socio-economic development of Uganda.'

vii. To coordinate and ensure compliance with Government policy, legislation, standards and regulations in the Ministry of Water and Environment and the affiliated agencies/institutions implementing programs related to Water and Environment.'

[78] Ministerial Policy Statement FY 2014/15

The Sector Outcomes and NDP2 Objectives

The sector has three broad outcomes with specific objectives contributing to NDP2:

i) **Improved access to safe water and sanitation facilities for rural, urban and water for production uses.** The main objective in the NDPII is to increase access to safe water supply in rural areas from 65% to 79% by 2020, in urban areas from 70% to 95% by 2020. Sanitation coverage is to improve from 69% to 90% for rural areas and 77% to 100% for urban. In Water for Production, the NDPII target is to increase access in the cattle corridor from 50% to 70% and those outside the cattle corridor from 20% to 30%.

ii) **Improved Water Resources Assessment, Monitoring, Planning, Regulation and Quality Management.** The NDP objective is to ensure that Uganda fully utilizes its water resources for development and guarantees her water security; ensure sustainable utilization of water resources to maximize benefits for the present and future generations; support sustainable use of water resources for economic activities.

iii) **Improved weather, climate, and climatic change management, protection and restoration of environment and natural resources**. The NDPII objective is to ensure sustainable management of the environment for livelihood security, wealth creation and sustainable economic development.

14.1.2 Limitations

1) Time and financial constraints mean that not all development votes in the water sector could be monitored.
2) Difference is reporting calendars of the NGOs implementing the Rain Water Harvesting Strategy made it difficult to analyze annual progress. Some NGOs like the Katosi Women Development Trust run two semesters (March – September and October to February) thus plans and progress of works could not be compared with the annual targets set for the sector.
3) Limited financial information especially for Votes 500-580 releases and expenditures hence financial performance may have been under or overestimated.
4) Difficulty accessing financial information. There is disparity between financial information from IFMS, project performance reports and from the project coordinators.
5) Budgets for sub outputs were not available. This made it difficult to analyze for each sub output. Hence the budgets used within the performance tables are for the overall output component.

14.1.3 Overall Sector Financial Performance

The sector budget allocation for the FY 2015/16 was Ug shs 576.82 billion allocated as follows; Vote 019- MWE budget was Ug shs 462.39 billion (81.1%); Vote 0150-NEMA, Ug shs 9.22 billion (1.6%); Vote 0157-NFA Ug shs 23.39 billion (4.1%); Vote 501-612 Conditional Grants to LGs Ug shs 68.23 billion (11.8%); and Vote 0122-Conditional Grant to KCCA Ug shs 13.59 billion (2.4%). By the end of FY 2015/16 MWE, NEMA NFA and Conditional Grants to LGs had expended 100% of the development grant while KCCA had zero allocation of the same. The end of year monitoring focused on Vote 019 and Votes 501-850[79].

14.1.4 Scope

This report highlights financial and physical performance of selected projects in the Water and Environment Sector (WES) by end of June 2016. The projects monitored were selected from Votes: Vote 019 - MWE and from Votes 501-850 Local Governments.

The monitoring covered projects implemented by both Central Government and Local Governments (table 14.1) and 18 districts were covered.

Table 14.1: WES Projects monitored for Annual Performance FY 2015/16

Vote / Vote Function	Project / Output	Location (District)
Vote 019		
VF 0901: Rural Water Supply and Sanitation	Project 1359: Piped Water in Rural Areas Implementation of the rain water harvesting strategy by three NGOs of Shuuku Development Agency, Katosi Women and Busoga Trust. Construction of Nyarwodho GFS	Sheema Kaliro Mukono Arua
VF 0902: Urban Water Supply and Sanitation	Project 1074: WSDF-N Construction of Amach, Amolatar, Dokolo, Okollo and Pajule Water Supply and Sanitation Systems.	Arua Pader Lira Amolatar Dokolo
	Project 1283: WSDF-SW Construction of Kinuuka, Nyeihanga and Sanga Water Supply and Sanitation Systems. O&M of Bugongi WSS	Mbarara, Kiruhura Lyantonde Sheema
	Project 1075: WSDF-E Construction of Bukwo, Kagoma, Kaliro and Luuka Water Supply and Sanitation Systems.	Bukwo, Jinja, Kaliro and Luuka
	Project 0164: Support to Small Towns WSP Pipes and fittings delivered to the Towns of Makanga, Kanyamatembe and Wandi for extensions of the WSS Completion of Ruti-Rugando, and Makanga Water Supply System extension	AruaKabale Mbarara
	Project 1188: Protection of Lake Victoria –Kampala Sanitation Programme. Construction of Nakivubo Waste Water Treatment Plant	Kampala

[79] Approved Estimates of Revenue and Expenditure (Recurrent and Development) FY 2015/16

	Pipe laying of the Nakivubo-Kinawataka sewers.	
VF 0903: Water for Production	Project 0169: Water for Production Construction of Andibo dam, Kabingo and Kyabal, and Ongole Valley Tanks.	Nebbi Sheema Katakwi
Votes: 501-850 Local Governments	Project 0156: Rural Water District Water and Sanitation Development Conditional Grant (DWSDCG)	12 districts[80]

Source: Authors' Compilation

14.2.1 Ministry of Water and Environment (Vote 019)

Background

The role of MWE is to plan and coordinate all the sector activities. It has the overall responsibility for setting national policies and standards, managing and regulating water resources and determining priorities for water development and management. It also monitors and evaluates sector development programmes to keep track of their performance, efficiency and effectiveness in service delivery.

Financial performance

By 30th June 2016, Ug shs 181.738 billion (89% of the total budget - GoU development grant) was released to Vote 019 and Ug shs 181.256 billion (97.7% of the release) was spent. The overall financial performance of the Vote is reflected in table 14.2.

Table 14.2: Financial Performance (in Ug shs Billion)

i) Excluding Arrears, Taxes		Approved Budget	Release	Expenditure	% Budget Released	% Releases spent
Recurrent	Wage	5.356	4.836	4.666	90.3	96.5
	Non-Wage	22.668	19.091	18.833	84.2	98.7
Development	GoU	165.659	147.688	147.231	89.2	99.7
	Ext. Fin.	233.276	105.008	105.009	45.0	100.0
GoU Total		193.683	171.614	170.730	88.6	99.5
Total GoU+Ext. Fin. (MTEF)		426.959	276.623	275.738	64.8	99.7
ii) Arrears and Taxes	Arrears	0.292	0.292	0.129	100.0	44.3
	Taxes	35.135	34.050	34.028	96.9	99.9
Total Budget		462.386	310.965	309.895	67.3	99.7

Source: MWE Q4 Performance Report

80 Apac, Buikwe, Gulu, Ibanda, Kaliro, Kiruhura, Kiryandongo, Kole, Kyankwanzi, Namutumba, Nwoya and Wakiso

14.2.1 Support to Small Towns Water Supply Project (Project 0164)

Background

The Support to Small Towns Water Supply project period was from January 1999 to June 2016. The development objective of the project is "*To improve living conditions of people living in small towns through provision of safe clean water at a cost effective, sustainable and gender responsive manner*"

Other objectives geared towards the development objective include:

i) To support the completion of construction of new water supply systems in the small towns without external donor support.

ii) To establish and develop appropriate piped water supply systems in the administrative towns of the new districts.

iii) To assist in the extension of piped water from central systems of small towns to key important new installations in order to raise the coverage of safe water.

iv) To assist in the extension of piped water from central systems of small towns to key important new installations in order to raise the coverage of safe water.

v) To carry out rehabilitation interventions for dysfunctional piped schemes in small towns in order to restore functionality and water supply to the population.

vi) To support small towns in development and sustenance of appropriate water supply management

The project annual budget for the FY 2015/16 was Ug shs 6.09 billion of which Ug shs 3.88 billion (49%) was released and spent. This was a 63.7% release with a shortfall of 38% which affected the achievement of all set targets.

Performance

The performance of the project was good at 83% as summarized in table 14.3.

Table 14.3: Performance of Support to Small Towns Water Supply Project

Physical Performance							
Planned Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Specialized Machinery & Equipment Purchased Pipes for extensions procured for small	30 WSS	34 WSS	100	0.87	0.23	22.96	Pipes and fittings received and extensions were made. In Wandi, 6km of (1.5" – 2") pipes were received. Makanga received 11km and Kanyamatembe 10km.

towns and RGCs up to 15 % for 200 WSS							
Piped Water Supply Systems (Urban) constructed Extensions of Ruti/Rugando and Makanga completed Kapchorwa Water Supply System rehabilitated	100	77.3	77.3	2.92	0.77	59.56	Extension of distribution mains and 6 PSP constructed in Ruti/Rugando phase II was completed. In Makanga 3.5 km laid out of the 11 km and works ongoing. Extensions to the Kapchorwa WSS made
Total				3.79		82.51	The physical performance was good
Financial Performance							
Annual Programme Budget (Ug shs billions)		Cumulative Receipts (Ug shs billions)		Cumulative Expenditure (Ug shs billions)		Financial Performance Score (%)	Remark
6.09		3.88		3.88		100	This was affair release and very good expenditure

Source: MPS; MWE, Q4 Performance report FY 2015/16, IFMS and field findings

At least 34 water supply systems were supported with pipes and fittings that were utilized for extension of piped water to un-served sub-counties. The pipes were of good quality and specifications. This led to increased access to safe water in Makanga, Kanyamatembe, Ruti-rugando and Wandi rural areas.

Wandi extensions made it possible for 30 households (HHs), 2 secondary schools and one health centre to be connected to the water system thereby reducing the distance to access water. In Ruti-Rugando the extensions were made in the sub-counties of Rugando, Nyamitanga and Nyakayojo. The Public Stand Posts (PSPs) monitored were functional. Although the project performance was good, it was noted that;

1) The planned quantities of pipes and fittings were not communicated to the recipients. For example in Wandi, the Area Manager NWSC of Arua was told to pick pipes for the scheme but was not aware of what quantities were planned and procured for the system.

2) The project extensions in Ruti-Rugando had a few connections to the end users where many people were left out because they could not afford the NWSC connection charges of Ug shs 150,000.

3) The pipes and fitting supplies were not enough to meet the existing demand. In Wandi, NWSC is supplementing the pipes and fittings while the South Western Umbrella plans to complete the extension works for Makanga and Kanyamatembe in FY 2016/17.
4) The utilization of water in Kapchorwa awaits completion of the treatment works which is done under another program since the contract comprised of extension works only.

R: Some of the pipes delivered for the extension of Makanga WSS in Kabale district; People fetching water at a PSP in Ruti-Rugando WSS, Mbarara district

14.2.2 Piped Water in Rural Areas (Project 1359)

Background

This project was planned to transit and carry over the activities that had been under the "*School and Community Water and Sanitation (Project 0158)"*. The project is funded by the GoU to address water supply and sanitation challenges in communities without specific donor support. The project focuses on water supply improvements in water stressed areas of the country, and fast tracking implementation of the government manifesto pronouncements.

The project will develop and promote appropriate technologies such as solar water supply installations in high yielding deep boreholes to serve bigger populations with the same source, increasing uptake of rain water harvesting, large gravity flow water supply systems and large scale rural pumped water supplies. The project period is 1st July 2015 to 30th June 2020.

The project annual budget for the FY 2015/16 was Ug shs 18.76 billion of which Ug shs 14.49 billion (77.2%) was received and Ug shs 14.35 billion (99%) spent. This was a very good expenditure.

Performance

The overall project performance was good at 86%. The budget had a shortfall of 13.5% which affected construction of Bugangari-Bwambara. This was deferred to FY 2016/17. The performance of the project in the FY 2015/16 is summarized in table 14.4.

Table 14.4: Performance of Piped Water in Rural Areas Project FY2015/16

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Comment
Piped Water Supply Systems (Rural)constructed Buboko-Bukoli 100% completed Bugangari-Bwambara water supply 20% completed Nyarwodho GFS phase I in the Alwi dry corridor 100% completed	73.33%	64%	87.28	16.60	0.97	84.53	Buboko - Bukoli was at (100%), target achieved. Bugangari-Bwambara (0%), the works were deferred to FY 2015/16 due to limited cash flow. Nyarwodho at was 92% complete.
Research and development of appropriate water and sanitation technologies supported Rainwater Harvesting Strategy through NGOs of Katosi Women, Shuuku Development Agency, Busoga Trust and Uganda Muslim Rural Development Agency monitored	120 no.	70 no.	58.33	0.54	0.03	1.84	Katosi Women constructed 5/30 tanks, Shuuku Development Agency 17/30 tanks, Busoga Trust 26/30 tanks and Uganda Muslim Rural Development Agency 22/30 tanks. The targets were not achieved.
Total				17.14		86.36	Good physical performance
Financial Performance							
Annual Programme Budget (Billion		Cumulative		Cumulative Expenditure		Financial	Remark

Ug shs)	Receipts (Billion Ug shs)		Performance Score (%)	
18.76	14.49	14.35	99.03	Good release and excellent absorption

Source: MWE, IFMS, and Field findings

The target of completion of Nyarwodho GFS was not achieved due to delay of payment of contractors' certificates arising from budget shortfall. The shortfall in the budget led to slow progress of works hence the scheme was not completed as planned. Yard tap connections were ongoing.

The promotion of the RWHTs was a revolving fund. The Non-Governmental Organisations (NGOs) received funds from MWE to promote RWHTs at household level and institutions on a loan scheme. The beneficiaries were required to pay back the cost of constructing the tank after a period of one year. The NGOs constructing the RWHTs were doing a good job in terms of promoting uptake of the tanks at household level. However there was a general delay in the releases from MWE which affected the pace of works.

Implementation Challenges

1) Hilly topography in Sheema district made it hard to maneuver during the rainy seasons for the construction of RWHTs by Shuuku Development Agency. This caused some delays in the implementation of the program.
2) Lack of an FM radio station in Kaliro for the mobilization of communities regarding the implementation of the Rain Water Harvesting Tanks (RWHTs) by Busoga Trust. This makes it difficult to get the interested people in the project.


L-R: Section of sedimentation tanks of Nyarwodho GFS; A water jar constructed by Busoga Trust


L-R: Ongoing construction of Ferro cement tank by Katosi Women; A Ferro cement tank constructed by Shuuku Development Cooperation

14.2.3 Water and Sanitation Development Facility – East (Project 1075)

Background

The Water and Sanitation Development Facility – East **(**WSDF-E) project commenced in July 2009 as a service delivery and funding mechanism to focus on provision of water supply and sanitation to small towns (STs) and RGCs in the North East and Eastern regions in 39 districts of: Amuria, Kotido, Kaabong, Abim, Moroto, Katakwi, Soroti, Kaberamaido, Kumi, Bukedea, Bukwo, Kapchorwa, Nakapiripirit, Sironko, Manafwa, Bududa, Mbale, Tororo, Busia, Butaleja, Pallisa, Budaka, Namutumba, Bugiri, Kaliro, Iganga, Mayuge, Kamuli, Jinja, Buyende, Namayingo, Amudat, Serere, Kiyunga, Bulambulu, Napak, Ngora, Kibuku and Kween. The expected end date is June 2017. The project is funded by German Financial Cooperation with Uganda, EU MDG initiative, and the GoU.

The annual approved budget for the FY 2015/16 was Ug shs 17.560 billion of which Ug shs 13.862 billion (79%) was released and Ug shs 13.862 billion (110%) spent. The over expenditure was as a result of the committed funds from the previous FY 2014/15.

Performance

The performance of the project was rated poor at 32%. Its performance for FY2015/16 is highlighted in table 14.5.

Table 14.5: Performance of Water and Sanitation Development Facility – East Project

Physical Performance							
Annual planned Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Comment

Backup support for operation and maintenance provided: Private operators procured for the water systems of Kagoma, Iziru, Irundu, Luuka, Nakapiripirit, Bukwo, and Kapelabyong	7	2	28.57	0.22	0.01	0.40	Targets not achieved. Luuka and Irundu are under NWSC management. There were no management structures in Kagoma, Bukwo and Nakapiripirit as plans were underway to hand them over to NWSC. Iziru and Kapelabyong were not constructed, hence no operators.
Office, ICT equipment and software purchased: Furniture and ICT equipment procured for Bukwo, Nakapiripirit, Luuka, Irundu, Suam, Buwuni Mbulamuti, and Namutumba.	8	7	87.5	0.04	0.00	0.22	Furniture and ICT equipment of Luuka, Bukwo, Mbulamuti and Namutumba was procured No furniture in Nakapiripirit as construction was still ongoing.
Specialized machinery and equipment purchased: Electromechanica l and water disinfection equipment installed in Luuka, Iziru, Kyere, Nakapiripirit, Kagoma, Bukwo Kapelabyong and WSS.	7	1	14.28	0.73	0.05	0.66	Overall the planned target for this output was not achieved. Only Luuka WSS was installed with water disinfection and electromechanical equipment. The equipment was functional as at the time of monitoring. No installation in Nakapiripirit, Kagoma and Kyere as construction was still ongoing. Construction had not commenced in Iziru and Kapelabyong.

Piped water supply systems constructed: Nakapiripirit, Iziru, Kagoma, Luuka, Kaliro, Kapelabyong 100% completed Bukwo, Bulegeni, Namagera, Kyere and Amudat 70% completed Buyende and Namwiwa 50% completed.	13	4	30.77	13.98	0.88	27.19	Kaliro, Luuka Bukwo and Kyere attained their target completion levels and the schemes were functional. Nakapiripirit was (85%), Kagoma substantially complete (95%). Construction did not commence for Kapelabyong, Iziru, Bulengeni, Namagera, Amudat, Buyende and Namwima due to limited funds.
Energy installations for pumped WSS installed: Grid power extended to WSS of Luuka, Kyere Nakapiripirit, Bukwo, Iziru, Kapelabyong, Kagoma	7	4	57.14	0.4	0.03	1.44	Target was achieved in 4 out of 7 WSS. Installations made in Luuka, Bukwo, Nakapiripirit and Kagoma. The power was functional. No installations in Iziru, Kyere and Kapelabyong as construction works had not commenced.
Sanitation facilities constructed: Public toilets Luuka, Kagoma, Bukwo, Kyere, Ocapa, Nakapiripirit, Bulengeni and Kapelabyong (8 in each town)	8	6	75	0.45	0.03	2.13	Sanitation facilities were completed in Luuka, Kagoma and Bukwo, Kyere (92%), Ocapa (92%) and Nakapiripirit (98%). No works in Bulengeni and Kapelabyong.
Total				15.82		32.05	Poor physical performance

Financial Performance

Annual Programme Budget (Billion Ug shs)	Cumulative Receipts (Billion Ug shs)	Cumulative expenditure	Financial Performance Score (%)	Remark
17.560	12.569	13.862	110.26	Fair release and very good expenditure

Source: MPS; MWE, Q4 Performance report FY 2015/16; WSDF-East and field findings

The physical performance of WSDF-E was poor majorly due to a shortfall in the donor funding of 45.48% that was not received in Q3 and Q4. Implementation too was affected by failure of consultants to submit project designs in time. This interfered with the implementation of planned outputs.

To note were ambitious plans of the WSDF-E. The Kapelabyong, Iziru, Bulengeni, Namagera, Amudat, Buyende and Namwima schemes were planned to be constructed alongside the ongoing works yet they never commenced. This affected the performance rating of the project.

Recommendations

1) The MWE should plan to implement projects which have approved designs to avoid non implementation due to delay of project designs.

2) The WSDF-E should plan for works that can be executed within the FY and in relation to the budget.

L-R: Public water born toilet for Bukwo WSS in Bukwo district; Reservoir tank for Kagoma WSS in Jinja district

14.2.4 Water and Sanitation Development Facility-North (Project 1074)

Background

The Water and Sanitation Development Facility-North (WSDF-N) is responsible for the provision of safe water supply and improved sanitation in 23 districts[81] in Lango, Acholi and West Nile sub-regions of northern Uganda. The project start date was 1st July 2008 and the expected end date is 30th June 2016. The WSDF-N is currently funded by the Germany Development Bank (KfW) and receives counterpart funding from GoU.

[81] Apac, Lira, Otuke, Alebtong, Kole, Dokolo, Amolatar, Oyam, Amuru, Gulu, Pader, Nwoya, Agago, Lamwo, Kitgum, Adjumani, Moyo, Yumbe, Koboko, Zombo, Maracha, Arua and Nebbi

Financial Performance

The project annual budget for the FY 2015/16 was Ug shs 22.54 billion of which Ug shs 16.58 billion (74%) was received and Ug shs 17.33 billion (104%) spent. The over expenditure was because the project had money carried over from the previous FY 2014/15.

The completion of projects like construction of sanitation facilities in Amach was not achieved. The performance of WSDF-N was fair at 62% despite a shortfall in donor funds of 47%, which were not released for project activities from Q2-Q4. The project performance by 30th June 2016 is presented in table 14.6.

Table 14.6: Performance of WSDF-North Project FY2015/16

Physical Performance							
Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget	Weight Based on Budget	Weighted Score (%)	Comment
Backup support for operation and maintenance provided: The 12 schemes' O&M structures functionality supported [82]	21	6	28.57	0.31	0.02	0.5	The Dokolo, Amolatar, Okollo, and Pajule schemes were functioning well. Amach was still under construction. Works had not yet commenced in the remaining towns due to shortfall in funding.
Piped water supply systems constructed: Construction works completed in eight schemes[83]	8	5	62.5	16.09	0.91	57.17	Overall planned target for this output not achieved. The water schemes of Amolatar, Dokolo, Pajule Okollo and Midigo were complete and functional. Works were ongoing in Amach (65%)
Energy installations for pumped water supply schemes installed: Water supply	4	4	100	0.24	0.01	1.36	Target achieved. The water schemes of Pajule, Okollo, Amolatar and Dokolo were connected to the National Grid and were functional

[82] Dokolo, Moyo, Kalongo, Midigo, Pajule, Okollo, Amach, Loro, Bibia/Elegu, Odramachaku, Pabbo, Padibe and Pacego; Paloga, Namukora, Palabeck Ogili, Lagoro, Mucwini, Parabongo, Palenga and Alero
[83] Amolatar, Dokolo, Kalongo, Midigo, Pajule, Okollo, Amach and Pacego

schemes connected to national grid							
Sanitation facilities constructed: 57 Household ecosan toilets constructed 9 Public toilets constructed 18 Primary school toilets constructed	84	48	57.14	0.95	0.05	3.08	30 household toilets, 6 public toilets and 12 primary school toilets were constructed. Sanitation facilities were completed in Okollo, Dokolo, Pajule, and Amolatar. In Amach construction was ongoing.
Total				17.60		62.12	Fair physical performance
Financial Performance							
Annual Programme Budget (Billion Ug shs)		Cumulative Receipts (Billion Ug shs)		Cumulative expenditure		Financial Performance Score (%)	Remark
22.54		16.58		17.33		104	Good release and very good expenditure

Source: MPS, MWE, Q4 Performance report FY 2015/16; WSDF-N; Field findings

The WSDF-N had a fair performance by end of the FY. The Amolatar, Dokolo, Okollo and Pajule schemes were functional and the communities were accessing safe water. The quality of works was generally good especially in Dokolo. However, Amolatar had cracks on the verandah of pump houses and the valve of the dosatron equipment in the chlorine house was leaking. The works in Amach were temporarily halted due to a funding deficit.



L-R: Stud columns for reservoir tank of Amach WSS in Lira district; Functional water kiosk for Dokolo WSS in Dokolo district; Functional private yard tap of Amolatar WSS in Amolatar district

14.2.5 Water and Sanitation Development Facility – South Western (Project 1283)

Background

The Water and Sanitation Development Facility – South West (WSDF-SW) was established in December 2012 as a funding mechanism of the MWE, for water and sanitation investments in the RGCs and STs of 24 districts in south western part of Uganda. The expected completion date is December 2018. The project was designed to achieve a significant contribution to the Millennium Development Goal (MDG) target of halving the proportion of the population without sustainable access to safe drinking water and basic sanitation. The project objective is: "*to support the achievement of improved health and socio economic living conditions of the target population*"[84].

The project annual budget was Ug shs 19.80 billion, of which Ug shs 23.13 billion (117%) was released and Ug shs 23.19 billion (100%) spent. The over release was from GoU to cater for VAT arrears. There was a shortfall in donor financing of 19.54% as no funds were received in Q4.

Performance

The overall performance was at 25% which was poor as shown in table 14.7.

Table 14.7: Performance of Water and Sanitation Development Facility – South Western

Physical Performance							
Annual planned Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Comment
Backup support for operation and maintenance provided: Private operators procured for 23 WSS[85]	23	9	39.13	0.18	0.01	0.45	Nine of the towns were operated by NWSC or PO/SOs.

[84] MFPED, PIP FY 2015/16 – 2017/18

[85] Kasensero, Kinoni-kir, Gasiiza, Muhanga, Nyarubungo, Nyeihanga, Bugongi, Rwenkobwa, Sanga, Kaliiro, Kasagama, Kinuka, Buyamba, Kainja, Nyahuka, Butare-Mashonga, Kyegegwa, Mpara, Kambuga, Kihihi, Nsiika, Nyamunuka, Rwashamaire

Office and residential furniture and fittings purchased: Office furniture purchased for 24 towns [86] WSS	24	3	12.5	0.10	0.01	0.08	Target for this output was not achieved. Furniture was only procured and delivered for the WSDF-SW office, Kinuuka, Nyahuka and Kasensero.
Piped water supply systems constructed: Construction in 24 RGCs completed [87]	24	5	20.83	12.15	0.78	16.19	Nyarubungo, Gasiiza, Bugongi, Nyeihanga, Kinuuka WSS were completed. Sanga was at 72% completion. The other planned WSS are either in design review process or the contracts for construction had just been awarded. The quality of work in Kinuuka was very good.
Energy installations for pumped WSS installed: National grid installed in the WSS towns[88]	10	3	30	2.15	0.14	4.13	Power was extended to Ntuusi, Nyeihanga and Rugaga which were not among the planned towns for implementation. The planned extensions were not achieved due to a shift in the in-flow of donor funds.
Sanitation facilities constructed: Public sanitation facilities	24	16	66.6	1.05	0.07	4.48	Planned target not achieved. Public toilets were constructed in the towns of Kinuuka, Sanga,

[86] Sanga, Buyamba, Kainja, Butare-Mashonga, Kasagama, Kinuuka, Kaliiro, Nyahuka, Kyegegwa, Mpara, Lwebitakuli, Kyabi, Lwemiyaga, Nyakashaka, Nyamunuka, Rwashamaire, Kambuga, Kihihi, Nsika, Rubirizi, Kashaka-Bubare, Kiko, Karago, Butogota.

[87] Sanga, Buyamba, Kainja, Butare-Mashonga, Kasagama, Kinuuka, Kaliiro, Nyahuka, Kyegegwa, Mpara, Lwebitakuli, Kyabi, Lwemiyaga, Nyakashaka, Nyamunuka, Rwashamaire, Kambuga, Kihihi, Nsika, Rubirizi, Kashaka-Bubare, Kiko, Karago, Butogota.

[88] Lwebitakuli, Buyamba, Butare-Mashonga, Lwemiyaga, Kyabi, Kyegegwa, Kambuga, Kihihi, Rubirizi, Nyamunuka,

constructed in 24 towns[89].							Nyeihanga, and Bugongi.
Total				15.63		25.33	Poor physical performance

Financial Performance				
Annual Programme Budget (Billion Ug shs)	Cumulative Receipts (Billion Ug shs)	Cumulative expenditure	Financial Performance Score (%)	Remark
19.80	23.13	23.19	100.26	There was excess release by GoU to settle VAT arrears.

Source: MPS, MWE, Q4 Performance report FY 2015/16, WSDF-SW, and Field findings

People were taking safe water where water supply facilities were complete for example in Nyeihanga, and Bugongi; management structures under private operators or NWSC.

Challenge

A case of over planning was noted in the WSDF-SW project, for example 25 water systems were planned to be constructed, and at the end of the FY only 5 systems were constructed.

Recommendation

The WSDF-SW should plan for works that that can be executed within the FY and within the available budget.


L-R: Furniture in the water office of Kinuuka WSS in Lyantonde district; Stud columns for reservoir tank of Sanga WSS in Kiruhura district

[89] Sanga, Buyamba, Kainja, Butare-Mashonga, Kasagama, Kinuuka, Kaliiro, Nyahuka, Kyegegwa, Mpara, Lwebitakuli, Kyabi, Lwemiyaga, Nyakashaka, Nyamunuka, Rwashamaire, Kambuga, Kihihi, Nsika, Rubirizi, Kashaka-Bubare, Kiko, Karago, Butogota.

14.2.6 Protection of Lake Victoria-Kampala Sanitation Programme (Project 1188)

Background

The protection of Lake Victoria is part of a broader Kampala Sanitation Program which is being implemented by NWSC in a phased approach. The current Phase I entails construction of three decentralized satellite sewage treatment plants with associated sewer networks located as follows:

- Nakivubo wetland to serve the central business district of Kampala.
- Kinawataka wetland to serve the eastern parts of Kampala particularly Nakawa industrial area, Naguru, Kyambogo and neighboring areas.
- Lubigi wetland to serve the north and north western parts of the greater Kampala namely Mulago, Katanga, parts of Makerere and Kawempe, Nansana, Namungona Bwaise among others.

The project start date was 31st March, 2010 and the end date is 30th June, 2018.

The project objectives are:

1) To provide improved urban hygiene, sanitation as well as protection of Kampala's natural environment through expansion of sewer network coverage within the metropolitan Kampala.
2) To provide improved management of sludge from onsite sanitation facilities.
3) To provide hygiene education in informal settlements within Kampala.

The project budget was Ug shs 44.86 billion of which Ug shs 45.95billion (102%) was released and spent. This was a very good financial performance.

Performance

The overall project performance rating was poor at 37% as shown in table 14.8.

Table 14.8: Performance of Protection of Lake Victoria-Kampala Sanitation Programme

Physical Performance							
Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Comment
Construction of Sanitation Facilities (Urban) Nakivubo and Kinawataka sewer pipes laying completed (100%) Construction of	100	37.33	37.33	44.86	1	37.33	All the three sub outputs were not achieved as planned during the FY. The Nakivubo and Kinawataka sewers progressed to 52% physical achievement, Administrative

administration building/laboratory, heavy structures including clarifiers, trickling filters and digesters at the Nakivubo Waste Water Treatment Plant Project completed (100%) Construction of pre-treatment and pumping station at Kinawataka completed (100%)							buildings and laboratories progressed to 60%, and construction of the pretreatment and pumping station did not commence.
Total				44.86		37.33	Poor physical performance

Financial Performance				
Annual Programme Budget (Billion Ug shs)	Cumulative Receipts (Billion Ug shs)	Cumulative expenditure	Financial Performance Score (%)	Remark
44.86	45.95	45.95	100	Very good financial performance

Source: NWSC, MPS and Field findings

The project did not achieve the planned annual outputs, due to several challenges encountered during implementation.

Implementation challenges

1) Land acquisition and/or compensation for the Nakivubo-Kinawataka sewer pipelines. The land occupants have land titles for the wetland and are demanding high compensation costs Lengthy compensation processes for project affected persons affected sewer lines laying.
2) Delays by KCCA to issue construction permits.
3) Unforeseen adverse subsurface soil conditions such as unknown utility lines; and
4) Delays by URA to grant tax clearance on the project imported materials.
5) Delayed procurement of works for the Kinawataka pre-treatment and pumping system hence the works had not commenced. The method of procurement for the works was changed from being an addendum to the ongoing Bugolobi waste water treatment plant to an open bidding process due to high quotation from the contractor.

A Trickling filter at Bugolobi, Kampala **Base steel works for one of the secondary sedimentation tanks in Bugolobi, Kampala**

14.2.7 Water for Production (Project 0169)

Water for Production (WfP) refers to the development of water resources for productive use in agriculture (crop irrigation, livestock and aquaculture), rural industries, wildlife, recreation, hydropower generation, transport and commercial uses. The overall objective of the project is "*to provide Water for production services for increased production in order to reduce poverty on a sustainable basis*".

The development of the water resources is a shared responsibility between other relevant line ministries (e.g. MAAIF) and MWE. The MWE coordinates and undertakes design, construction/development of new facilities, putting in place community/institutional management structures & building their capacity, back up support for O&M, rehabilitation of old facilities and harmonized planning for improved provision of WfP for other users.

The WfP project commenced in July 2004 and is expected to end in June 2017. The project annual budget for FY 2015/16 was Ug shs 41.85 billion of which Ug shs 29.22 billion (70%) was released and 29.15 billion (99.7) spent.

Performance

The overall performance of WfP was good at 73%. Since the project realized 70% of the budget, not all planned outputs were achieved. Table 14.9 summarizes the performance of Water for Production project in the FY 2015/16.

Table 14.9: Performance of Water for Production

Physical Performance							
Output	Annual Planned Quantity or Target (%)	Cum. Achieved Quantity (%)	Score (%)	Annual Budget (Billion Ug shs)	Weight Based on Budget	Weighted Score (%)	Comment
Water Surface Reservoirs Construction Construction of Andibo dam in Nebbi district completed, Ongole dam in Katakwi district to 95%; Kyabal, Kabingo valley Tank sand improvement of nine valley tanks under Kisozi Livelihoods	82.5	60	72.73	36.42	1	72.73	Andibo dam completed. Ongole dam 95% complete. Kyabal and Kabingo valley tanks at 65% completion. The four valley tanks of Kisozi livelihood were at 70% and five tanks at 30% completion.

completed							
Total				36.42		72.73	Good physical performance
Financial Performance							
Annual Programme Budget (Billion Ug shs)		Cumulative Receipts (Billion Ug shs)		Cumulative expenditure		Financial Performance Score (%)	Remark
41.85		29.22		29.15		99.76	Fair release and very good expenditure

Source: MPS; MWE Q4 Performance report FY 2015/16; and Field findings

The construction of Andibo dam was 100% complete. The construction was still on ground as the project was under the defects liability period. Operation and maintenance remained a big challenge especially at Andibo dam, where facilities such as the cattle troughs were vandalized and the ball valves stolen. A Water User Committee (WUC) of nine persons was formed and trained to take care of the dam. The committee had not yet started actively performing their roles. The community mobilization activities for the dams take long to be implemented thus affecting the operation and maintenance of facilities.

Implementation challenge

Construction of Kabingo VT was delayed due to land issues which led to relocation of the dam site.

L-R: Functional cattle trough at Ongole dam in Nebbi district; Kabingo Valley tank in Sheema district

 

L-R: Section of Kyabal Valley tank in Sheema district; Section of Ongole Valley tank in Katakwi district

Vote 19 Performance

Vote 19 performance was rated fair at 56.92%. The Vote had both good and fairly performing projects. Kinuuka and Dokolo piped water systems were complete, functional and had good quality works. Other projects which performed fairly included Kagoma piped system with cracks especially at office ceiling; Amolatar piped system which was functional but the dosatron valves were loose thus created water leakage; and the pump house had cracks on the verandas.

The Vote performance was majorly affected by non-release of the donor funds from Q2-Q4 which affected progress of works as some contracts halted and contractors left site. However to note were the Vote ambitious plans thus all the planned outputs could not be achieved. This affected the achievement of outputs since the funds available could not much the planned outputs.

Implementation challenges

1) There was a shortfall in donor funding for the WSDFs which affected implementation of planned activities. For example the WSDF-N did not receive donor funds in Q2-Q4 (47% shortfall); WSDF-SW did not receive donor funds in Q4 (19.54% shortfall) and the WSDF-E did not receive donor funds in Q3 and Q4 (45.48% shortfall).
2) Delayed release of funds by MWE to the NGOs implementing the RWHT for example the Katosi Women for the implementation of RWHTs hence fewer tanks (5 of 30) had been constructed by end of FY 2015/16.
3) A land acquisition challenge has continued to affect progress of works in the sector. The delayed acquisition of the RoW is hampered by land disputes due to inappropriate valuation rates; as well as late approvals from the Chief Government Valuer's office. A case in point is the LakeVictoria-Kampala Sanitation Programme where the Kinawataka land acquisition has delayed the project implementation.
4) The dry areas in the outskirts of the Town Councils operated by NWSC do not benefit from the safe water provided by some of the piped water supply systems.

5) Lack of an FM radio station in Kaliro for the mobilization of communities regarding the implementation of the Rain Water Harvesting Tanks (RWHTs) by Busoga Trust. This makes it difficult to get the interested people in the project.

Recommendations

1) The MWE and donors should expedite resolutions to funding constraints so that a clear stand on financing of the WSDFs is established.
2) The MWE should streamline the flow of funds to the NGOs implementing the RWH strategy for effective planning, implementation and reporting.
3) The MWE should effectively follow the agreed policy stand of first acquiring land before initiation of any subsequent projects.
4) The NWSC should boost the water supply to cover communities living in the outskirts of the Town Councils. Where possible the guidelines should be relaxed so that the districts can plan to serve these areas with point water sources.

14.2.8 Local Governments (Votes 501-850)

Background

Local Governments (districts, towns, sub-counties) are empowered by the Local Governments Act (1997) for the provision of water services. They receive grant funding (DWSDCG) and may mobilise local resources for implementing rural Water Supply and Sanitation (WSS) programmes and to support small town WSS[90].

District Water and Sanitation Development Conditional Grant (DWSDCG)

The DWSDCG is disbursed to DLGs to implement hardware and software activities/outputs including: boreholes, shallow wells, springs, piped systems, rainwater harvesting tanks and sanitation facilities. The DLGs are expected to plan and budget for the outputs based on the following percentage allocations according to the DWSDCG guidelines; Up to 70% of the grant should be planned for new water supply systems, 13% for rehabilitation, 8% for software activities, 6% for office operations, and 3% for sanitation hardware.

The Rural Water Supply and Sanitation (VF 0981) development budget for the FY was 60.37 Billion and all the money was released to the LGs by Q3. The annual monitoring focused on 12 districts of Apac, Buikwe, Gulu, Ibanda, Kaliro, Kiruhura, Kiryandongo, Kole, Kyankwanzi, Namutumba, Nwoya and Wakiso. The findings on performance for the FY 2015/16 are presented in table 14.10.

The annual budget was Ug shs 6.37 billion and all the money was released in three tranches of Q1-Q3 and spent by the end of the FY 20 15/16. This was a very good release and expenditure performance.

[90] District Implementation Manual 2013

Performance

The votes' performance is exemplified by the 12 districts sampled for annual performance shown in table 14.10. The performance was very good at 93%.

Table 14.10: Performance of the DWSDCG

Output	Annual Planned Quantity or Target	Cum. Achieved Quantity	Score (%)	Output Budget in Million Ug shs	Weight Based on Budget	Weighted Score (%)	Remark
Software implemented	60.00	66.00	100.00	61	0.01	1	No clear evidence of implementation in more than 50% of the districts.
Boreholes drilled	132	141	100.00	2,694	0.6	60.00	More sources drilled due to savings made on the budgets
Shallow wells constructed	74	79	100.00	531	0.12	12.00	More wells constructed after saving on other outputs
Boreholes rehabilitated	138	169	100.00	523	0.12	12.00	Use of HPMs was less costly thus more sources rehabilitated
Water quality testing done (old sources)	602	556	92.36	43	0.01	0.92	Lack of reagents made 20% of the districts budget to buy kits only.
Public latrines constructed	9	9	100.00	135	0.03	3.00	Achieved as planned
Springs constructed	9	8	88.89	60	0.014	1.24	Less because of increased cost of implementation
Valley tanks constructed	3	3	100.00	133	0.03	3.00	Only applicable in the dry corridor (e.g. Kiryandongo) much as it does not provide safe drinking water

Total				4,180		93.17	Good performance. The districts had finished construction and paid for over 90% of the works but software was inefficient

Financial Performance (Ug shs)				
Annual Programme Budget	Cumulative Receipts	Cumulative expenditure	Financial Performance Score (%)	Remark
60,370	60,370	60,370	100.00	Very good release and absorption performance

Source: Field finding and DWSDCG Q4 FY 2015/16 Progress Reports

In the FY 2015/16, 14% of the districts procured vehicles which made them forfeit about 5% of the planned outputs. The affected outputs included rehabilitation works and sanitation hardware. A case in point was Kiryandongo district. Other districts like Buikwe lacked water quality testing kits which they had to procure. These procurements contravened the set guidelines for budget allocations and expenditures. Software activities in many cases could not be established despite being reported done as 80% of the sources were not fenced and sanitation around was poor.

The boreholes rehabilitated were more than had been planned due to reduced costs through use of the Hand Pump Mechanics (HPMs) instead of companies. The districts bought spare parts and HPMs provided the labour. There were cases of IFMS misuse and connectivity challenges which affected timely expenditures.

L-R: A spring in Nwoya district and 75m3 reservoir tank at Kabingo GFS, Ibanda district

 

L-R: A fenced shallow well at Tekid P.S in Kole district, and a rehabilitated borehole at Mbago in Kyankwanzi district

Performance of Votes 500-580

The Votes' performance was rated at 93% which was very good. The DLGs completed 90% of the planned outputs. The non-achieved outputs were affected by over expenditures on office operations like procurement of office vehicles and tool kits by 16% of the districts. The districts completed and made payments for all works. The purchase of office vehicles mainly affected borehole rehabilitation and construction of sanitation facilities.

The use of HPMs increased the number of boreholes rehabilitated because the cost was cheaper than it usually is done using private companies. Most districts procured spare parts and the HPMs provided labour for the rehabilitation works.

The planning and drilling of boreholes took 61%, shallow well construction 34% and springs 4%. The shallow well and spring construction shared only 50% of the new sources. This was due to high contamination, functionality failure rates and the sector ban. Sanitation hardware is not done in 16% of the districts mainly due to lack of land to do so.

Valley tank construction is done in districts with low ground water potential like Kyankwanzi since it is the only available and feasible technology much as it does not contribute to safe drinking water.

Water quality testing for old sources was done by district and it was noted that 25% of the old water sources tested for ecoli had chances of fecal oral route. Contamination of point sources results from poor hygiene and sanitation practices around the source.

Implementation challenges

1) Low ground water potential in parts of the districts like Kyankwanzi and Gulu. This makes it difficult to have safe water in such places using the feasible options thus some districts construct valley tanks whose water may not necessarily be safe to drink.

2) Poor quality materials especially pipes for hand pump installations on the market. This affects the lifespan of the boreholes most especially the GI galvanized pipes. The pipes develop holes and thus contributing to non-functional boreholes.
3) Land wrangles in siting water and sanitation points which affects timely implementation of projects. A case in point was the Ajali Trading Center in Chwente S/C, Gulu district where the owner failed the location of a borehole.
4) Difficulty in providing water to the communities living in the outskirts of towns without piped water, due to rigidity in implementation guidelines. The guidelines do not allow the district to provide point sources where the piped system may not reach in some parts of the town board/ council.
5) Mineralized underground water sources with unpalatable water in some district local governments. In some cases the water sources are partially abandoned case of Kyankwanzi district. The water is used for washing but not for cooking and drinking.
6) Low operation and maintenance of facilities by the communities in Kyankwanzi, Gulu, Kiruhura. This has been exacerbated by the dependence syndrome for communities that lived in the camps as refugees and the political campaigning period in the FY.
7) Inadequate staffing at District Local Governments (DLGs), hence some District Water Officers are acting as District Engineers. This has led to inadequate supervision and monitoring of works implemented.
8) Inadequate means of transport at the DLGs in form of vehicles therefore works are not adequately supervised and monitored.
9) Poor network of IFMS – system greatly affected internal transfer of funds which delayed implementation and timely fund absorption. The net-work connectivity goes off and thus money cannot be accessed to transact business.

Recommendations

1) The MWE should share ground water maps with DLGs to aid planning. In addition MWE/Appropriate Technology Center should prioritize promotion of the Rain Water Harvesting Strategy among other feasible technologies in areas with limited ground water potential.
2) The Uganda National Bureau of Standards should ensure compliancy to specific standards of both local manufactured and imported materials.
3) The LGs should ensure that land is properly secured before any projection initiation to avoid delays and non-implementation of project components in some cases.
4) The MWE should through the supervisory work of the umbrella organizations expand piped water systems in the areas where NWSC does not reach.
5) The MWE through the Appropriate Technology Center should carryout research and come up with suitable mineralized ground solutions for the different areas of study. The solar powered systems could be used to transfer water from better sources.
6) The DLGs should hold intensified joint mobilization and sensitization meetings with both the technocrats and the politicians of communities to improve community based maintenance systems.

7) The District Service Commissions should take charge to fill up all the key vacant positions in the district. Where the wage bill cannot accommodate staffing, the issue should be raised to the MoPS.
8) The MWE should support the LGs in planning and procurement of vehicles in consideration of the budget implications to ease supervision and monitoring of works.
9) The MFPED/National Information Technology Authority (NITA) should ensure improvement in IFMS user connection through the National Backbone Infrastructure project.

Overall Sector Performance

The overall sector performance was rated fair at 61%. Good performance was exhibited by local governments under the DWSDCG while MWE (Vote 19) had a mixture of good and fair performers. Performance was mainly affected by the 35% budget cut, of which the external financing fell short by 65%. This affected achievement of major outputs in the sector.

The 500-580 votes performed better than they usually do as they received and utilized 100% of the development grant budgeted for. The entire development grant was released by Q3. The DLGs were able to complete and pay for all the works. Vote 19 was majorly affected by non-release of the donor funds from Q2-Q4 which affected progress of works; some contracts halted and contractors left site.

The completed water and sanitation facilities were 90% functional. The 10% remained with connections to end users for piped systems or point water sources that were temporarily down. Management structures for water sources were either put in place or arrangements under way to do so. The management of piped systems was tendered to either the private operators or NWSC. The point water sources and water for production facilities are managed by the Water User Committees (WUCs).

The software implementation could not easily be established on ground given the fact that the WUCs were found to be non-functional. The sanitation around the water sources was generally poor and 60% of the water sources were not fenced.

Sector Challenges

1) The sector experienced a budget release shortfall which affected implementation of planned outputs. The external financing release was only 45% of its total approved budget which created a financing gap of 65% from the donor side. Overall the budget (donor and GoU) had 35% budget release shortage.
2) Poor communication by NGOs and Central Government (MWE). This making it makes it difficult to monitor project implementation thus compromising the quality of outputs and makes reporting of implemented facilities difficult.
3) Poor planning and reporting: Project implementers make very ambitious plans to achieve several outputs. However, by the end of the reporting period most of the outputs are not achieved.

4) Land acquisition challenge has continued to affect progress of works in the sector. The disputes in acquisition of the RoW for the Nakivubo Kinawataka sewer lines because of the land disputed hiked land valuation rates; and late approvals from the Chief Government Valuer's office has delayed the project.
5) Poor quality materials for hand pump installations on the market which affect the lifespan of the boreholes most especially the GI galvanized pipes. The pipes develop holes and thus contributing to non-functional boreholes.
6) Low ground water potential in parts of the districts which makes it difficult to have safe water in some place thus construction of valley tanks whose water may not necessarily be safe to drink.
7) The low staffing levels in the DLGs continue to affect implementation of works. In cases where the available staff do not qualify or are playing out double roles of the District Water Officer and District Engineer, this affects the pace of works implementation and reporting.
8) Lack of an FM radio station in Kaliro for the mobilization of communities regarding the implementation of the Rain Water Harvesting Tanks (RWHTs) by Busoga Trust. This makes it difficult to get the interested people in the project.

Recommendations

1) The MWE and donors should find a permanent solution to the re-occurring funding gaps in the donor budgets for improved performance.
2) The sector should step up communication between public institutions by use of *egovernance*. Implementing agencies should share information with relevant authorizes in regard to programs being implemented for easy monitoring and reporting.
3) The MWE should ensure planned outputs are aligned to the available resources in order to avoid spillovers in the work plan.
4) The MWE/DLGs should first secure land through purchase or/and sign MoUs with land owners before commissioning projects.
5) The Uganda National Bureau of Standards should ensure compliance to specific standards of both local manufactured and imported materials.
6) The MWE should prioritize funding for the possible technological options in the districts for better service delivery. Tested strategies like the RWHT should be promoted by the Appropriate Technology Center.
7) The MWE should compile the staffing gaps in the District Water Offices and file a case with the MoPS and MFPED to streamline funding and staffing in the districts.

Part 4: CONCLUSIONS

Chapter 15: CONCLUSIONS

Both the release (96% of revised budget) and expenditure (98%) exhibited excellent performance. Funds to LGs constituted 13% of the overall revised budget which were all released by the third quarter. However, instances of reallocations and supplementary budgets for the sector votes pointed to poor budgeting especially for wages, pensions, gratuity and domestic arrears. Service delivery was hampered by budget cuts, delayed procurement and release of funds, and lack of training in IFMS usage for newly connected LGs.

Agriculture

The overall performance of the agriculture sector was good at 73% achievement of planned outputs. This performance was, however, lower and not matching the high resource absorption level (99.45%). The district decentralized Operation Wealth Creation (OWC) and managed Production Management Grant (PMG) grants were better implemented than those managed centrally by MAAIF and the Dairy Development Authority (DDA).

Examples of good performing projects and programmes were NAADS/OWC, PMG, Agriculture Credit Facility (ACF) and the Uganda Cotton Development Organization. However, the survival or functionality rate of the inputs under the OWC was low averaging 76%. Wastage of inputs was highly prevalent. The ACF, despite the good performance, experienced very poor resource absorption level (25.15%) by 30th June 2016.

Good performance in the sector was attributable to timely release, disbursement and absorption of government funds in line with the approved estimates; early initiation of procurements and implementation; and access and use of agricultural inputs and services by farmers. Releases above approved estimates and setting of less ambitious targets by the implementing agencies were other factors that explained the good performance.

Poor performance was noted under some of the MAAIF projects and DDA despite the high funds absorption. These included the Enhancing National Food Security Project which achieved only 24.63%, Northern Uganda and Medium Livelihood Improvement Project had 46.07% and the DDA at 52%.

The poor performance of some projects and programmes in the sector was attributed to the delayed declaration of project effectiveness of externally funded projects and disbursement of donor funds; late disbursement by MAAIF and agencies of government funds to implementing departments; low funds absorption; delayed completion and spillover of works of FY2014/15 that utilized funds of FY2015/16 in both central and local governments; inadequate funds disbursed to regional offices; outstanding debts at farm level; wastage and low survival of planting materials; and lack of extension services.

Education

The overall performance of the Education sector during FY2015/16 was good at 74.9%. Examples of very good performance include Makerere University that achieved all its targets; and Ministry of Education and Sports (74.4%).

Among the poor performers was Makerere University Business School that was the worst. However within the Ministry of Education and Sports, there were some poor performing programmes namely - Emergency Construction and Rehabilitation Project Phase II; Nakawa Vocational Training Institute, Development of BTVET and Construction of Government funded technical institutes.

Sector performance was affected by;

- Delay in receipt of counterpart funding.
- Poor planning as many projects become effective before all necessary preparatory activities are undertaken.
- Budget cuts
- Delays by MoES, and LGs to transfer funds to beneficiary institutions.
- Poor compliance as the MoES continued to implement some activities outside the approved work plan, and
- Delays in initiating the procurement process.

Energy

The overall sector performance was good at 74%. Good performance was noted under the Refinery Construction, Rural Electrification, Free Household Connections, and Strengthening of Oil and Gas Sector Projects. There was progress on the indicator of 'percentage of people accessing electricity' through the Output-Based Aid Project. Grid extension despite the good performance registered poorly on the percentage of energy looses in distribution due to installation of faulty transformers and illegal power tapping.

Despite the good performance of the projects in the petroleum subsector, some vital activities prior to the value addition to the crude oil like final establishment of the special purpose vehicle were lagging behind.

Other projects that performed well amidst critical implementation challenges were; Karuma Hydro Power Plant (HPP) and Isimba HPP. In Karuma HPP, cracks were identified in the spillway and power intake so concrete works suspended. The excavation works however continued thus registering good performance. Similarly, at Isimba HPP, whereas cracks were identified in the stilling basin of the spillway, powerhouse, gravity dams, and drainage galleries, the works continued as the identified cracks had been repaired. Concreting works exceeded the annual target for the FY2015/16. Despite the good performance of the large hydro power projects, there were observed conflicts in the project management of the two hydro power plants leading to some delays.

Poor performance was noted under; Promotion of Renewable Energy and Energy Efficiency Promotion (48%), UETCL projects (54.6%), and Downstream Petroleum Infrastructure (58%).

Performance was hampered by; inadequate release of funds, poor procurement and contract management, delayed acquisition of the Right of Way, inappropriate designs of the pilot wind mills and limited diagnosis of the faults indentified on some windmills.

Health

The overall sector performance was good at 71%. Good performance was noted under Butabika Hospital, Health Centre Remodeling/Construction, and Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital. Regional referral hospitals achieved slightly over 80% of their development targets apart from Mbarara at only 53%.

Although some projects achieved their annual targets by 90%, defects and quality issues were noted. The Uganda Health Systems Strengthening Project, Support to Rehabilitation of Mulago, and PHC/PRDP projects under LGs-infrastructure were characterized by shoddy works including big cracks in the floors, verandas, failing ceilings, and poor patient benches among others.

Poor performance was noted under the African Development Bank (ADB) and the Uganda Cancer Institute development project. Majority of expenditure under the Support to Recruitment of Health Workers at HCIII and IV were on activities not related to the main project outputs. Funds meant for procurement of beds under the District Infrastructure Support Programme were reallocated to other activities outside the work-plan. The reallocation enormously affected implementation of development plans of various health facilities.

The Global Alliance for Vaccines Initiative (GAVI), Public Health Laboratory Strengthening Project, the Health Sector Reforms including Financing and National Health Accounts under Ministry of Health performed fairly well.

The sector experienced challenges including; inadequate health supplies and infrastructure, flouting of Public Finance Management laws by a number of entities, irregular disbursement of non-wage grant to various health facilities, procurement delays, failure to utilize re-allocated funds by both central and LGs and poor supervision of works in a number of projects.

Information and Communications Technology

Performance of the ICT sector was good with some of the targets under NITA-U programmes surpassing targets, while 65% of the NBI project targets for the year were achieved. Over achievement of targets was attributed to frugal measures of undertaking some of the recurrent outputs which included consolidation of sensitization and awareness meetings across directorates to minimize the cost of stakeholder engagements. It was observed that some of the targets were not ambitious enough, a factor that might have contributed to achievement of targets with ease.

Phase III of the NBI was on course to being achieved with more than 50% of the optic fiber cable laid and 65% of works on the three transmission sites completed, 51% of the development targets under Ministry of ICT were achieved despite the fact that the budget underperformed with only 37% of funds received.

Sector performance was hampered by low staffing levels in the Ministry of ICT especially in technical departments, high taxation of ICT devices and services, inadequate ICT complimentary services, weak sector working group, delayed execution of phase NBI phase III and delayed and inadequate release of Non-Tax Revenue.

Industrialization

The overall performance under industrialization sub-sector was fair at 68%. Very good performance was observed at the Uganda National Bureau of Standards, Uganda Commodity Exchange, Kalangala Infrastructure Service and Kiira Ashok Leyland Pre-Investment Analysis with all planned outputs achieved. Fair performance was observed at Value Addition Tea factories, where equipment was yet to be delivered and installed.

Performance was affected by inadequate funding, cost overruns resulting from accumulated arrears especially under the Presidential Initiative on Banana Industrial Development, low uptake and commercialization of industrial research results, lack of an automotive policy, poor quality raw materials for value addition; and inadequate staffing, analytical laboratory infrastructure and equipment UNBS.

Microfinance

The Micro Finance Support Centre (MSC) performance was good and achieved a repayment rate of 72% against a target of 95% and portfolio at risk past 365 days of 9% against a target of 5%. The annual percentage growth in portfolio outstanding was 0.4% (to Ug shs 61 billion) below the annual target of 10%. MSC registered a decline in value of loans disbursed of 8%. The centre was able to mobilize resources and disburse credit funds from reflows fully. Performance by loan products registered a new line-group product. Special interest group loans were issued and business development services offered to clients across the zones.

The participation of District Local Governments (DLGs) in microcredit activities was minimal and yet DLGs hold a strong influence on government programmes at this level. The MSC did not receive credit funds from government in the FY 2015/16.

The center's performance was affected by poor governance and management in several SACCOs, minimal support from DLGs, and limited credit funds to achieve disbursement targets.

Public Sector Management

The sector performance was poor (below 50%), although releases were very good (92%) for most Votes; and resource absorption was at 96%.

Good performance was exhibited under the PRDP where most beneficiary districts accessed inputs through the restocking programme. Through the Support to Luwero-Rwenzori Development Programme, inputs and technologies were distributed to beneficiaries within the Luwero-Rwenzori districts and grants disbursed for income generating activities. Over 50% beneficiaries from the 33 districts had accessed services from Office of the Prime Minister, Ministry of Local Government, Ministry of Public Service and local governments. The goods and services included: Kroilers, heifers, gillets, valley tanks, milk coolers, maize flour for school feeding programme in Karamoja, grants, loans through SACCOs, grinding mills and construction of teachers' houses, and housing facilities for health workers.

Ministry of East Africa Community Affairs, National Planning Authority, Local Government Finance Commission and Public Service Commission votes did not achieve the strategic objectives linked to the National Development Plan objective. Most of the resources were spent on activities not in line with planned outputs.

Achievement of planned outputs was affected by lack of strategic plans by majority of institutions within the sector, inadequate staff in strategic positions at Lower LGs, delayed payments to contractors and lack of a National Human Resource Planning and development framework.

Roads

The financial performance of the roads sub-sector had a good release (74%) and very good absorption at 99%.

The overall physical performance of the roads sub-sector was fair at 66.5%. Good performance was noted under UNRA at 76.2%. However, 65% of the projects did not meet their annual targets and 85% were behind schedule mainly due to delayed payments and land acquisition, and inadequacy of designs for tendered road works. The National Roads Maintenance Programme implemented by UNRA Stations had a fair performance at 50%. All the UNRA stations did not achieve their targets due to the restructuring programme at the agency and reallocation of force account funds to headquarters for payment of Interim Payment Certificates.

Fair performance was noted under Ministry of Works and Transport at 62% despite the budget shortfall of 79%. The shortfall resulted into: delayed payments to contractors and intermittent and untimely receipt of funds by the District Roads Rehabilitation Units.

Under the Uganda Road Fund, the DUCAR Programme at District LGs achieved 71% of its annual targets. The unachieved targets were mainly attributed to budget shortfalls; inadequate and inefficient road maintenance equipment; and low remuneration of equipment operators and road gangs.

Roads sub-sector performance was hampered by:

- Fixed road maintenance budget despite the ever increasing road network,
- Intermittent and delayed payments,
- Lack of complete sets of road equipment at LGs and UNRA stations,
- Unsatisfactory mobilization of equipment and personnel by the contractors,
- Inadequate designs for tendered road works,
- Delayed acquisition of the Right of Way and relocation of services (power lines, water pipes and fibre optic cables),
- Scarcity of some road materials like gravel,
- Understaffing within the district works departments, and
- Weak coordination and communication between public institutions and programmes.

Water and Environment

The overall sector performance was fair at 61% achievement of planned outputs. Good performance was noted in the local governments of Apac, Buikwe, Gulu, Ibanda, Kaliro, Kiruhura, Kiryandongo, Kole, Kyankwanzi, Namutumba, Nwoya and Wakiso.This performance was attributed to timely receipt of funds and implementation of software activities. However, community participation in Operation and Maintenance of old sources still remains the biggest challenge.

Good performance under the Ministry of Water and Environment was exhibited in Kinuuka and Dokolo systems which were completed and functional, while Bukwo Piped System although completed, its functionality awaited the treatment plant completion which is under another project. Fair performance was noted in Andibo dam where the community vandalized the ball valves and covers for chambers. Unsatisfactory works were observed at Kagoma office, in Amulator, and Nyarwodho.

The sector faced implementation challenges including:

1. A financial deficit with an overall shortfall of 35% of the budget.
2. Unavailability of land for project implementation (mainly big projects)
3. Poor mobilization and sensitization of communities about the Rain Water Harvesting Tanks.
4. Poor quality materials, especially the GI galvanized pipes for hand pump installations which affects their lifespan.
5. Rigidity of implementation guidelines makes it difficult to provide safe water to communities living in the outskirts of towns. The guidelines do not allow the district to provide point water sources yet the piped systems sometimes do not reach all parts of the town board/council.

Chapter 16: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on the physical and financial performance of selected government programmes during the FY2015/16.

Agriculture

1. The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and Local Governments (LGs) should fast track implementation of the single spine extension system and build capacity, equip and facilitate the District Production staff, extension workers and Operation Wealth Creation (OWC) Officers.
2. The MAAIF, NAADS Secretariat and National Agricultural Research Organization (NARO) should step up multiplication and dissemination of high breeding disease and drought tolerant planting and stocking materials and soil enhancing nutrients to farmers.
3. The Ministry of Finance, Planning and Economic Development (MFPED) should avail counterpart funding to externally funded projects that are effective.
4. The MFPED should hold accountable the MAAIF and agencies to ensure that they disburse released funds on time to the implementing departments and regional offices.
5. The MAAIF and agencies and LGs should improve contract planning and management to ensure competent contractors are hired and all projects are executed within the planned period.
6. The Bank of Uganda (BoU) and MFPED should design and implement a publicity and marketing strategy for the Agriculture Credit Facility (ACF) especially targeting the North and East of the country.
7. The BoU should strengthen supervision of the commercial banks and institute punitive measures to ensure proper application of the ACF loan terms.
8. The MFPED and MAAIF should re-allocate and increase Production Marketing Grant to enhance service delivery and programme supervision at the local government level.

Education

1. The Ministry of Education and Sports (MoES) should adequately budget for counterpart funds for all its donor projects and prioritize them in their warrants.

2. Government should delay loan effectiveness of new projects until completion of the necessary preparatory activities.

3. All schools receiving funds under the Presidential Pledges should receive them directly from MFPED. This will reduce on implementation delays caused by delays in transfers from the district consolidated accounts.

4. Accounting Officers should be held accountable for delayed procurement processes.

Energy

1. The sector should harmonize the administration of the contracts at Isimba Hydro Power Plant (HPP) and Karuma HPP.
2. The Public Procurement and Disposal Authority (PPDA) should build the Contracts' Committees requisite skills on the most important criteria to consider during selection of best bidders for different projects.
3. The Rural Electrification Agency should always carry out complete commissioning tests on all the installed equipment to ensure timely repairs.
4. Government should acquire uniform corridors for government projects to reduce on the time lost during land acquisition for the different projects.
5. The Renewable Energy Department in the Ministry of Energy and Mineral Development should carry out more due diligence during designs of windmills and troubleshooting activities to ensure a sustainable resource use.

Health

1. The Ministry of Health (MoH), MFPED, Ministry of Local Government and the District LGs should strengthen supervision and inspection of government projects at all levels. Health facility in-charges, parish and sub-county chiefs should be involved at Lower LGs to minimize cases of shoddy works.
2. The Auditor General together with Inspector General of Government (IGG) should investigate transparency in award of contracts, as well as irregular contract terminations for Kitgum DLG for FY2015/16.
3. The MoH should undertake a clear needs assessment showing infrastructural gaps at various levels of health care. A clear plan with costs and timelines should be developed and implemented for improved health service delivery.
4. The MoH should prioritize staff accommodation through a centralized one-off budget line to establish staff houses in at least 80% of all health facilities in Uganda.
5. The Cabinet together with the Ministry of Public Service (MoPs) should finalize the updated staffing structures for improved health service delivery.
6. The Procurement Disposal Units (PDUs) should adjust their specifications on both retention fees and Defects Liability Period (DLP). Retention should be raised to at least about 15% and DLP from six months to one year to allow ample time to beneficiaries and contractors rectify any defects that appear thereafter.
7. The MoH should prioritize maintenance of newly established infrastructure through a clear budget line to avoid depreciation of structures beyond repair.

Information, Communication and Technology

1. The Ministry of Information and Communication Technology (MoICT) and MoPS should review the staffing requirements in technical departments to attract skilled staff.
2. The government should review the taxation policy on ICT devices and international calls to make them attractive and affordable to stimulate innovation.
3. The MoICT should constitute a sector working secretariat to coordinate the sector activities and avoid overlaps and duplication of effort.
4. The NITA-U should fast track the implementation of phase III of the National Backbone Infrastructure to create a second link to the undersea cable through Tanzania and increase bandwidth capacity across the country.
5. The ICT Sector working group should appropriately project the Non-Tax Revenue and budget accordingly to avoid over estimation which affects work plan execution.
6. The MFPED should release the non tax revenue (NTR) budget to the sector agencies in a timely manner to avoid delayed execution of planned activities.
7. The MoICT and NITA-U should formulate IT certification regulations.

Industrialization

1. The Government should commit and allocate the prerequisite funds for industrial parks development and counterpart funding to the sector to ensure successful execution of projects.
2. The Uganda Development Corporation (UDC) and Ministry of Works and Transport should expedite the formulation of an automotive policy and develop investment prospectus to encourage other stakeholders to come on board.
3. The Government through OWC and MAAIF should provide extension services to ensure quality raw materials for value addition processors especially in the tea sub sector to enhance productivity.
4. The MFPED and MoPS should review the wage ceiling for Uganda National Bureau of Standards to allow recruitment of critical staff to undertake surveillance of domestic manufactures and post standards officials at all points of entry to counter importation of counterfeits. The development budget for the agency should be enhanced to facilitate equipping of laboratories.
5. The Uganda Industrial Research Institute should develop clear selection criteria for countryside incubates. Memoranda of Understanding (MoUs) should stipulate the roles of each partner and propose take over by other able partners in case the initial partner fails to meet the requirements to effectively run the facility.
6. The UDC should be capitalized to undertake its mandate.

MicroFinance

1. The MFPED should enforce the recently passed MicroFinance Institutions (MFIs) and Money Lenders Act to regulate all SACCOs and MFIs. This will improve compliance and governance issues.
2. The MFPED through Project for Financial Inclusion in Rural Areas (PROFIRA) should enforce compulsory training of MFI and SACCO managers before accessing credit.
3. Ministry of Local Government should include in their appraisal instrument of districts a target for micro credit performance.
4. Business Development Services (BDS) should continue to be offered by MSCL to the SACCOs on the importance of maintaining good governance principles.

Public Sector Management

1. The MoPS; National Planning Authority (NPA) and sector planning units should develop sector strategic investment plans in Ministries and LGs.
2. The MFPED, MoPS and LGs should ensure that strategic positions are filled and more veterinary and agricultural extension staffs are recruited at the Lower LGs.
3. The MoPS and NPA should hasten the development of the National Planning development framework in the Public Service.

Roads

1. The MFPED should ensure that all contractors' outstanding Interim Payment Certificates in the FY 2015/16 are paid.

2. The Government should expedite the procurement process of road equipment for Force Account units.

3. Coordination between government institutions should be improved through integration of systems as well planning.

4. The District Service Commissions should ensure that the staffing structures are filled.

Water and Environment

1. The Ministry of Water and Environment (MWE) and DLGs should promote the agreed policy stand of securing land and sign MoUs with land owners prior to project initiations.
2. The MWE should streamline planning and have bankable projects ready for implementation with approved designs
3. Communication between public institutions should be stepped up by use of *e-governance*.
4. The districts should use the uPVC stainless for hand pump installations which are long lasting compared to GI galvanized pipes. In addition, the Uganda National Bureau of Standards should quality check the local and imported materials on the market thus make approvals to guide the users.
5. The National Water and Sewerage Corporation and MWE through the umbrella organizations should continue to boost water supply to cover communities living in the outskirts of town councils. However, the works should be tendered out whereas the umbrellas do the supervisory role.
6. The MWE through the Water Resources Management Department should carryout water quality testing and design suitable technologies for the highly mineralized ground water sources. Low water potential cheaper options like Rain Water Harvesting Tanks should be promoted.

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