THE REPUBLIC OF UGANDA

Ministry of Finance, Planning and Economic Development

Annual Budget Monitoring Report

Financial Year 2016/17

September 2017

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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

ACDP	Agriculture Cluster Development Project
ACE	Area Cooperative Enterprise
ACF	Agriculture Credit Facility
ADB	African Development Bank
ADF	African Development Fund
AFD	French Agency for Development
AfDB	African Development Bank
AGEBMR	Albertine Graben Environmental Baseline Monitoring Report
AIA	Appropriation in Aid
AIDS	Acquire Immune Deficiency Syndrome
APF	Agro Processing Facility
APL	Adaptable Programme Lending
ARVS	Anti-Retroviral
ASM	Artisanal and Small Scale Miners
BADEA	Arab Bank for Economic Development in Africa
BBW	Banana Bacterial Wilt
BMAU	Budget Monitoring and Accountability Unit
BMZ	German Federal Ministry of Economic cooperation and Development
Bn	Billion
BoQs	Bills of Quantities
BP	Blood Pressure
BPO	Business Process Outsourcing
BTVET	Business, Technical, Vocational Educational and Training
CAIIP	Community Agriculture and Infrastructure Improvement Programme
CAO	Chief Administrative Officer
CARs	Community Access Roads
CBMS	Community Based Management System
CCD	Climate Change Department
CCTV	Closed Circuit Television Network
CDAP	Community Development Action Plan
CDM	Clean Development Mechanisms
CERT	Computer Emergency Response Team
CFO	Chief Finance Officer
CFRs	Central Forest Reserves
CGS	Competitive Grant Scheme
CGV	Chief Government Valuer
CH	Chainage
CMCs	Catchment Management Committees
CNOOC	Chinese National Offshore Oil Company
COP	Conference of the Parties

COP	Child Online Protection
CPU	Community Processing Unit
CSOs	Civil Society Organizations
CWD	Coffee Wilt Disease
CWE	China International Waters and Electric Corporation
D/CAO	Deputy Chief Administrative Officer
DBST	Double Bituminous Surface Treatment
DCO	District Commercial Officer
DCPT	Dynamic Cone Penetration Test
DDEG	Discretionary Development Equalisation Grant
DEO	District Education Officer
DFS	District Forest Services
DHO	District Health Officers
DHT’S	District Health Teams
DIS	District Inspector of Schools
DISP	District Infrastructure Support Programme
DLG	District Local Government
DLP	Defects Liability Period
DNS	Domain Name Server
DP	Directorate of Petroleum
DRRU	Districts Roads Rehabilitation Unit
DSC	District Service Commission
DSIP	Development Strategy and Investment Plan
DUCAR	District, Urban and Community Access Roads
DWSDCG	District Water and Sanitation Development Conditional Grant
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
EAC	East African Community
EARSO	East African Research Organization
EDI	Enterprise Development Investment
EEI	Enterprise Expansion Investment
EIA	Environmental Impact Assessment
EIPL	Energy Infratech Private Limited
EMHS	Essential Medicines and Health Supplies
EmNOC	Emergency Obstetric and Neonatal Care
ENR	Environment and Natural Resources
EOI	Expression of Interest
EPC	Engineering Procurement and Construction
EPCC	Engineering Procurement Construction Contractor
ERP	Enterprise Resource Planning
ERT	Energy for Rural Transformation

ESC	Education Service Commission
ESD	Education for Sustainable Development
ESDP	Electricity Sector Development Project
ETA	Electronic Transactions Act
EU	European Union
EVMG	Electronic Voucher Management Agency
EXIM	Export Import
FAO	Food Agricultural Organization
FAO	Food and Agriculture Organisation
FBU	Fully Built Units
FEED	Front End Engineering Design
FFB	Fresh Fruit Bunches
FFS	Farmer Field School
FGDs	Focus Group Discussions
FID	Final Investment Decision
FIEFOC	Farm Income Enhancement and Forestry Conservation
FLO	Farm Level Organisation
FSM	Fecal Sludge Management
FSSD	Forestry Support Department
FY	Financial Year
GASf	Geological Society of Africa
GAVI	Global Alliance for Vaccines Initiative
GB	Giga Byte
GCIC	Government Citizens Interaction Centre
GDC	Geothermal Development Company
GHG	Green House Gas
GI	Galvanized Iron
GIS	Geographical Information System
GIZ	German International Cooperation
GKMA	Greater Kampala Metropolitan Area
GoU	Government of Uganda
Ha	Hectare
HC	Health Centre
HESFB	Higher Education Students Financing Board
HEST	Higher Education, Science and Technology
HIV	Human Immune Virus
HMIS	Health Management Information System
HoDs	Heads of Department
HPP	Hydro Power Project
HR	Human Resource
HRIS	Human Resource Management Information System
HSC	Health Service Commission

HSD	Health Sub District
HSE	Health Safety and Environment
HSS	Health Strengthening Support
HW	Hand Washing
ICT	Information Communications Technologies
ICU	Intensive Care Unit
ID	Infrastructure Design
IDA	International Development Association/Agency
IDB	Islamic Development Bank
IDPs	Internally Displaced Persons
IEC	Information, Education and Communication
IFMS	Integrated Financial Management System
IMG	Instructional Material Grant
IPC	Interim Payment Certificate
IPF	Indicative Planning Figure
IPPS	Integrated Personnel and Payroll System
IsDB	Islamic Development Bank
ISO	International Organization for Standardization
ISSIS	Electronic Integrated School Inspection System
IT	Information Technology
IVA	Independent Verification Agent
JAB	Joint Admission Board
JICA	Japan International Cooperation Agency
JKIST	John Kale Institute of Science and Technology
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
KIDP	Karamoja Integrated Development Programme
KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
Km	Kilo Meter
KMC	Kirra Motors Corporation
KMS	Knowledge Management Systems
KOICA	Korean International Cooperation Agency
kV	kilo Volts
LG	Local Government
LGFC	Local Government Finance Commission
LGMSD	Local Government Management Service Delivery Programme
LGMSDP	Local Government Managerial and Service Delivery Programme

LGs	Local Governments
LLG	Lower Local Government
LPO	Local Purchase Order
LRDP	Luwero Rwenzori Development Project
M	Million
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MBPS	Mega Byte Per Second
MBSA	Master Business Services Agreement
MDAs	Ministries Departments and Agencies
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MDI	Microfinance Deposit Taking Institutions
MEACA	Ministry of East African Community Affairs
MEMD	Ministry of Energy and Mineral Development
MESA	Monitoring of Environment for Security in Africa
MFIs	Microfinance Institutions
MFPED	Ministry of Finance, Planning and Economic Development
MGSLD	Ministry of Gender, Labour and Social Development
MLA	Monitoring the Learning Achievements
MNRH	National Referral Hospital
MoD	Ministry of Defence
MoES	Ministry of Education and Sports
MoH	Ministry of Health
MoICT&NG	Ministry of Information, Communications Technology and National Guidance
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MRI	Magnetic Resonance Imaging
MSC	Microfinance Support Centre Ltd
MT	Metric Tonne
MTAC	Management and Advisory Centre Institute
MTEF	Medium Term Expenditure Framework
MTTI	Ministry of Trade, Tourism and Industry
MUBS	Makerere University Business School
MUST	Mbarara University of Science and Technology
MW	Mega Watts
MWE	Ministry of Water and Environment

MWMID	Mineral Wealth and Mining Infrastructure Development
NAADS	National Agriculture Advisory Services
NaCORI	National Coffee Research Institute
NaFIRRI	National Fisheries Resources Research Institute
NAGRC&DB	National Agricultural Genetic Resource Centre
NARC	National Archives Records Centre
NARO	National Agriculture Research Organization
NBI	National Backbone Infrastructure
NCCP	National Climate Change Policy
NCCR	National Climate Change Resource Centre
NCDC	National Curriculum Development Centre
NCR	Northern Corridor Route
NCST	National Council for Science and Technology
NDP	National Development Plan
NDP II	National Development Plan II
NEC	National Enterprise Corporation
NECOC	National Emergency Coordination and Operations Centre
NEF	National Environment Fund
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NFLC	National Farmer Leadership Centre
NGOs	Non-Government Organizations
NHATC	National High Altitude Training Centre
NISF	National Information Security Framework
NITA (U)	National Information and Technology Authority
NMS	National Medical Stores
NOC	National Oil Company
NOC	Network Operating Centre
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
NPCU	National Project Coordination Unit
NRB	Natural Resources Base
NRC/R	National Road Construction/Rehabilitation Programme
NRMP	National Roads Maintenance Programme
NTC	National Teachers College
NTR	Non Tax Revenue
NTSC	National Tree Service Center
NUYDC	National Uganda Youth Development Centre
NWSC	National Water and Sewerage Corporation
NWWTP	Nakivubo Waste Water Treatment Plant
O&M	Operation and Maintenance

OAGS	Organization of the African Geological Surveys
ODA	Official Development Assistance
OE	Owner's Engineer
OEM	Original Equipment Manufacturers
OFC	Optic Fiber Cable
OFID	OPEC Fund for International Development
OHS	Occupational Health and Safety
OIC	Organisation of Islamic Countries
OPD	Out Patient Department
OPEC	Organization of Petroleum Exporting Countries
OPM	Office of the Prime Minister
OPUL	Oil Palm Uganda Limited
OVOP	One Village One Product
OWC	Operation Wealth Creation
OWC	Operation Wealth Creation
PAP	Poverty Alleviation Project
PAPM	Project Analysis and Public Investment Management Department
PAPs	Project Affected Persons
PAR	Portfolio at Risk
PAU	Petroleum Authority of Uganda
PBS	Program Budgeting Tool
PCE	Policy Committee on Environment
PDHs	Physically Displaced Households
PDU	Procurement and Disposal Unit
PEPD	Petroleum Exploration and Production Department
PES	Physical Education and Sports
PFM	Public Financial Management
PFT	Project Facilitation Team
PGM	Platinum Group Minerals
PHRO	Principal Human Resource Officer
PIBID	Presidential Initiative on Banana Industrial Development
PIM	Project Implementation Manual
PIP	Public Investment Plan
PKI	Public Key Infrastructure
PMC	Project Management Consultant
PMG	Production and Marketing Grant
PMU	Project Monitoring Unit
PPDA	Public Procurement and Disposal of Assets
PPDA	Public Procurement and Disposal of Public Assets Authority
PPP	Public Private Partnership
PRDP	Peace Recovery and Development Programme
PSA	Production Sharing Agreements

PSC	Public Service Commission
PSM	Public Sector Management
PSPs	Pay for Service Providers
PWD	Person with Disability
Q	Quarter
Q1	Quarter one
Q2	Quarter Two
Q3	Quarter Three
Q4	Quarter Four
RAP	Resettlement Action Plan
RCIP	Rural Communication Infrastructure Programme
RDP	Refinery Development Program
REA	Rural Electrification Agency
RFP	Request for Proposal
RFSS	Rural Financial Services Strategy
RGCs	Rural Growth Centers
RIDS	Rural Industrial Development Strategy
RMSP	Rural Microfinance Support Project
ROW	Right of Way
RRH	Regional Referral Hospital
S/C	Sub-County
SACCO	Savings and Credit Cooperative Organisation
SDR	Special Drawing Rights
SEAMIC	Southern and Eastern Africa Mineral Center
SESEMAT	Secondary Science Education and Mathematics Teachers
SFD	Saudi Fund for Development
SFF	Soroti Fruit Factory
SFG	School Facilities Grant
SG	Solicitor General
SMCs	School Management Committees
SMEs	Small and Medium Enterprises
SMU	Saemaul Undong Korean Model
SNE	Special Needs Education
SPEDA	Skills for Production, Employment and Development Project
SPGS	Sawlog Production Grant Scheme
SPT	Standard Penetration Test
SPV	Special Purpose Vehicle
SRWSSP	Support to Rural Water Supply and Sanitation Programme
SSAs	Small Scale Agri businesses
STs	Small Towns
T.C	Town Council
T/I	Technical Institute

TA	Technical Assistance
TBI	Technology Business Incubation
TMEA	Trademark East Africa
TOR	Terms of Reference
ToTs	Trainer of Trainees
TS	Transmission site
TSDP	Transport Sector Development Project
TVET	Technical Vocational Education and Training
UBTS	Uganda Blood Transfusion Services
UCC	Uganda Communications Commission
UCDA	Uganda Coffee Development Authority
UCI	Uganda Cancer Institute
UCSCU	Uganda Cooperative Savings and Credit Union
UDC	Uganda Development Corporation
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UEPB	Uganda Exports Promotion Board
UETCL	Uganda Electricity Transmission Company Limited
Ug Shs	Uganda Shillings
Ug shs	Uganda Shillings
UHI	Uganda Health Institute
UHSSP	Uganda Health Sector Strategic Plan
UICT	Uganda Institute of Information Communications Technology
UIRI	Uganda Industrial Research Institute
UMMDAP	Urban Markets and Marketing Development of the Agricultural Project
UNBS	Uganda National Bureau of Standards
UNEB	Uganda National Examination Board
UNFCCC	United Nations Framework Convention on Climate Change
UNFFE	Uganda National Farmers Federation
UNICEF	United Nations International Children Emergency Fund
UNMA	Uganda National Meteorological Authority
UNMHCP	Uganda National Minimum Health Care Package
UNOC	Uganda National Oil Company
UNOPS	United Nations Office for Project Services
UNRA	Uganda National Roads Authority
UPE	Universal Primary Education
UPIK	Uganda Petroleum Institute Kigumba
UPOLET	Universal Post 'O' Level Education and Training
UPPET	Universal Post Primary Education and Training
URA	Uganda Revenue Authority
URA	Uganda Revenue Authority
URC	Uganda Railways Cooperation

URF	Uganda Road Fund
US$	United States Dollar
USADF	United States African Development Foundation
USD	United States Dollars
USE	Universal Secondary Education
USMID	Uganda Support to Municipal Infrastructure Development
UTC	Uganda Technical College
UTSEP	Uganda Teacher and School Effectiveness Project
UWRSA	Uganda Warehouse Receipting System Authority
VAT	Value Added Tax
VC	Vice Chancellor
VF	Vote Function
VHTS	Village Health Teams
VODP2	Vegetable Oil Development Project Phase 2
WES	Water and Environment Sector
WfP	Water for Production
WfPRC-E	Water for Production Regional Centre East
WHT	Withholding Tax
Wi-Fi	Wireless (Internet) Networking
WQ	Water Quality
WRM	Water Resources Management
WSDF	Water and Sanitation Development Facility
WSDF-C	Water and Sanitation Development Facility Central
WSS	Water Supply System
WUC	Water User Committee
ZARDI	Zonal Agricultural Research Development Institute
ZO	Zonal Office

FOREWORD

In line with the second National Development Plan and Vision 2040, the Government budget strategy in FY2016/17 sought to strengthen Uganda's competitiveness for sustainable wealth creation, employment and inclusive growth. Most resources were channeled to sectors that enhance production, productivity, investment and value addition, although the social development sectors also received substantial resources.

The 2016/17 Annual Budget Monitoring Report by the Budget Monitoring and Accountability Unit (BMAU) in the Ministry of Finance, Planning and Economic Development (MFPED) shows that physical performance was generally fair across all monitored priority sectors. Service delivery was enhanced by the rolling out of the Public Financial Management Reforms leading to progressive improvement in the timeliness in release of funds by MFPED; frontloading development funds such that most sectors received their funds by quarter three, and increased allocations and implementation of sector specific strategic interventions.

In order to effectively and efficiently utilize public resources, decision makers and project implementers are urged to address the following constraints to implementation; weak planning and budgeting, inadequate supervision and monitoring of public programmes, inadequate human resources and skills, and staff absenteeism.

Patrick Ocailap
Deputy 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 sectors. The focus is on 10 sectors, namely: Agriculture, Education, Energy, Health, Industrialization, Information and Communications Technology (ICT), Microfinance, Public Sector Management, Roads, and Water and Environment. In addition some aspects under the Ministry of Finance, Planning and Economic Development 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 2016/17. The methodology adopted for monitoring included literature review of annual 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 30th June, 2017 as follows: Very Good (90% and above); Good (70%-89%); Fair (50%-69%); and Poor (Less than 50%).

FINDINGS

Overall Financial Performance

(a) Central Government Ministries, Departments and Agencies

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

Financial Performance

The 10 priority sectors including Local Governments (LGs) and Kampala Capital City Authority (KCCA) constituted 74% (Ug shs 9.283 trillion)[1] of the revised budget allocation to Ministries, Departments, Agencies and Local Governments (MDA&LGs) expenditure. The release performance as at 30th June, 2017 for the 10 priority sectors including LGs and KCCA was Ug shs 8.542 trillion representing 92% of the allocation to the MDA&LGs. The 10 sectors including KCCA and LG[2]s absorbed Ug shs 8.391 trillion (98%) of the funds released for expenditure and that was very good.

Sector Performance

The approved budgets of the 10 (91%) priority sectors and KCCA were revised as at 30th June 2017. The sectors with revised budgets were; Accountability, Agriculture, Education, Health, Water and Environment, Energy and Mineral Development, Tourism, Trade and Industry, Public Sector Management, Works and Transport, and KCCA.

The Works and Transport Sector had the highest supplementary budget of Ug shs 475billion towards recurrent and development expenditure; Ug shs 398.446 billion was in respect of Vote113-Uganda National Roads Authority (UNRA), of which (Ug shs 397billion) was for compensation of project affected persons on FortPortal-Kamwenge road, Kampala Entebbe Express Highway and civil works on Mukono-Katosi-Nyenga road. Vote 016-Ministry of Works and Transport (MoWT) - (Ug shs 75.97billion) was for the purchase of earth moving equipment and settlement of insurance fees.

1 Overall revised budget for FY2016/17 was Ug shs 27.8trillion of which GoU revised budget allocation to MDA&LGs expenditure was Ug shs 12.587 trillion (45%) excluding external financing.

2 LGs are assumed to have spent 100% of the funds released for wage, non-wage and development expenditures.

Vote 008-Ministry of Finance, Planning and Economic Development (MFPED) under the Accountability Sector had an overall supplementary budget of Ug shs 126.568billion[3]; Ug shs 97.133billion was towards the development budget in respect of; Project 054-Support to MFPED (Ug shs 78.4billion) for the clearance of outstanding tax arrears and incentives for exempt companies, Project 0978-Presidential Initiative on Banana Industrial Development (PIBID) Ug shs 16.65billion for operationalization of phase one, and Project 994-Development of Industrial Parks (Ug shs 2billion) to compensate squatters in Mbale Industrial Park under Uganda Investment Authority. Under the recurrent budget, Ug shs 14.435billion was for contributions towards autonomous institutions for wages under programme Investment and Private Sector Development.

Overall, 89% of the revised budgets for the 10 priority sectors and KCCA was released by 30th June, 2017. The highest release performance of 94% was registered under the sectors of Accountability, Agriculture and ICT. Tourism, Trade and Industry sector had the least release performance of 82%. The overall absorption of funds for the sectors was 95% of the released monies.

Key Challenges

i) Supplementary budgets in 91% of the sectors pointed to growing government expenditure and poor planning and budgeting for both development and recurrent budgets. For example under UNRA, the projects with significant supplementary funds included; Kampala Entebbe Express Highway (Ug shs 137.022billion), Design of Mukono-Katosi-Nyenga (Ug shs 65.99billion). Also, under MoWT projects-Interconnectivity (Ug shs 21billion) and Earth moving equipment Japan (Ug shs 31.462billion).

ii) Budget cuts: with the exception of KCCA and LGs, all sectors registered budget cuts. To some extent even where supplementary budgets were granted these were not fully funded, as observed in the sectors of Water and Environment, Works and Transport, Tourism, Trade and Industry, and Public Sector Management - this erodes budget predictability.

Recommendations

i) The MFPED and Bank of Uganda (BoU) should respectively work towards curbing the untaxed yet growing informal sector, and stabilization of interest rates that still appear high. This will increase tax revenue to support the growing government expenditure.

ii) The MFPED should continue enforcing compliance to reporting deadlines by the Accounting officers through sanctions that include suspension of MDA&LGs transactions on the Integrated Financial Management System (IFMS) as well as communicating publicly the non-compliant officers.

b) Districts Local Governments (DLGs) Conditional Grants

Assessment focused on the District Local Governments (DLGs) development grants of departments (Agriculture, Education, Health, Water and Environment, and Works and Technical Services) that feed into the broader social service sectors. Uganda Road Fund (URF) though recurrent in nature was considered as it is transferred to all LGs for road maintenance.

Financial Performance

Overall 105% of the LGs[4] approved budget of Ug shs 2.484 trillion was released. This was on account of a supplementary budget of about 5% towards wages and non-wage recurrent activities. The overall absorption of funds released was 100% which was excellent.

The supplementary expenditure supports the notion that budgeting especially for wages and salaries remains a challenge. In DLGs, this was attributed partly to the wrong basis of issuing cash limits for wages by the MFPED-Budget Policy and Evaluation Department (BPED) on previous payroll without factoring in changes, resulting in significant wage arrears.At least, 80% of the LGs suffered budget cuts under the Uganda Road Fund (URF) of close to 20% of the indicative planning figures issued. This affected road maintenance works completion.

3 Supplementary, of which development was Ug shs 97.133 billion and recurrent Ug shs 14.435 billion.
4 LGs include both Municipalities and Districts

The high absorption of development grants was attributed to the availability of all funds by the end of quarter three.

Timeliness of quarterly funds released to the DLGs took a minimum of 30 days from the time of announcement of the release by the Permanent Secretary /Secretary to the Treasury (PS/ST) prior to the warranting, which was long (expected time is 14 working days from the start of the quarter). Warranting for the DLGs on the IFMS and the Treasury Single Account (TSA) took averagely three working days to complete and to access funds which was good. However, for the DLGs not yet on the IFMS and TSA, warranting took on average five working days partly because, respective officials had to travel either to Kampala or regional centers to have it done. Total lead time to access quarterly funds translated into a minimum of 35 working days.

Key Challenges

i) Delays to access funds, inconsistent communication of expenditure limits and failure to warrant funds by DLGs on account of non-provision of budget lines. This affected Amuru DLG, where Ug shs 214 million had no budget line and Ug shs 2 billion was not uploaded on the system despite being issued the expenditure limit.

ii) Network failure, resulting in bouncing back of payments made to contractors. Towards year end, such funds tend to be swept back to the Consolidated Fund as unutilized.

iii) Some sections of the Public Finance Management Act, 2015 (PFMA) contradicts the Local Government Act (Cap. 243). The PFMA provisions are in conflict with the policy of devolution/decentralization that is enshrined in the Constitution for the LGs, for example the reallocation and passing of supplementary budgets. So LGs are not sure of which law to follow/apply.

Recommendations

i) Delays in accessing funds should be addressed by MFPED-BPED and Accountant Generals Office to ensure that LG operations and service delivery is not disrupted.

ii) The MFPED with the Ministry of Local Government (MoLG) should align the PFMA to the Local Government Act for efficient service delivery and control.

Overall Physical Performance

The annual overall performance for FY2016/17 was fair (69.02%). The best performing sector was ICT with 78% achievement of annual targets, while Microfinance with 55% exhibited poor performance. Factors that positively contributed to service delivery included; rolling out of the PFM reforms[5] that have led to progressive improvement in the timeliness in release of funds by MFPED; frontloading of development funds, such that most sectors received their funds by quarter three, and increased allocations and implementation of sector specific strategic interventions in line with the National Development Plan (NDP) II and policy directives.

Non-achievement of results was mainly pegged to weak planning and budgeting, inadequate supervision and monitoring of public programmes, inadequate human resources and skills and staff absenteeism, poor compliance and flouting of PFM regulations, hiring of incompetent contractors leading to stalling of projects, lack of maintenance and sustainability plans for infrastructural projects, and land related problems among others.

Agriculture

The overall performance of the agricultural sector during FY2016/17 was good (75.97%). The good performance was primarily due to doubling of the sector budget, improved timeliness in release of funds by the MFPED to the sector, increased quantities and timely procurement of inputs, increased mechanization, and availability of donor financing for some strategic interventions.

5 IFMS; TSA; PFMA (2015) and related PFM Regulations (2016); Decentralization of the Payroll to MDA&LGs, and Amendments to the Public Procurement and Disposal of Public Assets, 2003.

The approved budget for the sector for FY 2016/17 including taxes and arrears but excluding donor funds was Ug shs 773.277 billion, of which Ug shs 737.785 billion (95.41%) was released and Ug shs 736.450 billion (99.82%) spent. This was very good release and expenditure performance.

There was a variance, however, in the level of achievement of outputs by the different programmes/projects. Among the **good performers** in output delivery were: i) National Agricultural Genetic Resource Centre - NAGRC&DB (77%) ii) National Farmer Leadership Centre – NFLC (81.55%) iii) Improving Access and Use of Agricultural Equipment for Mechanization (75.74%) iv) Production and Marketing Grant – PMG (93.34%) v) Uganda Coffee Development Authority – UCDA (95.82%) vi) Vegetable Oil Development Project Phase II - VODP2 (65.20%) and vii) Uganda China South to South Project (72.44%).

Fair performance was recorded for: a) National Agricultural Advisory Services/Operation Wealth Creation - NAADS/OWC (69.26%) c) National Agricultural Research Organization – NARO (84.2.%) c). Examples of the **poor performers** were: i) The Export Goat Project in Sembabule – low achievement of planned targets ii) Agriculture Cluster Development Project

Highlights of sector performance

By 30th June 2017, a number of key achievements were registered by the sector. Under the NAADS/OWC programme, assorted inputs and strategic enterprises were procured and distributed to all districts including: maize (9,278.53 tonnes); beans (1,644.82 tonnes); rice seed (10 tonnes); cassava cuttings (193,457 bags); tissue cultured bananas (1.195m); irish potatoes (8,226 bags); 4,414 dairy heifers; 118 beef bulls; 3,194 improved goats; day old chicks (212,200) and fish fingerlings (4.662 million). All farmers in the 24 sampled districts had received the planned inputs.

However, the performance of the NAADS/OWC performance was constrained by loss and theft; low survival and productivity of planting materials due to drought, delivery of poor quality/diseased planting materials, pest and disease outbreaks, inadequate supervision and advisory services and damage of seedlings during transportation (grafted oranges). There was also lower achievement of some planned outputs due to deviation from the approved work plan and budget re-allocations arising from additional policy directives.

Under the Improving Access and Use of Agricultural Equipment for Mechanization Project, 110 valley tanks/dams were excavated, 8,450 acres of bush were cleared and 392kms of farm and community access roads were opened in 38 districts. However, there was gender and regional inequality in access to the services. Out of the 38 districts that benefitted from the services, the majority were in Central (50%) followed by West (21%), East (18%) and North (11%). By gender, the equipment was mostly accessed by male farmers (78.4%) compared to female farmers (14.1%), others being institutions. Lack of land, capital, information and awareness were key explanatory factors for the inequalities

The Goat Export Project in Sembabule had distributed 1,802 local Mubende goats to beneficiary farmers in the project area. However, this was low achievement (36%) compared to the annual target of 5,008 Mubende goats attributed to the low releases. The project was unlikely in the short term to achieve the intended outcome of commercial viability and wealth creation due to slow disbursement of goats; high goat mortality associated with disease outbreaks and inadequate vaccinations and advisory services and gender inequality. Out of the 91 farmers who received goats during FY 2016/17, 16 (18%) were female and 75 (82%) male.

Several strategic interventions were undertaken in the sector by NAGRC&DB including importation of high grade breeding stock (60 pigs, 40 goats and 13 bulls), semen packing and freezing machine, hay bailers; construction/desilting of valley tanks/dams and distribution of assorted chemicals for livestock management at the ranches. However, performance was challenged by inadequate decentralization of operational funds to the stock farms; poor performance of breeding programme due to inadequate breeding infrastructure and equipment, advisory services and bush clearing to plant good pastures.

However, an emerging challenge is the weak link between the outputs being delivered and the outcomes. Under the NAADS/OWC programme, most farmers received small volumes of inputs; coupled with the low survival rates of crop enterprises, the possibility of attaining the programme/sector outcomes of increased agricultural production and productivity, household food security and commercialization is reduced. The inadequate extension services and supervision reduced the chances of proper establishment and maturity of the crops.

Similarly, there was weak linkage between the outputs of NAGRC&DB and the intended outcomes. Good quality breeding animals were rarely sold to farmers by the NAGRC&DB stations to raise animal genetics and agricultural production at farm level. In Sanga Field Station, castrates and old animals were sold to farmers for slaughter.

Implementation challenges

i) Loss and theft of inputs and low survival of planting materials under NAADS/OWC Programme. Based on a sample of 58 farmers, the survival rate of various commodities was as follows: Coffee (66%), bananas (67%), mangoes (66%), oranges (50%) and maize (37%).

ii) Unauthorized spending of Non-Tax Revenue (NTR) at source. During FY2016/17, Njeru Stock Farm in Buikwe District generated Ug shs 36,085,900, of which Ug shs 29,605,500 (82%) was spent on farm on fuel, tractor repairs and ploughing and Ug shs 6,467,000 (18%) banked on NAGRC&DB account. The MAAIF National Farmers Leadership Centre (NFLC) generated Ug shs 764.788 million as NTR during FY 2016/17, of which Ug shs 721.145 million (94.29%) was spent by the donor agency (Korean International Cooperation Agency) by 30th June, 2017. Only Ug shs 43,643,407 was transferred to the MAAIF account.

iii) High level of arrears in the agricultural sector due to poor planning, budgeting and cost estimation. For the Improving Access and Use of Agricultural Equipment project under MAAIF, there were unpaid allowances for field staff for FY 2015/16 (Ug shs 210 million) and FY 2016/17 (Ug shs 280 million) by 30th June, 2017.

iv) Low absorption of funds and partial implementation of programmes due to delayed releases and disbursements. There was a persistent problem of slow approval of requisitions for funds in the sector by the Accounting Officers and Finance Departments both in the Central and Local Governments.

Recommendations

i) The MFPED should ensure that sector and district Accounting Officers comply fully with public financial regulations (PFM) with regard to timely disbursement of funds, and use of NTR.

ii) The MAAIF and agencies should prioritize and clear all outstanding arrears in the sector.

iii) The MAAIF, agencies and DLGs should improve programme supervision and fast track equipping the extension workers.

iv) The Public Procurement and Disposal of Public Assets Authority (PPDA) should review and improve the performance levels and capacities of PDUs in both the central and local governments.

Education

Overall performance of the education sector was good at 74.4%. The recurrent programs performed better than development projects, as the latter were largely constrained by low releases and procurement delays which led to low absorption in a number of projects.

Financial performance

The revised Education Sector budget for FY2016/17 was Ug shs 2,530,681,224,894, of which Ug shs 2,133,761,224,894 was Government of Uganda (GoU) and Ug shs 396,920,000,000 (16%) external financing. Of the GoU, Ug shs 2,030,288,983,491 (99%) was released and Ug shs 1,973,402,714,149 (97%) spent, while Ug shs 271,780,000,000 (68.5%) was released and Ug shs 166,369,000,000 (61.2%) spent out of the external financing. Overall both release and absorption of funds was good.

Sector Physical Performance

Ministry of Education and Sports (MoES): The annual budget of Vote 013 was Ug shs 660.9 billion. By June 30th 2017, Ug shs 483,622 billion (73.2%) had been released, of which Ushs 374,721 billion (77.5%) was spent.

The overall performance of Vote 013 was fair with 68.58% of the annual output targets achieved. The best performing Vote Function (VF) was Higher Education with 93.5% of the annual targets achieved followed by VF Policy Planning and Support Services with 87.5%, and Quality and Standards with 82.7%. The Secondary Education VF achieved 70.9% of the annual output targets. The worst performing VF was Skills Development largely because five of the projects under the VF have not started long after becoming effective and are therefore not absorbing funds. On the other hand, Pre-Primary and Primary Education and Physical Education and Sports VFs performed fairly with 62.2% and 55.1% respectively.

At project level, the **good performing** projects included Development of Petroleum Institute Kigumba (100%), Development of Business, Technical, Vocational Education and Training (BTVET) (92.2%), Higher Education Students' Financing Scheme (HESFS) (92%), National High Altitude Training Centre (86.6%), Programme 02 Basic Education (86.4%), Higher Education Science and Technology (HEST) (85.2%). Although the HEST project performed well, overall it was behind schedule particularly on construction and rehabilitation of facilities. Civil works at Makerere, Muni, Gulu, Mbarara and Lira universities were behind schedule. The contractors for Gulu and Mbarara universities had applied for an extension of six months. Uganda Management Institute (UMI) was still procuring for a contractor and the contract was awaiting clearance of the Solicitor General by 30th June, 2017.

Performance of Development of Secondary Education was good (70.9%), as a number of planned outputs were achieved. These included the completion of Adaptable Programme Loan (APL) 1 structures in Patongo Secondary School (S.S), Laropi S.S, Awara College-Etori. Works in Kigezi High and Ntale progressed while outstanding bills for Manjasi S.S were paid.

Much as the Uganda Teacher and School Effectiveness project (UTSEP) achieved 69.1% (fair performance); overall the project was behind schedule. The USD 100 million project started on 1st July, 2014 with an expected end date of 30th June, 2019. The core activity of classroom construction and rehabilitation had just started. By June 2017, total disbursement stood at 38% while expenditure was at 27%. Most of the civil works in the first phase of the project were at ground slab.

On the other hand, the **poor performing** projects included Akii Bua Olympic Stadium (23.6%). Two years after the project became effective, it was far behind schedule both in terms of financial disbursements and physical performance. Furthermore, Project 1339 - Emergency Construction and Rehabilitation of Primary Schools Phase II achieved only (31.1%) of the planned output targets. Five other projects under the Skills Development VF also performed poorly. These projects had not started implementation long after becoming effective and were not absorbing funds. The projects are mentioned below:

- Albertine Region Sustainable Development Project: Its start date was 1st July, 2014 and end date is 30th June, 2019. Two-and-a-half years after it became effective, implementation had not started. Most of the activities were still at planning stage because they failed to attract internationally accredited institutions for twinning to make the selected local institutions centres of excellence. Absorption of funds was very poor by 30th June, 2017 as only salaries had been paid.

- Skills Development: The project start date was 1st July, 2015 and end date is 30th June, 2020, however to date, project implementation had not started. They were still sourcing for internationally accredited institutions for twinning to make them centres of excellence. By 30th June, 2017 they had not absorbed any funds.

- John Kale Institute of Science and Technology (JKIST): The project start date was 1st July, 2015 and end date is 30th June, 2019, however, to date it was still at design level. Funds were spent on preparatory activities. The land title for JKIST had not been handed to MoES by Kisoro DLG.

- Support to Implementation of Skilling Uganda Strategy (BTC): The project start date was 1st July, 2015 and end date is 30th June, 2020. To date project implementation had not started.

- The Technical Vocational Education and Training – TVET LEAD). This project start date is 2016 with an end date of 2021. The curriculum for the degree courses was revised by the Japan International Cooperation Agency (JICA). Instructors under the program did not have the necessary qualifications, while some trained instructors with the necessary qualifications had left for better paying jobs. The KCCA had no wage provision for the instructors who are degree holders. Construction works have not started.

Higher Education Students' Financing Board (HESFB): The HESFB has supported 3,764 students in universities and other tertiary institutions since inception. The support covers tuition, functional and research fees, aids and appliances for persons living with disabilities (PLwDs). At least 24 (92%) output targets for FY2016/17 out of the 26 planned outputs, were substantially achieved. They paid salaries for 21 staff, conducted a verification exercise for student beneficiaries, and implemented the Loan Management Information System (ILMIS) among others.

Universities: Performance ranged between good and fair for FY2016/17. The best performing was Makerere University Business School (MUBS) which achieved 93% of its planned targets, followed by Kyambogo University (87.2%), Kabale University (85.8%), Mbarara University of Science and Technology (79.4%), Busitema University (78.1%), and Muni University (70.7%). The other University Votes had fair performance; Gulu University (65.5%), Lira University (55.2%) and Soroti University (56.2 %). The majority of universities performed better on the recurrent activities than on development which was constrained by low releases.

Local Governments: The budget for the Local Government Education Grants was Ug shs 1,417,000,000,000 (inclusive of a supplementary of Ug shs 53,502,200,444 as wages for teachers that were enhanced) which was all released and spent. The budget covered the wage, non-wage (Universal Primary Education (UPE) and Universal Secondary Education (USE) Capitation and Inspection) and two development Programs (Consolidated Development Grant and Secondary School Development/Transitional Development Grant). All education staff in the 112 districts had their salaries and statutory deductions paid. All government aided schools (primary and secondary) received their capitation and the education departments largely conducted their inspection function.

Districts across the country implemented their selected development interventions including construction of classroom blocks, five-stance pit latrines, teachers' houses, and some schools paid retention for previous FY projects, while others supplied furniture to schools using the School Facilities Grant (SFG). By the end of the FY, construction works were at different levels of completion in various districts. While some completed (Adjumani, Arua, Kapchorwa, Iganga, Namutumba, and Kibuku), others were not able to complete works and will be carried over to FY 2017/18. A number of districts (Kamwenge, Masaka, Bushenyi, Hoima, Wakiso, Kamuli, Arua, Iganga etc) procured vehicles for the education departments using the SFG.

Major Challenges

i) Low absorption of funds: By June 2017, total disbursement for the Uganda Teacher and School Effectiveness project (UTSEP) stood at 38%, while expenditure was at 27%. The same was the case for the five projects under Skills Development VF which had not started, long after becoming effective and were thus behind schedule.

ii) Counterpart funding shortfalls: There was a shortfall of Ug shs 90.1billion of counterpart funds, for all donor projects under the MoES. Inadequate provisions to these projects meant that they could not pay taxes on time and/or fully fund trainings and other activities.

iii) Outstanding arrears: The APL 1 World Bank project closed in FY2013/14 leaving arrears that were hitherto unpaid. The outstanding arrears for all 121 secondary schools under APL 1 amount to Ug shs 15 billion, of which Ug shs 1.9 billion was for retention fees owed to APL I contractors. A number of these contractors were threatening to take government to court.

iv) Inadequate staff: All university votes did not get adequate provisions to recruit staff for FY2016/17, thus their recruitment plans largely remained unimplemented. The staff establishment in many public universities remains low. For instance, Gulu University is operating at 40% with the most affected faculties being Medicine, Science and Agriculture. Busitema, Lira, Soroti, Kabale and Muni universities are grossly understaffed which impacts greatly on service provision.

v) **Inadequate funds provided for welfare of students in public universities:** Students were paid Ug shs 5,000 per day to cover breakfast, lunch and dinner. They received Ug shs 40,000 per month yet hostels were charging an average of Ug shs 200,000 to Ug shs 300,000 per semester. Ug shs 1,000 was paid as transport allowance per day (Monday to Friday) regardless of where the student stays. These allowances often delay and are not commensurate to the cost of living and often result in strikes.

vi) **Salary arrears:** A number of universities did not pay salaries and statutory deductions (National Social Security Fund-NSSF and Pay as you Earn-PAYE) for June. Gulu University had salary arrears to the tune of Ug shs 700million for NSSF and PAYE for FY2016/17.

vii) **Districts hosting refugees:** Adjumani, Moyo, and Yumbe were experiencing hitherto unseen congestions in classrooms and inadequate sanitation facilities due to presence of several refugees. In Adjumani district, on average a classroom was accommodating 100 pupils in most schools yet the national standard is 1:53, the pupil text book ratio was at 1:8 yet the national standard is 1:1, the desk pupil ratio is 1:9 yet the national standard is 1:3. Similarly, the pupil latrine stance ratio was at 1:67 yet the national standard is 1:40. Many of these latrine stances need renovation. Other districts in the region were experiencing a similar problem.

Recommendations

i) The Pre-Primary and Primary Education Vote Function should step up the performance of the two projects; Uganda Teacher and School Effectiveness Project (UTSEP), and Emergency Construction of Primary Schools Phase II.

ii) The MoES should budget for and pay all arrears under APL 1 and other projects, (after verification by the Internal Audit Department). To avoid costs of litigation, details of suppliers should be sent to MFPED in cases where no budgets provisions were made as guided by the Budget Execution Circular FY 2016/17 on payment of domestic arrears.

iii) The MoES should prioritize and budget adequately for counterpart requirements for all projects under the sector.

iv) The MFPED should make adequate provisions for recruitment of staff in all public universities.

v) The MoES, Office of the Prime Minister (OPM) and DLGs should make special provisions to assist districts hosting refugees to solve the issues of classroom congestion, inadequate sanitation facilities and scholastic materials.

Energy

The approved sector budget was Ug shs 2.418.13 trillion, but revised to Ug shs 2.433.68trillion after approval of a supplementary of Ug shs 14.55billion. The overall sector release performance was poor at 58.4%, attributed to the low disbursement from externally funded projects which accounted for 49.7% of the budget. The GoU development budget release performance was good at 94.0%, with a good absorption of 99.5%.

Sector Physical Performance

The Energy and Minerals Sector performance was fair at 66.8%. **Good performance** was exhibited by the Rural Electrification Project (80%), Isimba Hydropower Project (79.5%), Kawanda-Masaka Transmission Projects (72.3%), Performance of Strengthening the Development and Production Phases of Oil and Gas Sector (74.0%), Skills for Oil and Gas (70%), Mineral Wealth and Mining Infrastructure Development (74.0%) and Design, Construction and Installation of Uganda National Infrasound Network (77.5%).

Projects that had **fair performance**, but showed great improvement in the second half of the financial year were Mputa Interconnection (65.4%), Downstream Petroleum Infrastructure (67.7%) and Karuma Hydropower (64.4%).

Poor performance was exhibited in Nyagak III Hydropower Project (27.2%), Bujagali-Tororo/Mbarara-Mirama (Nile Equatorial Lakes Subsidiary Action Program-NELSAP) projects (48.5%), Lira-Tororo/Mbarara-Nkenda Transmission Project (54.5%), and the Karuma Interconnection Project (50.8%).

Under the Rural Electrification Programme, 935km of low voltage and 895km of medium voltage lines were completed and commissioned. Notable among these were the GoU funded Lot 5 and Lot 8 schemes in districts of Mbale, Budaka, Pallisa, Sironko, Tororo, Bukwo, Manafwa, Rukungiri, Kabale, Kisoro, Ntungamo, and Mbarara. Several other schemes (Ntenjeru-Mpenja, and Aduku-Cawente) funded under Bank for Economic Development in Africa/ Saudi Fund for Development (BADEA/SFD) and Organization of the Petroleum Exporting Countries (OPEC) were also monitored under the Defects Liability Period.

All projects implemented under the Energy for Rural Transformation (ERT II) additional funding were completed, and these covered Masindi, Buliisa, Nkonge, Nwoya and Ntungamo. Several projects under Islamic Development Bank (IDB) III and ERT III were still under procurement. Currently, the level of electrification of the country stands at 20.5% with 113 out of 117 district headquarters connected to the grid.

The performance of the transmission line projects in general continued to underperform due to difficulty in accessing Right of Way (RoW). This affected the stringing works on the Hoima-Nkenda, Tororo-Lira, Mbarara-Nkenda, Kawanda-Masaka transmission lines. However there was good progress in the substation works on most of the transmission projects and some of the achievements were the completion of the substation works in Kawanda, Fort Portal and Bujagali Interconnection. Good progress was achieved on the Hoima-Nkenda substations, and Masaka substation. Works on the projects under NELSAP came to a standstill after termination of the contractor for the substations.

Construction works on Isimba HPP are back on schedule after suspension of works in April 2016 due to quality concerns; however, there are still some sections (two embankment dams) which were behind schedule. Electromechanical works were on-going at Isimba and some of the critical equipment such as the turbines and generators were manufactured. The turbines were delivered on site and all cranes installed. The Isimba-Bujagali interconnection line meant for evacuation of electricity from Isimba HPP is on schedule and the tower erection is at 82.7%.

The works at Karuma HPP were behind schedule after suspension of works from April to December 2016. The key highlight in the works at Karuma was the completion of all excavation works in the tunnels, caverns and adits. The project continued to be plagued by defects in the concrete works, and repairs continue to be done by the contractor. The delivery and installation of electromechanical and hydro mechanical equipment was behind schedule. Work on the Karuma-Interconnection project was behind schedule due to compensation challenges.

The construction works on the Nyagak III dam had not begun due to failure by the private partners to obtain financial closure. Works on the access road were on-going.

In the Minerals sub-sector, under the Mineral Wealth and Mining Infrastructure Development Project, the draft Mineral Policy was prepared and submitted to Cabinet. Twelve mining operation audits were undertaken in Isingiro, Ntungamo, Kabale and Kisoro districts. Studies confirmed gold, base metals and PGM at Amuru, Bentonite at Kaiso Tonya in Hoima district.

Under the Oil and Gas sub-sector, eight (8) production licenses where issued by government with five (5) Petroleum Production Licenses granted to Tullow Uganda Operations Pty Limited (Tullow), the operator for EA2, while three (3) Petroleum Production Licenses were granted to Total E&P Uganda B.V. (TOTAL) the operator of EA1. Negotiations for a strategic partner for the Refinery Project are in the final stages. The construction of the resettlement infrastructure comprising of schools, health centers and resettlement houses in Kabaale was completed to pave way for the construction of the Oil Refinery. The Petroleum Authority of Uganda (PAU) and the National Oil Company of Uganda (NOC) have continued with the recruitment of staff and capacity building.

The Memorandum of Understanding (MoU) between Uganda and Tanzania committing to develop the oil pipeline from the oil fields in the Albertine to the Port of Tanga was signed in May 2017. The Environmental Impact Assessment studies and detailed survey for the pipeline route were ongoing in both countries. The first phase of the Front End Engineering Design studies launched in January 2017 was completed and the second phase was on-going.

The **major challenges** include:

i) Delay in acquisition of RoW owing to setbacks in compensation affected works on all the transmission line projects. Uganda Electricity Transmission Company Limited (UETCL) failed to compensate Project Affected Persons (PAPs) in a timely manner, partly because of objection to the low compensation rates, and also due to lack of funds as is the case for Karuma Interconnection Project. Contractors were denied access to line corridor causing Government to incur extra charges for idle equipment.

ii) Inadequate capacity to manage and supervise works on various infrastructure projects. The large hydro power plants were still facing quality issues even after transfer of contract management authority from the Ministry of Energy and Mineral Development (MEMD) to Uganda Electricity General Company Limited (UEGCL). Work on transmission projects was also affected by the manpower resource constraints at UETCL.

iii) Inadequate sector funding such that some of the key sector activities such as the Resettlement Action Plan (RAP) for transmission and rural electrification projects was inadequate, leading to delay in compensation of PAPs that had consented. This increased resistance to the compensation exercise.

iv) Low demand for electricity connections among the households in the rural areas due to the high associated costs. Although the Government through the Rural Electrification Agency (REA) has extended the electricity grid to most parts of the country, the cost of service and connections is still high and many schemes after completion remain underutilized.

Recommendations

i) The MFPED should ensure timely and adequate release of funds to sector agencies for critical activities such as RAP.

ii) The Government through the Ministry of Lands, Housing and Urban Development (MLHUD) should expedite review of the land law in regard to land acquisition. This will enable quicker acquisition of land for infrastructure projects.

iii) The sector agencies (MEMD, UETCL, and UEGCL) should build capacity in the execution of infrastructure projects through continuous skills development and training in areas of procurement and contract management.

iv) The Government through the Rural Electrification Agency (REA) should undertake concrete measures to make electricity affordable so that the projects benefit intended recipients. Providing a subsidy for the cheapest category of connections (No-pole and 1-pole) in all the REA service territories will go a long way in realising this.

Health

The sector was allocated Ug shs 1,827.26billion inclusive of donor funding but excluding arrears, taxes, and Appropriation in Aid. The GoU funded 52% of the budget while development partners funded 48%. Release and expenditure performance for GoU component[6] was very good at 95% of the budget (Ug shs 917billion) released and 98% (Ug shs 897billion) spent. The sector did not absorb Ug shs 19.5billion by 30th June, 2017. The unspent balance was attributed to delays in recruitment of health workers and programme procurement delays.

6 Overall donor component was not readily available by 30th June, 2017.

Sector Physical Performance

Physical performance was fair, as 69% of the annual set targets were achieved against 88% financial performance[7]. The mismatch between physical and financial progress was attributed to; payments for items not delivered by 30th June, 2017, and poor planning characterized by ambitious targets which could not be achieved within the allocated resources. Individual programme/project performance varied from very good (100%) to poor (13%). Summary of performance by category is highlighted below;

Good performing programmes included; The National Disease Control (NDC) Program under Ministry of Health (MoH) that achieved 84% delivery of outputs focusing on surveillance, detection, and prevention, and case management. Some activities undertaken included mass media campaigns on human immunodeficiency virus (HIV), malaria and tuberculosis (TB), immunization, registration and distribution of long lasting treated mosquito nets to a number of households in some areas, and indoor residual spraying.

The Rehabilitation of General Hospitals achieved 85% of the planned outputs. Beneficiary health facilities were rehabilitated (painting, replacement of doors and windows, sewer and drainage systems among others done).

Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital achieved 83%; Uganda Health Systems Strengthening Project (UHSSP) and Global Alliance for Vaccines Initiative (GAVI) achieved 84% and 82% of the planned outputs for FY2016/17 respectively. Most of the construction works (maternity ward, theatres, staff houses and vaccine stores) under both projects were at substantial completion. Support to Rehabilitation of Mulago Hospital achieved 82%, with Kiruddu and Kawempe hospitals handed over and operational. However, delays in completion of Lower Mulago were noted.

The Uganda Heart Institute achieved 83% with most of the procurements under the development grant attained. These included assorted medical equipment, machinery, furniture, and transport equipment among others. Among the Regional Referral Hospitals (RRHs), Arua, and Gulu achieved all their set targets under Rehabilitation of Referral Hospitals, followed by Jinja at 93% and Soroti at 83%.

The fair performers included: Clinical Services Program under MoH at 55%; most of its targets were ambiguous and overlapping with other sector programs; Butabika National Mental Referral Hospital at 66%; Mubende RRH at 66%; and Uganda Cancer Institute at 50% with construction of the radiotherapy bunker behind schedule. The Support to Uganda Cancer Institute by African Development Bank Project was way behind schedule, with construction works under procurement. Masaka and Fort Portal RRHs achieved only 50% of their outputs, respectively. Construction works for the staff houses had stalled at foundation level and the contractor had abandoned site at Masaka RRH, while deliveries for some equipment and the ambulance had not been done in Hoima RRH. Mbarara Hospital achieved 58% against 100% financial performance.

Poor performing projects under MoH included; National Ambulance Services at 35%; Italian Support for Construction of staff houses in Karamoja at 45%, construction works had stalled at all sites due to delays in payment to the contractor. The East African Laboratory Project at 45% with most works under procurement delays. The District Infrastructure Support Project – DISP (40%), planned outputs like construction works at Kapchorwa hospital, procurement of x-ray equipment and Health Management Information System (HMIS) forms were not achieved. Regional Hospital (located in Entebbe) for Pediatric Surgery achieved only 16%, while Renovation and Equipping of Kayunga and Yumbe General Hospitals achieved 13%, both projects suffered procurement delays.

Mulago and Hoima Hospitals achieved 45% of their outputs, respectively. Issues of poor planning characterized by delayed initiation of procurement processes led to reallocation of funds. Funds meant for procurement of beds were paid to M/s Block Services Limited for construction of the staff houses, while the planned storied ward complex block was not done at Hoima RRH, as funds were reallocated to construction works at the lagoon without necessary approvals. The works had not commenced by 25th July, 2017. Moroto RRH achieved only 37% of the set targets; others were pending due to procurement delays.

7 Combination of GoU monies and a few donor-funded programmes.

Implementation challenges

i) Delays in initiation of procurement; x-rays machines and Health Management Information System (HMIS) forms under the DISP were not procured. This also affected civil works to be undertaken at Kayunga, Yumbe, and Pediatric Hospital in Entebbe; and construction and remodeling works in Mbale, Lacor, Mulago hospitals under the East African Laboratory Project. Equipment and furniture purchase under the UHSSP was not completed until the project ended on 30th June, 2017. Some hospitals like Mulago National Referral Hospital and Hoima RRH signed contracts towards end of FY (May 2017).

ii) Poor planning characterized with commiting Government above the approved estimates. Hospitals like Mbarara, Masaka, Mubende and Gulu committed government by undertaking multibillion contracts under Rehabilitation of Regional Referral Hospital Project. These commitments were far above the Medium Term Expenditure Framework (MTEF) provisions in the specified timelines.

Mubende signed a Ug shs 7billion contract for the maternity ward to be executed in 18 months yet their budgetary provisions for that period did not match the commitment. Gulu signed a Ug shs 6.2billion for 18 unit staff quarters executed in 36 months, Masaka signed Ug shs19.6billion for maternity ward and staff hostel executed in 36 months. Some of these contracts stalled due to inadequate funds, the contractor for the staff hostel at Masaka Hospital abandoned site, while other hospitals were under pressure to clear unpaid certificates amidst threats to charge interest for delayed payments. The contractor at Mbarara RRH charged GoU Ug shs 335million as interest for delayed payments.

iii) Poor allocative efficiency[8] by some votes; under the Support to Uganda Cancer Institute by African Development Bank, 51% (Ug shs 1billion) of the counterpart funding was allocated to payment of allowances. Each staff house under GAVI was constructed at about Ug shs 420 million meaning the districts that benefited from the grant were allocated Ug shs 840 million for two dwellings. This was a very high expense to accommodate only four health workers. Beneficiary LGs were not satisfied with the investment noting that an equivalent investment could have been used to accommodate more staff in various health facilities.

iv) High cost of renovation for various hospitals; the unit cost of constructing a four-stance latrine at some health facilities like Lyantonde and Kagadi was over Ug shs 40 million. The high costs were sometimes a result of unrealistic terms and costs in preliminary sections of various contracts.

v) Poor quality works coupled with mismanagement of government funds were noted in some general hospitals like Kaberamaido, Kagadi, Bugiri, Kumi and Kagadi. Funds released to the above hospitals were not commensurate to works on ground.

vi) Inadequate financial and technical capacity of contractors leading to delays in execution of planned works at various hospitals.

Recommendations

i) The MoH and sector agencies should engage the MFPED to guide them in proper planning and budgeting, especially where the required investments are more than the MTEF ceilings to avoid stalling of projects.

ii) The MFPED Department of Project Analysis and Public Investment Management (PAPM) should ensure multiyear projects are properly vetted taking into account allocative efficiency and value for money.

iii) The MoH and sector agencies should adhere to the work plans and approved procurement plans to reduce procurement delays. Accounting officers and project managers should ensure all procurements are initiated in time.

iv) The MoH and other sector votes should reduce waste through minimizing inputs for any given output. The improve efficiency in health spending, the sector embrace the estimated key unit costs provided by the health sector every financial year.

8 Scarce resources are used in a way that meets the needs of people.

v) The Public Procurement and Disposal of Public Assets Authority (PPDA) should regulate and investigate contractual agreements for various entities. The Office of the Auditor General (OAG) should also undertake value for money and forensic audits on various hospitals. Administrators guilty of misuse of public funds should refund and be apprehended.

Information and Communications Technology

The overall budget for the ICT sector comprising of Wage, Non-Wage Recurrent, Development, Gross Tax, and Non-Tax Revenue (NTR) for FY 2016/17 was Ug shs 199.226 billion. The monitored budget for the FY2016/17 was Ug shs 79.9 billion, of which 12% (Ug shs 9.77billion) was for the Ministry of ICT & National Guidance (MoICT&NG) and 88% (Ug shs 70billion) for the National Information Technology Authority (NITA-U). The budget outturn by 30th June 2017 was Ug shs 55 billion (68%) of which, Ug shs 47 billion (87%) was spent.

The release and expenditure performance at MoICT&NG was very good (91% and 95% respectively). Whereas release performance at NITA-U was fair (64%), expenditure was good (86%). It was observed however that 24% of the expenditures under the MoICT&NG were on rent (Ug shs.2.1billion) as the rent obligation escalated due to the appreciation of the dollar against the Uganda Shillings (from Ug shs 2,500 in 2014 to Ug shs 3,600 in 2016). This affected execution of other programmed outputs.

Sector Physical Performance

The overall sector performance was good with 78% of annual targets achieved. The development project of National Transmission Backbone Infrastructure (NBI) achieved 100% of the annual targets while the NITA-U recurrent programmes posted **good performance** (86%), the Rural Communication Infrastructure Programme (RCIP) posted **fair performance** (63%) as most of the outputs were preliminary to execution of key outcomes. On the other hand, the Ministry of ICT recurrent programmes posted **fair performance** (65%) while the development component was good (75%).

The **third phase of the NBI** that links Kampala to Masaka, Mutukula, Mbarara, Kabale, and Kyenjojo through Hoima to Masindi was successfully completed using both aerial and ground Optic Fibre Cable (OFC) with a total length of 756Km. The three transmission sites were installed in Masaka, Kabale and Mutukula. Closed Circuit Television (CCTV) cameras for improving physical security were installed and a Network Operating Centre (NOC) established at Statistics House.

Preliminary arrangements to kick start **the RCIP project** were executed with most of the outputs accomplished. Five key staff were recruited, trainings in project management, procurement and automation of accounting system were concluded and a number of procurements initiated.

The draft policy on the use of Internet, email and social media was developed; E-waste Management Guidelines disseminated; sensitization and awareness campaign on Computer misuse, the e-transactions and e-signatures Acts were conducted with several institutions and a zero draft of the Cyber City Strategy was produced among others.

Technical support and guidance was provided to central and LGs. The draft Spectrum Management Policy was developed; and a report on postcodes for Kampala was produced. The NITA-U (Certification of Providers of IT Services and Products) Regulations and NITA-U (Authentication of IT Training) Regulations were published in the Uganda Gazette.

Sixty one (61) additional MDA sites were connected to the NBI bringing the total number of sites connected to one hundred ninety eight (198). Internet bandwidth was delivered to sixty one (61) MDA sites during the year to bring the total number utilizing Internet over the NBI to One hundred forty three (143).

Under e-government; one hundred forty (140) Wi-Fi sites (hotspots) were activated on a wireless Metropolitan Area Network code named **MYUG sites.** The network is made available for free to the public during off peak hours (6:00pm – 6:00am daily). One hundred and ten (110) MDA/LG websites were supported during the financial year. They were provided with hosting services and technical support. Fifteen (15) new MDA/LG websites were developed. Thirty four (34) MDA/LGs were supported in realizing e-services, in terms of getting effectiveness for projects, increasing revenue and reducing time delays. Three services were added to the e-services portal.

The Government Citizen's Interaction Centre (GCIC) was launched and the modules on Call Centre and Knowledge management were activated. The GCIC commenced in January 2017 with six communication agents and six call centre operators responding and or referring to responsible entities questions about government services. Twenty (20) MDAs signed up for the e-government master services agreement under the Microsoft solutions.

By 30th June, 2017, a Transaction Advisor for the proposed ICT Park in Entebbe was under procurement. The Business Process Outsourcing (BPO) centre was operational. A total of one hundred and forty five (145) employment opportunities were created during the financial year under the BPO strategy. Sixty one (61) agents are employed at the BPO Center and Eighty four (84) agents are employed by three (3) BPO firms (Munu Technologies, Cayman Consults and BDE Consults) supported by NITA-U but working outside the BPO Center.

Fourteen ICT standards were developed against the planned five for the year and four awareness sessions on standards were held. A certification engine was setup and a national IT certification office established. A total of 177 firms were registered, 45 taken through the certification process and 28 got certified.

The National Information Security Framework (NISF) compliance assessment was conducted in three (3) institutions namely; Uganda National Council for Science and Technology (UNCST), MFPED and Uganda High Commission –Kigali.

Major Challenges

i) Duplication of effort, low ICT technical capacity and staffing within MDAs

ii) Insufficient counterpart funding to meet the financing needs of the projects/programmes

iii) Long delays in securing approvals/no objection from the World Bank.

iv) Delays in release of funds, an increasing stock of domestic arrears and inadequate allocation of funds to some programmes.

v) Low utilization of the NBI and high costs of bandwidth over the NBI compared with the private sector

vi) Poor planning and late initiation of procurements

vii) Several policies, laws and regulations although initiated during the year were not approved/passed due to inadequate resources to conduct consultations and validation exercises.

Recommendations

i) The NITA-U and MFPED should prioritize counterpart funding of the RCIP project.

ii) The Ministry of Public Service, MFPED, Public Service Commission and MoICT&NG should review the ICT staff establishment at MDAs with a view of recruiting and posting technical staff to agencies that do not have any and those with below optimum requirements.

iii) The MoICT&NG and NITA-U should develop a change management strategy and roll it out to MDAs.

iv) Government through NITA-U should rationalize the usage of the NBI and engage with other government entities such as the UETCL which laid Optic Fibre Cables to areas where NITA-U has none such as Karamoja and West Nile sub-regions, to facilitate access, and where possible avoid duplication of effort.

v) The MoICT&NG should ensure that its subsequent tenancy agreement currency is in Uganda Shillings. Arrangements should be made to have the shortfall cleared to avoid domestic arrears.

vi) The NITA-U should regularly review the market prices for data and accordingly adjust them to avoid being seen as overcharging government entities.

Industrialization

The overall approved budget to the sector during FY2016/17 was Ug shs 68,951,657,334, of which Ug shs 57,181,917,241 (80%) was released representing good release performance. Absorption of funds was good with 85% (Ug shs 47 billion) spent by end of the financial year. All expenditures ranged between 91%-100% except for the Sheet Glass Project (17%), Value Addition to Tea (44%) and Soroti Fruit Factory (73%).

Sub-Sector Physical Performance

The overall physical performance for the FY2016/17 was fair (65%). A number of projects were at varying levels of progress. The United States African Development Foundation (USADF) achieved 90% of its annual targets representing very good performance. **Good performance** was also observed at the Presidential Initiative on Banana Industrial Development (PIBID) 81%, Uganda Industrial Research Institute (UIRI) 85%, the One Village One Product (OVOP) 80%, and the Value Addition to Tea Project (74%).

Fair performance was noted for Development of Industrial Parks (66%), Soroti Fruit Factory (66%) and Kiira Motors Corporation (63%). The **poor performing** projects were Strengthening UNBS (construction of laboratories project) at 29% and the Sheet Glass Project at 19%.

Seven beneficiary cooperatives under USADF project were funded with warehouses, value addition premises and equipment, crop financing, transport equipment and extension services among others. Although the PIBID project exhibited a seemingly good performance, most of the funds were spent on clearing outstanding arrears for civil works and gratuity spanning more than two years. The factory was partially operational while the quality assurance infrastructure, hostels additional equipment and external works were repackaged into a new contract as the previous contract had expired.

Civil works under the Soroti Fruit Factory were 100% complete and the contract was under defects liability. A total of 21 containers of machinery and equipment were delivered to the site awaiting installation. However, some of GoU's obligations such as construction of waste treatment facility were not achieved. The Uganda Industrial Research Institute (UIRI) generally performed well on incubation activities however, Research and Development, Value Addition and offsite projects lacked the required funding to achieve set targets as over Ug shs 2 billion, of the Ug shs 8 billion development budget was not released.

The Value Addition to Tea project was six months behind schedule due to sluggishness of the equipment suppliers and weak supervision from Uganda Development Corporation (UDC). The OVOP project delivered equipment to most of the selected beneficiaries; however, the beneficiaries lacked business and strategic plans, adequate operating capital and experienced low productivity. In some instances, the Ministry of Trade, Industry and Cooperatives (MoTIC) support was reportedly inferior in quality, for example a maize mill delivered to a group in Kabale was of low processing capacity.

Poor performance was observed for the Sheet Glass Project whose physical performance was at a paltry 19%, because the funds were released in Quarter 3, thus delaying execution. The funds released under Phase II of Uganda National Bureau of Standards (UNBS) project (construction of laboratories) were used to clear outstanding arrears from Phase I; this was complicated further by a low budget outturn (50%), thus a poor physical performance of 29%.

Major Challenges

i) **Poor budgetary allocation:** A number of projects in the sub-sector are not adequately funded to enable them achieve their intended objectives. These include; Development of Industrial Parks, KMC, OVOP (Rural Industrial Development Strategy) and UIRI.

ii) **Lack of Industrial parks infrastructure:** Although the Uganda Investment Authority (UIA) under the project for Development of Industrial Parks had attempted to develop a semblance of infrastructure, it remains inadequate for substantive industrial settlements.

iii) **Lack of a centralized waste treatment plant for industrial parks:** Despite the ongoing construction of factories in various industrial parks and some factories even completed, UIA has not constructed central effluent treatment plants for the parks due to inadequate funds. Investors discharge waste to existing drainage channels and undeveloped neighboring plots like the case is in Namanve, Luzira and Bweyogerere.

iv) **Lack of a project code for the Value Addition Tea and Sheet Glass projects**. The projects are irregularly housed under the Soroti Fruit Factory project.

v) **Delayed approval of the PIBID business plan**: The business plan to enable transition from market testing to commercialization of the project was yet to be approved by the mother Ministry.

vi) **Inadequate volumes of industrial appropriate fruit varieties:** Although the Teso region is blessed with a number of varieties of citrus fruits, low volumes of the varieties are selected for juice processing. Less than 5% of the fruits grown in the region shall be eligible for processing.

vii) **Presence of poor quality seedlings**: It was noted that the farmers across the country obtain poor quality seedlings from suppliers including those prequalified under Operation Wealth Creation.

viii) **Delivery of defective machinery to Value Addition Tea Project**. Some of the equipment was defective, for example blades and the conveyors did not meet the requirements of the client. The supplier was required to ship the right equipment thus causing delays in implementation.

ix) Failure by MoTIC to adhere to the selection criteria which require OVOP beneficiaries to have business and strategic plans. All the beneficiary groups under OVOP lacked direction and signs of false start were observed at Kiwenda Horticultural Group and Value Addition Hub in Manyangwa-Wakiso district.

x) **Lack of cost effective packaging options:** Quality packaging material for products like wine, juices, potatoes are imported, which increases the costs of production for the Small and Medium Enterprises (SMEs) and incubatees.

xi) **Poor intersectoral linkages:** Although there are a number of working prototypes at UIRI developed locally by Ugandan scientists across many sectors, there is low uptake due to poor intersectoral linkages between MDAs for adaptation and replication.

xii) **Low uptake of technologies for commercialization:** Technologies developed at UIRI and other centres such as PIBID and KMC are shelved immediately after proto-typing. This situation is frustrating to the scientists.

Recommendations

i) The MFPED should prioritize funding to the sub-sector to enable it achieve its intended goals.

ii) The UIA should prioritize the construction of the central waste treatment plant in the industrial parks to ensure proper management of effluent waste from the factories.

iii) The UDC should prepare and submit a separate project for tea and sheet glass with detailed profiles to streamline the scope of these projects.

iv) The MFPED/Ministry of Science and Technology should expedite the approval of the PIBID business plan to facilitate commercial operations as a legal entity.

v) The KMC should consider an alternative leaner financing model such as leasing facilities for vehicle manufacturing to attract prospective partners in the short to medium term to showcase the possibilities of the concept, as adequate financing for construction of a fully-fledged motor vehicle manufacturing plant is being sought.

vi) The MAAIF should endeavor to inspect certified nurseries to ensure that quality seedlings are supplied.

vii) The UDC should at all-times form pre-shipment inspection teams with relevant expertise to assess the quality of equipment being loaded to avoid delays in project implementation.

viii) The MoTIC should conduct thorough assessment of its beneficiaries and prepare them with adequate training in business skills to ensure that strategic and business plans are developed for sustainability.

ix) The OPM as a coordination office should strengthen and harness intersectoral linkages between MDAs to realize the collective impact of public interventions.

x) The UIRI and the Ministry of Science and Technology should institute mechanisms that support innovations beyond proto-typing.

xi) Incubatees at UIRI facilities with signs of growth should be encouraged to develop private premises to allow other new entrants access and use of the services at the incubation centres to create the desired multiplier effect and employment.

Microfinance

The MicroFinance Support Centre (MSC) achieved fair performance at 55%, with 50% of planned outputs fully achieved, 17.5% partially achieved and 47% not achieved. The MSC disbursed Ug shs 33.417billion to clients (56% of the planned target) of which disbursements from repayments formed 27.5% (Ug shs 16.329 billion) of the total disbursements.

Percentage growth in portfolio outstanding was 7% (to Ug shs 65 billion) which was below the annual target of 10%. Loan recovery rate was 57.5% declining from the 72% in FY2015/16. The MSC gave loans at favourable interest rates between the ranges of 9% to 17% for the different client categories; agricultural, commercial, teachers, Islamic and environmental. These rates were below commercial bank rates that remained above 20%.

The overall Portfolio at Risk (PAR) greater than 90 days was 14% against a target of 10% pointing to an increased risk of non-recovery of loaned funds. Although there was growth in number of districts with Savings and Credit Cooperatives (SACCOs), capacity building support to these SACCOS remained low. Some MSC zonal offices were found to have unrealistic loan disbursement targets exceeding 5% of previous performance without consideration of past economic activities. The duration of loan processing to clients by the MSC averaged at two months against a target of one month. The participation of DLGs in micro credit activities improved as registered from the SACCOs monitored.

Key Challenges

i) Limited capacity of SACCOs to access loans from MSC as many did not meet the requirements.

ii) Inefficiencies and delays in loan processing by the MSC that forced would-be clients (SACCOs) to other lending institutions.

iii) Poor communication flow between the MSC head office, zonal offices and SACCOs.

iv) Poor governance and management in most SACCOs which resulted in misappropriation of funds, theft, collusion, and endemic fraud.

v) Understaffing of MSC zonal offices that hampered monitoring of implementation of action plans drawn with clients and recovery of funds from clients.

vi) Insufficient funds available to MSC for onward credit to meet client demand.

Recommendations

i) The MFPED in partnership with the MSC should fast-track the operationalization of the recently passed Tier 4 Micro Finance Institutions and Money Lenders Act that seeks to enforce regulation and control of microfinance institutions including SACCOs. This will involve completion of regulations and massive sensitization of all stakeholders.

ii) Through the business development services programme of the MSC and partnership with MFPED, the Program for Financial Inclusion in Rural Areas (PROFIRA) should build capacity of SACCOs on loan utilization and management from the acquisition of loans to repayment stage.

iii) The GoU should capitalize MSC to enable further disbursements.

Public Sector Management

The approved budget for the eight votes (excluding Local Governments) under the Public Sector Management (PSM) for FY2016/17 was Ug shs 498.24billion (exclusive; external financing, taxes and arrears of which Ug shs 410.712billion (82.4%) was released and Ug shs 408.026billion (99.3%) spent. This was good release and absorption.

Sector Physical Performance

Performance was fair at **62%**. **Good physical performance** was noted under the *Humanitarian Assistance Project,* under the Office of the Prime Minister (OPM) at 79.7%; where over 1,000 metric tons (maize, beans, rice); and 2,000 non-food items (tarpaulins and blankets) were procured and distributed as planned; *Public Service Commission (PSC) and Local Government Finance Commission (LGFC)* registered good performance at 71% and 71.2% respectively.

Planned outputs were achieved with clear performance targets. For PSC, 41 out of 50 inductions were conducted in District Service Commissions (DSCs), 52 appeals were completed and74 Selection Tests were administered to 17,444 applicants of which 4,870 were recommended for oral interviews for different posts whereas for LGFC, 32 LGs and 20 Urban Councils were provided with skills to establish Local Revenue Databases; Fiscal data validation and verification exercise was conducted in 10 LGs.

Millennium Villages Project (MVP) II in Isingiro District under Ministry of Local Government (MoLG) performance for the **donor** component under MoLG at 70%. This was attributed to good quality of completed civil works. Four out of five maternity wards for health centres, four out of six classroom blocks for schools, one out of three water schemes were completed.

Fair performance was observed in *Support to Luwero-Rwenzori Development Program (LRDP)* under OPM at 60% where 53 out of 80 (60%) micro projects were supported with funds for enhancement of household incomes.

Ministry of Public Service (MoPS) was at 61% - trainings on pension processing for the 23 new votes and four MDAs; three universities, one department; and all MDAs on full decentralization of pension processing and management were conducted; the Integrated Personnel and Payroll System (IPPS) was operationalized in173 out of 215 votes (80%) and 156 IPPS sites supported out of 215 (72%).

Community Agricultural Infrastructure Improvement Programme (CAIIP III) performance was at 62% 2,744km out of 2,845km of Community Access Roads were constructed; 16 out of 67 Agro-Processing Facility (APFs) were installed with machines, tested and functional; 52 out of 58 APF sites had transformers installed.

Urban Markets and Marketing Development of the Agricultural Project (UMMDAP) under MoLG was at 63%; where Nyendo market is completed and vendors relocated whereas for Busega market only Phase I has been completed but non-functional. The *Support to Ministry of Local Government* at 68% where funds were remitted to nine LGs to support construction of administrative infrastructures.

Ministry of East African Community Affairs (MEACA) was at 53% where mainstreaming the National Policy on EAC Integration in the peace and security sector was carried out; *National Planning Authority* (NPA) at 58% where the Human Resource Framework and Capacity Building Project document were developed; and *Local Government Management Service Delivery* (LGMSD) Project under Kampala Capital City Authority-KCCA at 69% where funds were spent on 60 trainings both internal/external; and renovations of Lord Mayor's Parlor at KCCA.

Poor physical performance was noted under Office of the Prime Minister for *Karamoja Integrated Development Programme (KIDP*) at 33% and *Post War Recovery and Presidential Pledges* Project at 42.4% where most funds released were spent to clear debts.

For the project under MoLG, poor performance of the *Millennium Villages Project II* (***GoU component***) was at 0% as there was no documented evidence of planned outputs implemented against funds released and spent.

Major Challenges

i) **Weak planning, budgeting and prioritization that has resulted in poor** linkages between outcomes and outputs despite the introduction of Programme Based Budgeting (PBB). This was noted under KIDP in OPM and MVP II project under the GoU component, MoLG.

ii) **Non-compliance to Public Finance Provisions -** Despite the provisions in the PFMA Act (2015), institutions still have unauthorized fund reallocations and mischarges, as noted under Peace, Recovery and Development Plan (PRDP) in OPM.

iii) **Unpredictable wage bill,** due to poor coordination, between MFPED, MoES, MoPS, MoH, Education Service Commission, Health Service Commissions and LGs. In addition there are no systems, policies on the recruitments, transfer/promotions of secondary teachers in Government Aided Schools and Tertiary Institutions. As a result, teachers with forged appointment letters, posting instructions from MoES have accessed and bloated the secondary teachers' payroll. Irregularities on the salary payrolls with deliberate duplicated payments, overpayments, wrongful payment of salary scales, delays to remove retired staff from payrolls were observed. This was rampant in the districts of Nakasongola, Nakapiripirit, Wakiso and Bundibugyo.

iv) **Non-recruitment of critical staff despite** approval of positions by MoPS and release of funding by MFPED to recruit staff, some districts have deliberately not recruited staff because of political interference in the recruitment process and lack of approved DSCs by respective Executive Committees in LGs hence funds remitted to MFPED. This was rampant in Bushenyi, Busia, Amudat, Nakasongola, Buikwe, Bugiri, Nakaseke, and Wakiso districts.

Recommendations

i) The MFPED in consultation with MDAs and LGs should strengthen the planning and budgeting functions through improved application of the PBB. Realistic budgetary provisions should be made for programme interventions to reduce supplementary budgets and associated cuts.

ii) The MFPED and MoLG should enforce provisions of the PFMA by instituting penalties for offenders.

iii) The MoPS, MFPED, MoES, Education Service Commission should carry out a comprehensive validation of secondary teachers in Government aided schools and tertiary institutions and thereafter develop systems and policies on recruitments posting avoid fraud and wastage of public resources.

iv) The MFPED, MoLG, MoPS, MoH and PSC should critically analyze recruitment plans from MDAs and LGs and make serious follow ups on implementation of approved recruitments of critical positions especially with the Health Service Commission, Education Service Commission and LGs.

Roads

The overall performance of the roads sub-sector was fair at 69%. This was not in line with the absorption of funds at 87.9% by 30th June, 2017. The National Roads Construction and Rehabilitation Program implemented by Uganda National Roads Authority (UNRA); and the Uganda Road Fund (URF) performance were good at 85% and 71% respectively, while that of Ministry of Works and Transport (MoWT) was fair at 52%.

Despite the **good performance** of the National Roads Construction and Rehabilitation Program, it suffered the following: *Insufficient and inadequate designs* especially for rehabilitation projects which led to substantial change in scope of works thus calling for additional resources. Nansana-Busunju (47.6km) had a variation of 98% after the design review; *Slow pace of the land acquisition for the Right of Way (RoW); Poor mobilization by the contractors like on Musita-Lumino/Majanji-Busia (104km), Olwiyo–Gulu (70.3km), Gulu– Acholibur (77.7km); and the poor release of donor funds* which was attributed to the many projects that were at procurement and project preparation stage. For example: Rukungiri-Ishasha and Mbale-Bubulo (both under AfDB), The Kampala Flyover Project (JICA), Muyembe– Nakapiripirit (IDB), Rwenkunye-Apac-Lira-Acholibur (IDB), Kibuye-Busega-Mpigi (China/AfDB), and Kapchorwa-Suam (IDB).

The **fair performance** of the MoWT was mainly attributed to: irregular and inadequate release of funds resulting in delays in paying service providers; for example the East African Trade and Transport Facilitation Project (EATTFP) stalled as all the service providers abandoned works due to delayed payments. The District Road Rehabilitation Units did not achieve their targets as a result of poor releases. The financial performance of the Interconnectivity Project was excellent but funds were mainly used to clear outstanding arrears and works in FY2015/16.

The Uganda Road Fund has two programmes namely: the District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP) whose performance was good at 72.24% and fair at 70.5% respectively. All the LGs and UNRA stations did not achieve their annual targets. The under-performance of the DUCAR program was mainly due to the budget cuts while that for the NRMP was due to delays in procurement of road construction materials and equipment spares.

Key Sector Challenges

i) Budget cuts in the FY2015/16 led to accumulation of arrears whose payments were prioritised with the release of FY2016/17 funds. However, the issue of budget cuts was also propagated in the FY2016/17.

ii) Lack of full sets of road maintenance and construction equipment for force account units.

iii) Poor mobilisation of contractors in the National Roads Construction programme - for both the equipment and personnel.

iv) Delayed acquisition of RoW on projects affected the progress of works and will result in delayed completion.

v) Delayed payments by the GoU to contractors affected work progress and this attracts interest.

vi) Inadequate facilitation for monitoring across all sectors.

vii) The low capacity of the local construction industry especially in the term maintenance contracts and bridges projects.

Recommendations

i) The implementing agencies should prioritize paying the outstanding commitments for the service providers in the FY2016/17 before engaging in new ones.

ii) The GoU should expedite the procurement of the roads maintenance equipment from Japan so as to fully exploit the force on account units.

iii) The UNRA should ensure that the acquisition of the RoW for development projects precedes the procurement of the works contract.

iv) The Solicitor General, MoWT and UNRA should provide a clause in the works contracts which penalises contractors who do not meet their equipment and personnel mobilisation levels as provided for.

v) The GoU should expedite the passing of the Uganda Construction Industry Commission (UCICO) bill in order to enhance the capacity of the local construction industry.

Water and Environment

The overall sector performance was fair at 75%. The sector annual budget was Ug shs736.41billion (Appropriation in Aid (AIA) inclusive) and the release by quarter four was Ug shs 464.108billion, of which Ug shs 427.788billion (92% of the release) was spent which was a good budget performance. The annual performance was assessed based on the 17 projects and two programmes under Votes 19, 150, 302 and 10 districts under Votes 501-580. There was a general problem with AIA values in terms of releases and expenditures.

Sector Physical Performance

Good performance was exhibited by projects that implemented works within the available resources to complete most planned outputs. The case in point was the DLGs through the District Water and Sanitation Development Conditional Grant (DWSDCG) at 85%. The DLGs completed construction of water and sanitation facilities, with more sources rehabilitated using the Hand Pump Mechanic Associations (HPMAs), much as level of implementation of software has dropped. The Water and Sanitation Development Facility Central (WSDF-C) at 81% completed six water systems (Ssunga, Kiboga, Katuugo, Nyamarunda systems and rehabilitation of Kakooge and Mijeera). However the toilets in Mijeera and Kakooge were shunned by the community around for free sanitation facilities around and being located in places where there is almost no privacy. Carried forward funds for the WSDF-C paid for works for the last FY which contributed to performance.

The National Environment Management Authority (NEMA) performance was at 79% and continued ensuring sustainable environment and natural resources management though there still exist weakness in compliance and enforcement measures. Though Climate Change was at 77% which was good, not much was achieved in terms of green gashouse assessments, vulnerability index measures and budgets and plans at both central and local government levels. Water Resources Management (WRM) at 71% continued monitoring catchment based water resources water resources management among others. There were 12 Catchment Management plans made and implementation was on ongoing. The quantity of water monitored increased with the provision of laboratories closer to the users through setting up and equipping regional offices but the number of samples for water quality and only Biological Oxygen Demand (BOD) is tested.

Fair performance was demonstrated under National Forestry Authority (NFA) with 351ha degraded natural forests restored '636ha new plantations established. The NFA had AIA which contributed 46% of the budget and yet this was not well reflected in the releases thus affecting the analysis. The Water for Production (WfP) at 69% completed construction of 16 valley tanks and other 96 tanks using the WfP equipment otherwise most of projects were under design. Uganda National Meteorological Authority at 64% - weather forecasts were produced but the radar was not procured due to faulty procurement procedures.

Solar Powered Mini-Piped Water Schemes in Rural Areas achieved 61% as construction of all the planned 35 systems was completed. The Lake Victoria-Kampala Sanitation Program was rated at 68%, as there have been delays in completion of the Nakivubo Waste Water Treatment Plant due to relocation of project site, land wrangles and exaggerated compensations and low financing with non-paid certificates valued at Ug shs 56billion.

Poor performance was noted in Provision of Improved Water Sources for Returned IDPs – Acholi Sub-Region rated at 18%, and Karamoja Small Town and Rural growth Centers Water Supply and Sanitation at 24%, Kampala Water Lake Victoria Water and Sanitation at 33% and Sawlog Production Grant Scheme at 41%. Performance was affected by late procurements, lack of approved designs for the piped systems; ambitious project plans that could not be met and insufficient funds to procure consultancies.

Implementation challenges

i) Failure to realize the AIA obligation affected implementation of works thus less outputs were achieved. The National Forestry Authority implementation stopped in Quarter two because of no releases in the third and fourth quarter for works. The specific AIA releases and expenditures can clearly be indicated.

ii) Slow and late procurement processes delayed works initiation and thus not meeting the targets. Procurement of consultants in Farm Income Enhancement and Forestry Conservation (FIEFOC), Karamoja Small Town and Rural growth Centers Water Supply and Sanitation for Napak/Moroto and then Amudat, Kotido WFP for design of Seretyo Irrigation Scheme in Kween district.

iii) Lack of approved designs slowed down procurement, and project initiation which affected performance of projects

iv) Non-remittance of counterpart funding from government affected progress of works. Case in point is in the construction of Olweny Irrigation Scheme under FIEFOC Project Phase (II) because of slow cash flows from the client the project halted.

v) Continuous environmental degradation with minimum monitoring and enforcement of environmental laws.

Recommendations

i) The NFA/NEMA should budget according to the expected revenues from the AIA given the previous experiences to avoid shortages in the budget.

ii) The MFPED/MDA should prioritize government's obligation for counterpart funds for smooth running of projects.

iii) The NFA/NEMA should adhere to its commitments/role to enforce environmental laws that deter further degradations and encroachment on the ecosystems.

iv) The MDAs should improve planning, putting into consideration procurement plans and budget for projects with approved designs.

PART 1: INTRODUCTION

CHAPTER 1: BACKGROUND

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

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

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

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

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

CHAPTER 2: METHODOLOGY

2.1 Scope

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

- Significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes. Preference is given to development expenditure; except in Agriculture, Education, Health, PSM and ICT where some recurrent costs are tracked.
- The programmes that had submitted semi-annual progress reports for FY2016/17 were followed up for verification as they had specified output achievements.
- Multi-year programmes that were monitored in the annual monitoring but were having major implementation issues were also visited.
- Potential of projects/programmes to contribute to sector and national priorities.
- For completed projects, monitoring focused on value for money, intermediate outcomes and beneficiary satisfaction.

2.2 Methodology

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

2.2.1 Sampling

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

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

2.2.2 Data Collection

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

- Review of secondary data sources including: Ministerial Policy Statements for FY2016/17; National and Sector Budget Framework Papers; Sector project documents and performance reports in the Output Budgeting Tool (OBT), Sector Quarterly Progress Reports and workplans, District Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.
- Review and analysis of data from the Integrated Financial Management System (IFMS) and legacy system; Quarterly Performance Reports (Performance Form A and B) and bank statements from some implementing agencies.
- Consultations and key informant interviews with project managers in implementing agencies both at the Central and Local Government level.
- Field visits to project areas for primary data collection, observation and photography.

- Call-backs in some cases to triangulate information.

2.2.3 Data Analysis

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

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

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

Table 2.1: Assessment guide to measure performance of projects monitored in FY2016/17

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:

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

2.4 Structure of the Report

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

PART 2: FINANCIAL PERFORMANCE

CHAPTER 3: FINANCIAL PERFORMANCE OF CENTRAL GOVERNMENT

3.1 Introduction

This chapter discusses the annual financial performance for the FY2016/17-for the 10 priority sectors of, Accountability[9], Agriculture, Education, Energy, Health and Information and Communication Technology (ICT). Others include Industrialization, Public Sector Management, Water and Environment, and Roads sub-sector.

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 (BOT) of Ministry of Finance, Planning and Economic Development (MFPED) for the FY2016/17 was reviewed to triangulate the IFMS budget and release/warrants figures.Votes with expenditures off the IFMS such as Uganda Revenue Authority (URA) and Public Universities were only assessed on their budget and release performance and assumed 0% performance at expenditure level.

The analysis excluded external financing, Appropriations in Aid (AIA) and Bank of Uganda (BoU) recapitalization as these are not on the IFMS. Also excluded were Local Governments[10] (LGs) performance.

3.3 Overall Financial Performance

The overall Government of Uganda(GoU) approved budget for FY2016/17was Ug shs 26.361 trillion including external financing, AIA, arrears, debt and BoU capitalization. The overall GoU budget was revised to Ug shs 27.80 trillion through a supplementary budget of Ug shs 1.44 trillion.

The GoU approved budget excluding[11] external financing, AIA, arrears, debt and BoU capitalization was Ug shs 19.052 trillion.The allocation to MDA&LGs excluding treasury operations was Ug Shs 11.8 trillion, which was revised to **Ug Shs 12.587 trillion.**

The 10 priority sectors including LGs and Kampala Capital City Authority (KCCA) constitute 74% (Ug shs 9.283 trillion) of the revised budget allocation to MDA&LGs expenditure. The release performance as at 30th June, 2017 for the 10 priority sectors including LGs and KCCA was Ug shs 8.542 trillion representing 92% of the allocation to the MDA&LGs. The 10 priority sectors including KCCA and LG[12]s absorbed Ug shs 8.391 trillion (98%) of the funds released.The overall release and expenditure performance of the MDA&LGs is shown in table 3.1.

9 Excluding Treasury Operations.

10 LG performance analyzed separately in chapter 4 of this report.

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

12 LGs are assumed to have spent 100% of the funds released to them for wage, non-wage and development expenditures.

Table 3.1: MDA&LGs GoU Budget and Release Performance as at 30th June, 2017

Category	Approved Budget	Revised Budget	Release	Release Spent	% Release Spent
Wages	3,359,039,452,162	3,451,215,454,323	3,485,040,492,327	3,241,602,430,388	93
Non/Wage	4,104,764,779,921	4,360,096,719,730	4,251,071,952,029	4,340,600,478,007	102
Development	4,319,354,937,732	4,776,145,655,514	4,271,321,136,949	4,203,074,534,239	98
Total	**11,783,159,169,815**	**12,587,457,829,568**	**12,007,433,581,305**	**11,785,277,442,634**	**98**

Source: IFMS, Approved Estimates of Revenue and Expenditure FY2016/17 and BOT

3.4 Financial Performance of 10 Priority Sectors and KCCA (Excluding LGs Performance)

The approved budgets of 91% of the 10 priority sectors and KCCA were revised as at 30th June 2017.The sectors with revised budgets were; Accountability, Agriculture, Education, Health, Water and Environment, Energy and Mineral Development, Tourism, Trade and Industry, Public Sector Management, and Works and Transport and KCCA.

Vote 008 (MFPED) under the Accountability Sector had an overall supplementary budget of Ug shs 126.568bn[13]. Ug shs 97.133bn was towards the development budget in respect of; Project 054-Support to MFPED (Ug shs 78.4bn) for the clearance of outstanding tax arrears and incentives for exempt companies, Project 0978-Presidential Initiative on Banana Industrial Development (PIBID) Ug shs 16.65bn for operationalization of phase one and Project 994- Development of Industrial Parks (Ug shs 2bn) compensation of squatters in Mbale Industrial Park under Uganda Investment Authority. Under the recurrent budget, Ug shs 14.435 bn was for contributions towards autonomous institutions for wages under programme Investment and Private Sector Development.

Works and Transport sector had a supplementary of Ug shs 475bn towards recurrent and development expenditure. Ug shs 398.446bn was in respect of Vote113-Uganda National Roads Authority (UNRA) of which, (Ug shs 397bn) for compensation of project affected persons on Fort-Portal Kamwenge road, Kampala Entebbe Express Highway and civil works on Mukono-Katosi-Nyenga road. Vote 016 Ministry of Works and Transport (MoWT) - (Ug shs 75.97bn) for the purchase of earth moving equipment and settlement of insurance fees.

Overall, 89% of the revised budgets for the 10 priority sectors and KCCA was released by 30th June 2017. The highest release performance of 94% was registered under the sectors of Accountability, Agriculture and ICT. Tourism, Trade and Industry sector had the least release performance of 82%. The overall absorption of funds for the sectors was 95% of the funds released. The overall sector performance for the 10 priority sectors and KCCA (excluding LGs) is shown in table 3.2.

Table 3.2: Sector Budget Release and Expenditure as at 30th June, 2017 (excluding LGs)

Sector	Approved Budget	Revised Budget	Release	Expenditure	% of Bdgt Released	% of Release Spent
Accountability	769,901,874,090	896,346,217,904	843,196,807,162	801,036,966,804	94	95
Agriculture	544,901,527,393	565,969,010,080	530,304,750,604	530,083,846,646	94	100
Education	638,651,981,827	695,353,043,508	613,038,609,652	556,402,714,149	88	91
Health	587,683,921,935	619,510,489,472	578,386,466,833	558,854,634,839	93	97
Energy and Mineral Devt	454,384,357,426	468,933,992,427	414,451,597,869	412,640,787,513	88	100
Water and Environment	272,737,567,215	278,548,609,992	244,454,296,758	241,292,743,714	88	99
Works and Transport	2,070,138,151,284	2,544,880,685,203	2,170,487,419,311	2,149,408,912,513	85	99
Public Sector Management	272,989,093,066	300,668,619,898	254,566,660,487	252,533,638,347	85	99
ICT	33,468,077,010	33,468,077,010	31,430,521,506	30,626,689,034	94	97

13 Supplementary of which development was Ug shs 97.133 bn and recurrent Ug shs 14.435 bn.

Tourism, Trade and Industry	105,013,654,804	111,073,851,897	91,336,826,852	89,859,834,624	82	98
KCCA	150,341,921,059	156,399,036,865	157,768,722,427	156,044,257,224	101	99
Grand Total	**5,900,212,127,109**	**6,671,151,634,256**	**5,929,422,679,462**	**5,625,673,874,944**	**89**	**95**

Source: IFMS, Approved Estimates of Revenue and Expenditure FY2016/17 and BOT

3.4.1 Accountability

The GoU approved budget for the Accountability Sector for the FY2016/17 was Ug shs 769.901bn (excluding treasury operations). The Sector budget was revised to Ug shs 896.346bn through a supplementary budget of Ug shs 126bn. The development constituted 41% (Ug shs 365.053bn) of the revised budget and 59% (531.293bn) for recurrent expenditure. The overall release for the sector was 94 % (Ug shs 843.196bn) of the revised budget of which 95% (Ug shs 801bn) was absorbed by 30th June, 2017. The overall budget performance of the sector votes on the IFMS is shown in Table 3.3.

3.4.2 Agriculture Sector

The GoU approved budget for the Agriculture Sector for the FY2016/17 was Ug shs 601.68bn (including LGs and KCCA). This was revised to Ug shs 622.747bn of which 66% (Ug shs 411.379bn) was development and 34% (Ug shs 211.368bn) for wage and non-wage recurrent. The LG and KCCA share of the sector budget was 9.5% (Ug shs 57.44bn)

Overall the sector realized 94% (Ug shs 587.440bn) of the revised budget (excluding LGs and KCCA) and spent 100% (Ug shs 587.523bn) on development and recurrent activities. Vote 152- National Agriculture Advisory Services (NAADS) realized the highest sector budget release representing 60% (Ug shs 317.891bn) of the sector revised budget. The NAADS absorbed 99% of the funds released. Vote 152- Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) realized 16% (Ug shs 83.676bn) of the sector budget release and spent 99% (Ug shs 83bn). The sector achieved 94% release performance and 99% absorption which was excellent. Overall performance of the votes is shown in Table 3.4.

3.4.3. Education Sector

The Education Sector has 15 votes (excluding the LGs and KCCA) of which four votes have their releases and expenditures on IFMS. Eleven votes of which 10 are universities do not have their expenditures on the IFMS.

The GoU approved budget for the Education Sector for FY2016/17 was Ug shs 2.050tn, of which 9.26% (Ug shs 189.89bn) was for development and 90.7% (Ug shs 1.860tn) for recurrent (wage and non-wage) activities. The LG and KCCA share of the sector budget was 69% (Ug shs 1.417tn). The Education sector budget was revised to Ug shs 2.107tn through a supplementary budget of Ug shs 56.701bn.

The revised sector budget excluding LGs and KCCA was Ug shs 695.363bn, of which Ug shs 613.038bn (88%) was released and Ug shs 556.402bn (91% of release) absorbed as at 30th June, 2017. The Ministry of Education and Sports (MoES) that had 38% (Ug shs 266.819bn) of the sector budget realized 11% (Ug shs 214.674bn) and spent 91% of the funds released on both recurrent and development activities.

Atleast 60% (Ug shs 84.2bn) of the sector development budget was released and 92% (Ug shs 77.2bn) spent. Universities had low release of their development budget (between 40% and 50%).This was attributed to prioritization of recurrent activities where Ug shs 28.5bn supplementary was provided to universities for arrears of non-teaching staff.

The recurrent budgets of the sector votes were revised in respect of Vote 13 MoES (Ug shs2bn) to facilitate Uganda Cranes participation in the African Cup of Nationals (AFCON) tournament. The supplementary of Ug shs 7.238bn under Vote 128 Uganda National Examinations Board (UNEB) was to facilitate conducting of National examinations. The overall budget performance of the sector votes on the IFMS is shown in Table 3.5.

3.4.4. Energy Sector

The GoU approved budget for Energy and Mineral Development Sector for FY2016/17 was Ug shs 454.29bn of which 98% (Ug shs 446.9bn) was for development and 2% (Ug shs 7.483bn) for wage and non-wage activities. The sector budget was revised to Ug shs 468.933bn through a supplementary budget of Ug shs 14.55bn.

The sector has two votes (both of which are on the IFMS); 017 Ministry of Energy and Minerals Development (MEMD) and 123 Rural Electrification Agency (REA) of which 88% (Ug shs 411.959) of the funds were under MEMD. Overall the sector realized Ug shs 414.451bn (88% of the revised budget) and spent 99% (Ug shs 412.640bn) of the funds released by 30th June, 2017.

The MEMD had a revision to its development budget through a supplementary of Ug shs 14.55bn towards land acquisition for Lira-Gulu-Agago transmission project and for recruitment activities under Uganda National Oil Company and Petroleum Authority of Uganda.

The overall budget performance of the sector votes on the IFMS is shown in Table 3.6.

3.4.5 Health Sector

The GoU approved budget for the Health Sector for the FY2016/17 was Ug shs 924bn of which 15.48% (Ug shs 143bn) was for development and 84.5% (Ug shs 781bn) for wage and non-wage activities. The highest sector budget of 36% (Ug shs 335.71bn) was for LG Health activities, followed by National Medical Stores (NMS) - 26% (Ug shs 237.96bn) and Ministry of Health (M0H) - 14.4 % (Ug shs 132.78bn).

The overall health sector GoU budget was revised to Ug shs 956.393bn through a supplementary budget of Ug shs 32.393bn.The supplementary budget was in respect of vote 116 NMS- Ug shs 27bn and Ug shs 5bn for other recurrent activities in respect of votes; 115-Uganda Heart Institute and 163-176 Regional Referral Hospitals.

The health sector GoU budget excluding LGs was revised to Ug shs 619.510bn, of which Ug shs 578.386bn (93% of revised budget) was released and Ug shs 558.854bn (97% of release) was spent as at 30th June, 2017. Vote 116-NMS whose budget was revised to Ug shs 264.964bn was realized 100% and fully absorbed by 30th June, 2017.

The overall budget performance of the sector votes as at 30th June, 2017 is shown in Table 3.7

3.4.6 Water and Environment Sector

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

The GoU approved budget for the Water and Environment Sector for the FY2016/17 was Ug shs 332.42bn (including LGs), of which 87% (Ug shs 287.98bn) was for development and 13% (Ug shs 44.45bn) for wage and non-wage activities.

The sector budget was revised to Ug shs 338.318bn through a supplementary of Ug shs 5.811bn. The sector revised budget excluding LGs was Ug shs 278.548bn, of which Ug shs 244.454bn (88%) was released and Ug shs 241.292bn (99% of release) was spent as at 30th June, 2017. Ug shs 233.61bn (85%) of the budget was for Vote 19-Water and Environment activities, followed by 8% (Ug shs 22.61bn) to Vote 302-Uganda National Meteorological Authority (UNMA).

The least release performance was under National Environment Management Authority (NEMA) that realized 76.93% (Ug shs 6.9bn) and spent 90% (Ug shs 6.2bn).

The overall budget performance of the sector votes is shown in Table 3.8.

3.4.7 Information and Communications Technology

The ICT sector has two votes, both having their releases and expenditures on IFMS. The GoU approved budget for the ICT sector for FY2016/17 was Ug shs 33.47bn, of which 8.6% (Ug shs 2.89bn) was for development and 91.4%(Ug shs 30.58 bn) for wage and non-wage activities.

The overall sector release performance was 93% (Ug shs 31.132bn) of the approved budget and overall expenditure was 98% (Ug shs 30.626 bn) of the funds released.

The overall budget performance of the sector votes on the IFMS is shown in Table 3.9.

3.4.8 Works and Transport Sector

The GoU approved budget for the Works and Transport Sector for the FY 2016/17 was Ug shs 2.157tn of which 74% (Ug shs 1.596tn) was for development and 26% (Ug shs 561.12bn) for wage and nonwage activities; 96% of the sector budget was for central government and 4% for LG works and transport and KCCA road rehabilitation.

The sector GoU budget was revised to Ug shs 2.632tn on account of a supplementary budget of Ug shs 474.742bn. Uganda National Roads Authority (UNRA) had the highest share of the sector supplementary of 84% (Ug shs 397bn). This was mainly for land compensation of project affected persons on Fort-Portal-Kamwenge road and Kampala Entebbe Express Highway and civil works on Mukono-Katosi-Nyenga road. The supplementary of Ug shs 76.200bn under Ministry of Works and Transport (MoWT) was for the purchase of earth moving equipment, insurance fees and salaries.

The overall GoU release performance for the sector was 88% (Ug shs 2.244tn) of which 99% (Ug shs 2.237tn) was spent on development and recurrent activities. The revised budget excluding LGs was Ug shs 2.544tn, of which Ug shs 2.170tn (85%) was released and Ug shs 2.149tn (99%) was absorbed as at 30th June, 2017.

The overall budget performance of the sector votes is shown in Table 3.10.

3.4.9 Public Sector Management

The GoU approved budget for the Public Sector Management (PSM) for the FY2016/17 was Ug shs 904.95bn, of which 28% (Ug shs 253.89bn) was for development and 72% (Ug shs 651.06bn) for wage and non-wage activities; 30% (Ug shs 272.98bn) of the sector budget was for central government and 70% (Ug shs 651.06bn) for LG and KCCA.

The sector budget was revised to Ug shs 932.629bn on account of a supplementary budget of Ug shs 27.679bn. Of which, 93% (Ug shs 25bn) of the supplementary was to Vote 03-Office of Prime Minister (OPM) in respect of disaster preparedness and management towards agricultural supplies.

Ministry of Local Government (MoLG) experienced the least release performance of 70% (Ug shs 26.968bn) of the vote's budget.

The overall GoU release performance (including LGs and KCCA) was 95% (Ug shs 897.066bn) of which 99% (Ug shs 895bn) was spent on development and recurrent activities. The revised budget excluding LGs was Ug shs 300.668bn, of which Ug shs 254.566bn (85%) was released and Ug shs 252.533bn (99%) was absorbed as at 30th June, 2017.

The overall budget performance of the sector votes on the IFMS is shown in Table 3.11.

3.4.10 Tourism, Trade and Industry

The GoU approved budget for the Tourism, Trade and Industry Sector for the FY2016/17 was Ug shs 102.39bn, of which 41% (Ug shs 42.39bn) was for development and 59% (Ug shs 59.99bn) for wage and non-wage activities.

The sector budget was revised to Ug shs 111.073bn on account of a supplementary budget of Ug shs 6.060bn. The supplementary was under Uganda Development Corporation for a feasibility study for sheet glass production at Diima in Masaka District.

The overall release performance was 87% (Ug shs 91.227bn) of the revised budget of which 99% (Ug shs 89.859) was spent. The overall budget performance of the sector votes is shown in Table 3.12.

3.4.11 Kampala Capital City Authority

The GoU approved budget for Kampala Capital City Authority for the FY2016/17 was Ug shs 150.341bn. This was revised to Ug shs 156.399bn, of which Ug shs 157.768bn (101%) was released and Ug shs 156.044bn (99% of release) spent by 30th June, 2017.

The overall budget performance of the sector votes is shown in Table 3.13.

3.5 Overall Conclusion

The approved GoU sector budgets for 91% of the 10 priority sectors and KCCA were revised as at 30th June, 2017.The highest revision of Ug shs 474.742bn was registered under the Works and Transport sector, followed by the Accountability sector with a supplementary of Ug shs 126.444bn.

Other sectors that registered supplementary budgets included; Education (Ug shs 56.701bn), Health (Ug shs 31.826bn), PSM Ug shs 27.679bn), Agriculture (Ug shs 21.067bn) Energy and Mineral Development (Ug shs 14.549bn), Tourism and Trade (Ug shs 6.060bn), KCCA (Ug shs 6.057bn) and Water and Environment (Ug shs 5.811bn).

The overall release to MDA&LGs was Ug shs 12.007tn (95% of the revised budget) of which Ug shs 11.785tn (98%) of the release was absorbed by the MDA&LGS. The LGs exhibited the highest absorption of 100% for funds released for wage, non-wage recurrent and development activities. The other sectors with 100% absorption included; Agriculture, Energy and Mineral development and Water and Environment.

The timeliness of release of funds significantly improved especially for the development budgets, this resulted into the high absorption levels for the GoU funds for projects.

Key Challenges

- Supplementary budgets in 91% of the sectors pointed to growing government expenditure, poor planning and budgeting for both development and recurrent budgets, for example under UNRA, the projects with significant supplementary included; 1180 Kampala Entebbe Express Highway (Ug shs 137.022bn), 1034 Design of Mukono Katosi-Nyenga (Ug shs 65.99bn). Also, under MoWT projects 1045-Interconnectivity (Ug shs 21bn) and 1321-Earth moving equipment Japan (Ug shs 31.462bn).
- Budget cuts - with the exception of KCCA and LGs, all sectors registered budget cuts, to some extent even where supplementary budgets were granted these were not fully funded, as observed in the sectors of Water and Environment, Works and Transport, Tourism, Trade and Industry and PSM. This erodes budget predictability.
- Delays in finalization of warrants were registered under 2% of the votes and this affected the timeliness of availability of funds to some service delivery centres.

Recommendations

- The MFPED and BoU should respectively work towards curbing the untaxed yet growing informal sector, and stabilization of interest rates that still appear high. This will increase tax revenue to support the growing government expenditure.
- The MFPED should continue enforcing compliance to reporting deadlines by the Accounting Officers through sanctions that include suspension of transactions by the MDA&LGs on the IFMS as well as communicating publicly the non-compliant officers.
- The MDA&LGs Accounting Officers should be encouraged to apply the PFMA 2015 and PFM regulations in all transactions to ensure high level compliance.

Financial Performance of the 10 Priority Sectors (excluding; respective LGs and KCCA budgets, AIA and external funding and votes with expenditure off IFMS) as at 30th June, 2017.

Table 3.3: Accountability Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Revised Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		% of Budget released		% of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
008	MFPED	149,495,668,947	277,036,790,363	149,182,641,569	270,530,669,764	148,742,893,989	269,602,894,526	100	98	100	100
103	Inspectorate of Government (IG)-Statutory	40,691,527,513	3,681,095,200	40,691,527,507	2,344,980,928	40,589,132,341	1,707,536,695	100	64	100	73
112	Ethics and Integrity	5,419,741,975	210,596,691	4,215,910,672	210,596,691	4,173,617,517	210,596,691	78	100	99	100
129	Financial Intelligence Authority	6,833,054,866	840,000,000	6,300,627,732	840,000,000	6,049,814,921	839,999,704	92	100	96	100
131	Auditor General- Statutory	54,282,188,099	4,825,509,736	54,265,952,401	4,825,509,736	54,162,199,668	4,825,462,236	100	100	100	100
141	URA	220,520,084,443	55,662,119,627	220,520,084,443	55,662,119,627	220,520,084,443	- 55,662,119,627	100	100	100	100
143	Uganda Bureau of Statistics	36,161,503,762	20,476,956,931	35,631,496,809	14,901,917,307	35,569,791,986	14,280,614,113	99	73	100	96
153	PPDA	11,889,379,751	2,320,000,000	11,293,373,813	665,700,000	10,984,773,659	524,368,668	95	29	97	79
	Total	**531,293,149,356**	**365,053,068,548**	**524,763,836,786**	**318,432,970,376**	**453,383,374,544**	**347,653,592,260**	**98**	**87**	**86**	**99**

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

Table 3.4: Agriculture Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Revised Budget		Release Performance		Expenditure Performance		%ge of Budget released		%ge of release spent	
		Recurrent (Wage Nonwage)	Devt	Recurrent (Wage Nonwage)	Devt	Recurrent (Wage Nonwage)	Devt	Rec	Dev	Rec	Dev
010	MAAIF	51,046,340,248	62,308,162,292	41,785,302,156	41,891,016,217	41,745,300,430	41,849,502,792	82	67	100	100
121	Dairy Development Authority	4,484,702,180	2,134,000,000	4,484,701,999	2,134,000,000	4,468,370,338	2,130,580,763	100	100	100	100
125	National Animal Genetic Res. Centre and Data Bank	4,140,000,000	8,000,000,000	4,045,000,001	8,000,000,000	4,044,999,997	7,998,601,400	98	100	100	100
142	National Agricultural Research Organization	30,995,575,647	9,292,993,562	29,393,878,180	5,982,565,880	29,393,878,180	5,982,565,880	95	64	100	100
152	NAADS Secretariat	6,194,731,712	312,412,723,251	5,478,560,457	312,412,722,252	5,462,881,903	312,337,785,899	88	100	100	100
155	Cotton Development Organization	890,480,784	6,157,000,000	890,480,568	6,157,000,000	889,674,970	6,157,000,000	100	100	100	100
160	Uganda Coffee Development Authority	67,912,300,404	-	67,649,522,894	-	67,622,704,094	-	100	-	99	-
	Total	**164,675,748,288**	**380,225,779,106**	**154,727,446,657**	**375,577,305,349**	**153,627,809,912**	**376,456036,736**	**93**	**98**	**99**	**100**

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

Table 3.5: Education Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget (000,000)		Release (000,000) Performance		Expenditure (000,000) Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
013	MoES	165,135,041,927	103,684,807,237	148,952,970,341	65,721,290,243	146,183,500,101	64,771,003,608	90	63	98	99
128	UNEB	38,692,401,001	-	38,692,401,000	-	38,692,401,000	-	100	-	100	-
303	NCDC	8,536,000,000	-	6,908,461,709	-	6,861,653,284	-	81	-	99	-
132	Education Service Commission	5,910,792,175	653,060,501	5,910,792,163	653,060,501	5,752,700,082	653,006,611	100	100	97	99
111	Busitema University	28,149,407,581	1,077,520,811	26,617,174,279	474,952,082	20,588,571,510	214,742,262	95	44	77	45
127	Muni University	8,174,492,905	4,550,000,000	8,174,367,893	2,535,058,400	6,010,975,336	1,843,409,650	100	56	74	73
136	Makerere University	146,784,062,467	10,159,340,686	146,784,062,466	3,527,089,684	129,781,360,431	2,110,011,748	100	35	88	60
137	Mbarara University	29,750,749,070	3,798,768,714	27,924,036,261	1,680,482,629	24,988,082,695	244,722,347	94	44	89	15
138	Makerere University Business School	24,805,880,274	2,800,000,000	24,805,880,272	985,600,000	21,967,112,730	448,258,057	100	35	89	45
139	Kyambogo University	44,830,328,372	722,845,106	44,572,885,358	254,441,477	39,525,234,502	134,400,340	99	35	89	53
140	Uganda Management Institute	4,304,301,252	1,500,000,000	4,301,968,073	528,000,000	4,286,769,312	482,484,047	100	35	100	91
149	Gulu University	28,393,717,427	2,500,053,381	28,393,717,383	1,467,285,392	24,106,122,407	1,215,110,113	100	59	85	82
301	Lira Univesity	6,449,400,000	1,500,000,000	5,837,482,524	1,500,000,000	4,262,213,506	1,310,000,000	91	100	73	87
307	Kabale Univesity	7,629,400,001	600,000,000	6,802,374,529	600,000,000	3,528,906,154	502,500,000	89	100	52	84
308	Soroti Univesity	5,006,999,998	6,000,000,000	4,160,774,993	4,272,000,000	2,483,429,268	3,297,000,000	83	71	60	77
	Total	**552,552,974,450**	**142,800,069,058**	**528,839,349,244**	**84,199,260,408**	**479,176,065,366**	**77,226,648,783**	**95**	**58**	**90**	**91**

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

Table 3.6: Energy Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget		Release Performance		Expenditure Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage & Nonwage)	Devt	Rec-(Wage & Nonwage)	Devt	Rec-(Wage & Nonwage)	Devt	Rec	Dev	Rec	Dev
017	Ministry of Energy and Mineral Development	7,483,348,015	404,474,644,412	6,642,040,762	354,252,117,107	5,835,808,607	353,385,983,853	84	89	90	88
123	Rural Electrification Agency (REA)	-	56,976,000,000	-	53,557,440,000	-	53,418,995,053	-	94	-	99
	Total	**7,483,348,015**	**461,450,644,412**	**6,642,040,762**	**407,809,557,107**	**5,835,808,607**	**406,804,978,906**	**88**	**88**	**87**	**99**

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

Table 3.7: Health Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Revised Budget		Release Performance		Expenditure Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
014	MoH	62,687,060,326	72,337,047,102	51,402,350,616	47,520,355,272	49,566,032,966	47,216,729,522		66		99
107	Uganda AIDS Commission-Statutory	7,558,557,629	127,809,000	7,558,557,628	127,809,000	6,981,266,047	50,242,983	100	100	92	39
114	Uganda Cancer Institute	4,340,091,587	10,522,136,508	4,340,091,587	10,237,121,155	4,187,491,049	10,231,679,879	100	97	96	100
115	Uganda Heart Institute	7,517,991,476	4,500,000,000	7,397,962,571	4,500,000,000	6,899,633,210	4,493,569,364	98	100	93	99.8
116	National Medical Stores	264,964,466,778	-	264,964,466,778	-	264,964,436,058	-	100	-	-	100
134	Health Service Commission	4,817,669,473	446,799,362	4,817,669,472	446,799,362	4,693,942,157	446,709,379	100	100	97	99
151	Uganda Blood Transfusion Service (UBTS)	8,754,489,747	370,000,000	8,748,269,070	370,000,000	8,178,020,077	369,716,111	100	100	93	100
161	Mulago Hospital Complex	41,277,946,756	22,020,000,000	40,641,399,227	20,086,250,000	37,173,815,986	20,086,250,000	98	91	91	100
162	Butabika Hospital	9,525,050,311	1,808,140,579	9,525,050,311	1,808,140,579	9,009,813,180	1,807,684,937	100	100	95	100
304	UVRI	1,661,499,994	-	1,630,608,594	-	1,523,305,647	-	98	-	93	-
163-176	Regional Referrals Hospitals	72,956,170,676	21,317,562,168	70,946,004,130	21,317,561,481	60,411,259,256	20,563,037,031	97	100	85	96
	Total	486,060,994,753	133,449,494,719	471,972,429,984	106,414,036,849	453,589,015,633	105,265,619,206	97	80	96	99

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

Table 3.8: Water and Environment Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget		Release Performance		Expenditure Performance		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
019	Ministry of Water and Environment	16,944,636,222	220,036,366,539	15,999,893,836	192,698,664,241	15,773,136,095	192,046,081,549	94	88	99	100
150	NEMA	7,920,909,010	1,050,000,000	6,465,974,469	435,112,798	6,419,039,220	432,974,426	82	41	99	99
157	NFA	5,533,371,480	1,925,197,000	5,485,371,285	692,938,563	5,484,610,636	692,566,658	99	36	100	100
302	UNMA	8,861,129,741	16,277,000,000	8,457,991,491	12,018,350,078	8,453,822,086	11,990,513,044	95	74	100	100
	Total	**39,260,046,453**	**239,288,563,539**	**36,409,231,081**	**205,845,065,680**	**36,130,608,037**	**205,162,135,677**	**92**	**86**	**99**	**99**

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

Table 3.9: Information and Communications Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
020	Ministry of Information & Communications Tech.	6,410,721,187	970,671,000	6,405,303,948	342,340,939	6,330,680,491	341,444,137	100	35	99	100
126	National Information Technology Authority	24,172,205,700	1,914,479,123	22,894,739,600	1,489,914,468	22,533,483,286	1,421,081,120	95	78	98	95
	Total	**30,582,926,887**	**2,885,150,123**	**29,300,043,548**	**1,832,255,407**	**28,864,163,777**	**1,762,525,257**	**95**	**63**	**98**	**96**

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

Table 3.10: Works and Transport Sector Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
016	MoWT	45,598,223,139	317,683,822,355	34,410,544,295	270,150,863,205	34,375,915,375	270,166,652,566	75	85	100	100
113	UNRA	102,338,539,506	1,661,419,607,151	85,517,137,003	1,422,842,711,841	83,110,407,730	1,417,986,345,025	84	86	97	100
118	Road Fund	414,476,493,052	3,364,000,000	342,917,223,623	961,000,000	342,878,949,473	890,642,344	83	28	100	92
	Total	**562,413,255,697**	**1,982,467,429,506**	**462,844,904,921**	**1,693,954,575,046**	**460,365,272,578**	**1,689,043,639,935**	**82**	**85**	**99**	**99**

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

Table 3.11: Public Sector Management Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
003	Office of the Prime Minister	94,248,863,022	62,602,559,033	94,248,863,022	36,238,224,759	94,218,343,329	36,236,799,978	100	58	100	100
005	Ministry of Public Service	22,320,861,655	8,050,532,532	21,138,561,985	2,703,368,824	20,083,333,074	2,666,692,638	95	34	95	99
011	Ministry of Local Government	19,514,980,052	20,289,548,873	17,460,491,521	9,507,904,352	17,405,801,254	8,967,132,571	89	47	100	94
021	East African Community Affairs	38,428,479,098	621,686,126	38,286,672,914	621,686,126	38,091,731,178	601,854,513	100	100	99	96
108	National Planning Authority-Statutory	21,032,271,039	1,498,149,274	21,032,271,039	1,498,149,273	20,947,980,681	1,498,149,273	100	100	100	100
146	Public Service Commission	6,093,498,548	783,815,452	6,019,874,546	783,815,452	6,005,702,912	783,744,200	99	100	100	99
147	Local Government Finance Comm	4,611,675,354	571,699,840	4,611,674,999	415,101,675	4,611,271,071	415,101,675	100	72	100	100
	Total	**206,250,628,768**	**94,417,991,130**	**202,798,410,026**	**51,768,250,461**	**201,364,163,499**	**51,169,474,848**	**98**	**55**	**99**	**98**

Source: IFMS July2017, Approved Estimates of Revenue and Expenditure FY 2016/17 and BOT

Table 3:12 Tourism, Trade and Industry Votes Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
015	Ministry of Trade, Industry and Cooperatives	21,109,967,479	23,687,046,000	20,186,090,039	16,151,055,322	19,884,453,539	16,139,201,131	96	68	99	100
022	Ministry of Tourism, Wildlife and Antiquities	11,654,695,559	11,357,444,838	8,807,306,470	11,261,094,838	8,441,703,317	11,260,954,838	76	99	99	100
110	Uganda Industrial Research Institute	5,882,601,535	8,322,619,780	5,740,521,535	6,274,178,935	5,740,462,722	6,274,012,786	98	75	100	100
117	Uganda Tourism Board	10,760,154,941	553,302,513	8,899,565,652	189,654,349	8,344,369,651	189,654,348	83	34	94	100
154	Uganda National Bureau of Standards	10,368,445,878	3,659,748,374	8,602,495,949	1,991,401,837	8,597,512,651	1,989,201,499	83	54	100	100
306	Uganda Export Promotion Board	3,321,544,280	396,280,720	2,759,373,649	365,179,672	2,657,326,243	340,981,899	83	92	96	93
	Total	**63,097,409,672**	**47,976,442,225**	**54,995,353,294**	**36,232,564,953**	**53,665,828,123**	**36,194,006,501**	**87**	**75**	**98**	**100**

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

Table 3.13: KCCA Budget Performance as at 30th June, 2017

Vote	Vote Description	Approved Budget Ug shs		Release Performance Ug shs		Expenditure Performance Ug shs		%ge of Budget released		%ge of release spent	
		Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec-(Wage& Nonwage)	Devt	Rec	Dev	Rec	Dev
122	Kampala Capital City Authority	76,745,538,140	79,653,498,725	76,745,538,134	79,653,498,725	76,597,438,496	79,446,818,728	100	100	100	99.8
	Total	**76,745,538,140**	**79,653,498,725**	**76,745,538,134**	**79,653,498,725**	**76,597,438,496**	**79,446,818,728**	**100**	**100**	**100**	**99.8**

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

CHAPTER 4: FINANCIAL PERFORMANCE OF LOCAL GOVERNMENTS

4.1 Introduction

Financial performance of LGs development grants was reviewed and monitored to track the annual performance for FY2016/17.The focus was on the development grants of departments that feed into the broader social service sectors. The departments whose grants were reviewed and monitored included; Health, Education, Agriculture, Water and Environment and Works and Technical Services. The Discretionary Development Equalization Grant-(DDEG) that was rolled out to support underfunded departments/sectors was considered because of its cross-cutting roll. Uganda Road Fund (URF) though recurrent in nature was considered as it is transferred to all LGs for road maintenance.

4.2 Objectives

The objectives of the visits and review were to;

- Confirm receipt of grants by the LGs and sub-counties as service delivery centers.
- Confirm timeliness and efficiencies in the transfer of funds by MFPED to the LGs.
- Review the performance of the Public Finance Management reforms[14] in LGs.

4.3 Scope

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

A total of 22 districts were monitored from three regions of the country. East included; Kamuli, Bukwo, Kapchorwa, Manafwa, Bududa, Kibuku, Kween and Kaliro. West; Bundibugyo, Ntoroko and Kamwenge. North; Kole, Amuru, Otuke, Amolatar and Pader; Central; Buikwe, Bukomansimbi, Kalungu, Kayunga, Nakaseke and Butambala.

4.4 Development Grants Monitored

4.4.1 Discretionary Development Equalization Grant (DDEG)

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

- Enable LGs to allocate funds to priority Local Development needs that are within their mandate and that are consistent with national priorities.
- Provide LGs with equitable access to development financing, ensuring that more disadvantaged LGs receive additional funding to enable them catch up. In doing so, the grant acts as (i) the equalization grant provided for in the Constitution Article 193(4); and (ii) primary financing for regional development programmes including PRDP and LRDP. Sectoral budget requirements will help ensure that allocations are focused on areas where LGs lag behind national average standards for a service.
- Provide development financing which caters for the differing development needs of rural and urban areas
- Improve Local Government capacities and systems for provision of services.

14 PFM reforms recently rolled out include IFMS, TSA, operationalisation of the PFM Act 2015.

4.4.2 Production and Marketing-Grant

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

4.4.3 Works and Transport

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

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

Transfers from the Uganda Road Fund (URF) are provided to ensure that public roads are well maintained. Both are earmarked to the vote function for District Urban and Community Access Roads (DUCAR). Development transfers will be made for roads rehabilitation funded under the rural Transport Infrastructure Programmers (RTI). In addition LGs may choose to spend funding from the discretionary development equalization grant for these purposes.

4.4.4 Education Sector

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

The purpose of the sector grants are to:

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

4.4.5 Health sector

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

Table 4.1: Local Government Health Department Grant

Grant	Purpose
Development Grant (No allocations in 2016/17)	To construct and rehabilitate general hospitals and health facilities, carry out maintenance of health infrastructure, procure medical equipment, service delivery vehicles and IT equipment.
Transitional Development- Sanitation	Funds software activities such as community sensitizations and advocacy work that contribute to the reduction of morbidity and mortality rates from sanitation-related diseases.
Transitional Development – Ad Hoc	In FY2016/17 this will fund hospital rehabilitation and other specified capital investments in selected LGs. Funds for hospital rehabilitation will be integrated into the development Grant from FY2017/18 onwards.

4.4.6 Water and Environment Sector

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

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

Table 4.2: Local Government Water Department Grant

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

4.4.7 Rural Roads Rehabilitation Grant

The rural roads rehabilitation grant comprises of GoU's funding (PRDP and URF) and Danish support through Rural Transport Infrastructure (RTI). The RTI focuses on the northern districts where the civil war lasted for two decades and the grant is currently supporting 18 districts[15] selected by the MoWT.

There are road interventions funded by 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 LGs under the Force Account mechanism.

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

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

4.4.8 Uganda Road Fund (URF)

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

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

4.5 Overall Financial Performance for DLGs

Overall 105% of the LGs approved budget of Ug shs 2.484tn was released by the end of the FY 2016/17, this indicates that there was a supplementary budget of about 5%. The overall absorption of funds released was 100% - indicating an excellent absorption capacity of the DLGs as compared to the previous FYs. The supplementary budget was mainly for wages which points to a problem in budgeting for salaries in the LGs and or basis of issuing cash limits to LGs by the MFPED Budget Policy and Evaluation Department (BPED).

15

The high absorption of development grants was attributed to the availability of all funds by the end of Quarter 3 (Q3).Therefore, expenditures were in the last half of the FY. The overall financial performance of the LGs is shown in Table 4.3.

Table 4.3: Local Government financial performance as at 30.06.2017

Category	Approved Budget FY2016/17 (Ug Shs)	Release (Ug Shs) by 30.06.2017	Expenditure (Ug Shs)	% release	% of release spent
Wage	1,633,788,989,436	1,742,595,475,369	1,742,595,475,369	107	100
Non-wage	559,846,817,259	578,768,272,009	578,768,272,002	103	100
Development	291,289,847,703	291,289,847,702	291,289,847,702	100	100
Total	**2,484,418,440,011**	**2,612,653,595,080**	**2,612,653,595,080**	**105**	**100**

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

Release Performance to DLGs

The release performance of funds for District Local Governments (DLGs) was very good as 100% of the development budget was released, and 100% spent by 30th June, 2017. Further to this, 103% of the unconditional grant nonwage was released and 100% spent by the DLGs.

However, 80% of the LGs suffered budget cuts under the URF of close to 20% of the indicative planning figures issued. This affected road maintenance works completion.

The release performance of the development grants for the selected LGs is shown in Table 4.4

Table 4.4: Release performance of Development Grants to the DLGs monitored

District	Department	Approved Budget 2016/17	Amount Received	Amount spent	% Received	% Absorption
Amolatar						
	Education	242,845,142	242,845,142	242,845,142	100	100
	Health	138,587,682	138,587,682	138,587,682	100	100
	Production	75,031,188	75,031,118	75,031,188	100	100
	Roads	512,002,292	512,002,292	512,002,292	100	100
	URF	595,736,166	495,285,200	495,285,200	83	100
	Water	279,992,952	292,992,952	292,992,952	105	100
Total		1,844,195,422	1,756,744,386	1,756,744,456	95	100
Amuru						
	Education	61,966,000	92,166,236	92,166,236	149	100
	Health	38,729,000	88,773,614	88,773,614	229	100
	Production	52,687,000	52,686,525	52,686,525	100	100
	Roads	512,002,000	512,002,298	512,002,298	100	100
	URF	687,574,000	544,318,814	544,318,814	79	100
	Water	245,024,000	252,357,466	252,357,466	103	100
Total		1,597,982,000	1,542,304,953	1,542,304,953	97	100
Bududa						
	Education	8,292,000	8,291,999	12,719,665	100	153
	Health	166,664,000	166,663,980	166,663,980	100	100
	Production	307,877,845	307,877,806	307,877,806	100	100
	Roads	18,861,000	18,860,997	18,860,997	100	100
	URF	453,355,908	466,183,291	466,183,291	103	100
	Water	503,654,794	502,870,041	502,870,041	100	100
Total		1,458,705,547	1,470,748,114	1,475,175,780	101	100

District	Department	Approved Budget 2016/17	Amount Received	Amount spent	% Received	% Absorption
Buikwe						
	Education	335,686,461	335,686,461	335,686,461	100	100
	Health	15,311,000	13,933,909	13,933,909	91	100
	Production	97,128,000	96,637,462	95,990,890	99	99
	URF	639,470,000	556,269,344	556,769,344	85	100
	Water	357,181,000	357,181,000	357,181,000	100	100
Total		1,444,776,461	1,396,524,865	1,396,378,293	97	100
Bukwo						
	Education	129,755,000	129,754,858	129,754,858	100	100
	Health	13,823,000	20,663,073	20,663,073	149	100
	Production	13,402,000	13,401,521	13,401,521	100	100
	URF	316,400,653	316,400,653	316,400,653	100	100
	Water	308,582,000	308,522,095	308,522,095	100	100
Total		781,962,653	788,742,200	788,742,200	101	100
Bundibugyo						
	Education	200,000,000	148,812,141	148,812,141	74	100
	Health	200,000,000	133,333,333	133,333,333	67	100
	Production	34,439,000	34,438,848	34,439,000	100	100
	URF	1,141,950,000	993,178,582	993,178,582	87	100
	Water	543,990,000	527,489,639	527,489,639	97	100
Total		2,129,379,000	1,837,252,543	1,837,252,695	87	100
Butambala						
	Education	329,122,000	329,121,647	329,121,647	100	100
	Health	700,000,000	700,000,000	700,000,000	100	100
	Production	11,635,000	11,635,325	11,635,325	100	100
	Roads	427,074,000	496,449,150	496,399,058	116	100
	Water	169,829,000	169,828,509	169,806,533	100	100
Total		1,637,660,000	1,707,034,631	1,706,962,563	104	100
Kaliro						
	Education	221,809,247	221,809,247	221,809,247	100	100
	Health	108,575,129	108,575,248	108,575,248	100	100
	Production	38,895,212	35,723,635	35,723,635	92	100
	Roads	47,473,510	47,473,510	47,473,510	100	100
	URF	403,968,532	403,968,532	403,968,532	100	100
	Water	487,675,535	487,675,535	487,675,535	100	100
Total		1,308,397,165	1,305,225,707	1,305,225,707	100	100
Kalungu						
	Education	345,665,353	186,841,980	186,841,980	54	100
	Production	28,138,000	21,637,908	21,637,908	77	100
	URF	721,244,000	287,949,270	287,949,270	40	100
	Water	231,632,000	229,649,935	229,649,935	99	100
Total		1,326,679,353	726,079,093	726,079,093	55	100
Kamuli						
	Education	494,017,080	509,016,592	509,016,592	103	100
	Health	15,000,000	15,000,000	15,000,000	100	100
	Production	158,428,192	158,428,192	15,842,819	100	10

District	Department	Approved Budget 2016/17	Amount Received	Amount spent	% Received	% Absorption
	Roads	31,479,367	31,479,367	31,479,367	100	100
	URF	1,004,233,000	799,676,749	799,676,749	80	100
	Water	700,838,656	708,171,112	708,171,112	101	100
Total		2,403,996,295	2,221,772,012	2,079,186,639	92	94
Kapchorwa						
	Education	93,141,009	93,141,009	93,141,009	100	100
	Health	149,990,000	144,355,000	144,059,627	96	100
	URF	165,085,000	165,085,000	165,085,000	100	100
	Water	209,757,636	209,757,636	209,757,636	100	100
Total		617,973,645	612,338,645	612,043,272	99	100
Kayunga						
	Education	427,068,000	427,068,000	427,068,000	100	100
	Health	90,300,000	90,300,000	90,300,000	100	100
	Production	57,563,000	57,563,000	57,563,000	100	100
	URF	813,191,635	664,603,661	664,603,681	82	100
	Water	645,686,000	645,686,000	645,686,000	100	100
Total		2,033,808,635	1,885,220,661	1,885,220,681	93	100
Kibuku						
	Education	203,001,000	203,000,804	203,000,804	100	100
	Health	50,000,000	50,000,000	50,000,000	100	100
	Production	53,398,554	53,398,843	53,398,843	100	100
	URF	469,380,000	427,784,738	427,784,738	91	100
	Water	803,722,809	803,722,862	803,722,862	100	100
Total		1,579,502,363	1,537,907,247	1,537,907,247	97	100
Kole						
	Education	225,771,000	241,324,508	241,324,508	107	100
	Health	34,050,126	34,050,126	34,050,126	100	100
	Production	225,000,000	218,653,185	218,653,185	97	100
	Roads	480,770,000	475,776,740	475,776,740	99	100
	URF	453,578,000	453,578,736	453,578,736	100	100
	Water	318,596,000	115,286,828	318,595,571	36	276
Total		1,737,765,126	1,538,670,123	1,741,978,866	89	113
Kween						
	Education	144,082,000	144,082,000	144,082,000	100	100
	Health	72,186,000	72,186,000	72,008,376	100	100
	Production	24,807,639	24,807,639	24,807,639	100	100
	Roads	35,528,916	35,528,916	35,528,916	100	100
	URF	360,026,084	271,938,106	271,938,106	76	100
	Water	401,329,428	401,329,428	401,329,428	100	100
Total		1,037,960,067	949,872,089	949,694,465	92	100
Manafwa						
	Education	309,426,000	309,426,000	309,426,000	100	100
	Production	45,171,000	45,171,000	45,171,000	100	100
	URF	348,459,000	303,639,000	303,639,000	87	100
	Water	600,569,883	600,569,883	600,569,883	100	100
Total		1,303,625,883	1,258,805,883	1,258,805,883	97	100

District	Department	Approved Budget 2016/17	Amount Received	Amount spent	% Received	% Absorption
Nakaseke						
	Health	20,260,156	20,265,236	20,256,948	100	100
	Production	38,057,948	36,297,832	36,297,832	95	100
	URF	1,001,710,250	807,591,744	807,591,744	81	100
	Water	353,792,700	312,952,894	312,952,894	88	100
Total		1,413,821,054	1,177,107,706	1,177,099,418	83	100
Ntoroko						
	Education	604,332,972	604,382,972	604,382,972	100	100
	Production	13,565,763	13,565,763	13,565,763	100	100
	URF	563,609,000	563,607,000	563,607,000	100	100
	Water	176,956,000	176,956,000	176,956,000	100	100
Total		1,358,463,735	1,358,511,735	1,358,511,735	100	100
Otuke						
	Education	489,502,000	489,502,000	489,502,000	100	100
	Health	78,000,000	78,000,000	78,000,000	100	100
	Production	24,538,000	24,538,281	24,538,281	100	100
	Roads	403,777,000	403,776,807	403,776,807	100	100
	URF	450,052,020	302,949,535	302,949,535	67	100
	Water	361,781,000	361,780,853	361,780,853	100	100
Total		1,807,650,020	1,660,547,476	1,660,547,476	92	100
Pader						
	Education	326,532,000	326,532,000	131,858,678	100	40
	Health	44,375,000	52,743,470	52,743,470	119	100
	Production	47,302,000	47,301,521	47,301,521	100	100
	Roads	512,002,000	512,002,292	512,002,292	100	100
	URF	742,328,000	629,853,680	629,853,680	85	100
	Water	238,846,000	238,846,400	238,846,400	100	100
Total		1,911,385,000	1,807,279,363	1,612,606,041	95	89
Kamwenge						
	Education	555,219,000	362,652,000	362,652,000	65	100
	Health	500,000,000	500,000,000	500,000,000	100	100
	Production	64,491,000	64,497,000	64,497,000	100	100
	URF	767,498,000	691,381,000	691,381,000	90	100
	Water	574,330,000	561,331,000	561,331,000	98	100
Total		2,461,538,000	2,179,861,000	2,179,861,000	89	100
Grand Total		**33,188,227,424**	**30,718,550,432**	**30,588,328,463**	**93**	**100**

Source: Field Findings

The average release from the sampled districts was 100%. The release for the URF component was generally lower than 100% as compared to the rest of the sectors. Overall annual release performance of the development was excellent at 100%. The absorption of development funds was excellent across the board as all sectors did not remain with any balances. This was attributed to the availability of all the funds by Q3.

Timeliness of funds released to DLGs

For the DLGs on the IFMS and the TSA, the warrants took averagely three working days to complete and access funds which was good. However, the DLGs which are not yet on the IFMS and TSA, it was noted that warranting took on average five working days partly because, respective officials had to travel either to Kampala or regional centers to have it done. While at the regional centers at times, the system would go off which meant waiting for a day or more. This has a cost implication on the LG as they have to keep financing officers to travel to carry out the job. It was noted from all the districts monitored that there was compliance with the PFMA in accordance with the timeframe provided for budget preparation and approval.

Table 4.5 illustrates the time lines of the funds in the three quarters of the FY.

Table 4.5: Timeliness in the flow of funds at the District Local Governments

District	Date of Receipt of Funds		Date funds remitted to Departments	Date of Announcement	Days to actual receipt of funds	Days spent to transfer to departments	Connected to the IFMS
Amolatar	Q1	06/09/2016	07/09/2016	05/07/2016	63	1	NO
	Q2	21/10/2016	10/11/2016	26/09/2016	25	20	
	Q3	02/03/2017	10/03/2017	10/01/2017	51	8	
Amuru	Q1	14/09/2016	10/12/2016	05/07/2016	71	87	YES
	Q2	07/11/2016	23/11/2016	26/09/2016	42	16	
	Q3	10/03/2017	13/03/2017	10/01/2017	59	3	
Bududa	Q1	27/09/2016	01/10/2016	07/05/2016	143	4	NO
	Q2	02/11/2016	22/11/2016	26/09/2016	37	20	
	Q3	28/02/2017	01/03/2017	10/01/2017	49	1	
Bundibugyo	Q1	23/08/2016	23/08/2016	05/07/2016	49	0	YES
	Q2	18/10/2016	18/10/2016	26/09/2016	22	0	
	Q3	20/02/2017	20/02/2017	10/01/2017	41	0	
Buikwe	Q1	07/09/2016	12/09/2016	05/07/2016	64	5	NO
	Q2	26/10/2016	28/10/2016	26/09/2016	30	2	
	Q3	08/02/2017	10/02/2017	10/01/2017	29	2	
	Q4	28/04/2017	02/05/2017		[redacted]	4	
Bukwo	Q1	31/08/2016	23/09/2016	05/07/2016	57	23	NO
	Q2	02/11/2016	21/12/2016	26/09/2016	37	49	
	Q3	13/02/2017	22/02/2017	10/01/2017	34	9	
	Q4	24/05/2017	24/05/2017		[redacted]	0	
Kaliro	Q1	31/08/2016	05/09/2016	05/07/2016	57	5	NO
	Q2	20/10/2016	24/10/2016	26/09/2016	24	4	
	Q3	20/02/2017	21/02/2017	10/01/2017	41	1	
Kalungu	Q1	05/09/2016	05/09/2016	05/07/2016	62	0	NO
	Q2	22/12/2016	22/12/2016	26/09/2016	87	0	
	Q3	22/02/2017	23/02/2017	10/01/2017	43	1	
Kamuli	Q1	24/08/2016	24/08/2016	05/07/2016	50	0	YES
	Q2	18/10/2016	28/10/2016	26/09/2016	22	10	
	Q3	20/01/2017	31/01/2017	10/01/2017	10	11	
Kapchorwa	Q1	22/08/2016	22/08/2016	05/07/2016	48	0	YES
	Q2	18/10/2016	18/10/2016	26/09/2016	22	0	
	Q3			10/01/2017	[redacted]	0	
Kayunga	Q1	24/08/2016	24/08/2016	05/07/2016	50	0	YES
	Q2	18/10/2016	18/10/2016	26/09/2016	22	0	

District	Date of Receipt of Funds		Date funds remitted to Departments	Date of Announcement	Days to actual receipt of funds	Days spent to transfer to departments	Connected to the IFMS
	Q3	20/01/2017	20/01/2017	10/01/2017	10	0	
Kibuku	Q1	31/08/2016	15/09/2016	05/07/2016	57	15	NO
	Q2	19/10/2016	10/11/2016	26/09/2016	23	22	
	Q3	06/02/2017	15/2/2017	10/01/2017	27	9	
Kole	Q1	06/09/2016	14/09/2016	05/07/2016	63	8	NO
	Q2	19/10/2016	01/11/2016	26/09/2016	23	13	
	Q3	06/02/2017	23/02/2017	10/01/2017	27	17	
Kween	Q1	02/09/2016	09/09/2016	05/07/2016	59	7	NO
	Q2	02/11/2016	08/11/2016	26/09/2016	37	6	
	Q3	25/02/2017	25/02/2017	10/01/2017	46	0	
Manafwa	Q1	05/09/2016	15/09/2016	05/07/2016	62	10	NO
	Q2	05/12/2016	08/12/2016	26/09/2016	70	3	
	Q3	13/03/2017	23/03/2017	10/01/2017	62	10	
Nakaseke	Q1	29/09/2016	29/09/2016	05/07/2016	86	0	YES
	Q2	31/10/2016	31/10/2016	26/09/2016	35	0	
	Q3	03/03/2017	03/03/2017	10/01/2017	52	0	
Ntoroko	Q1	15/09/2016	15/9/2016	05/07/2016	72	0	NO
	Q2	31/10/2016	09/11/2016	26/09/2016	35	9	
	Q3	28/02/2017	07/03/2017	10/01/2017	49	7	
Otuke	Q1	06/09/2016	16/9/2016	05/07/2016	63	10	NO
	Q2	21/10/2016	04/11/2016	26/09/2016	25	14	
	Q3	20/02/2017	23/02/2017	10/01/2017	41	3	
Pader	Q1	24/08/2016	24/08/2016	05/07/2016	50	0	YES
	Q2	13/10/2016	13/10/2016	26/09/2016	17	0	
	Q3	07/02/2017	07/02/2017	10/01/2017	28	0	

Source:Field Findings

The DLGs on IFMS received their funds approximately five days earlier than those not yet on the system. The non TSA votes on average took five working days to transfer funds from the district general fund accounts to the departments. It was however noted that there are some other major delays in the utilization of funds;

- Inability to conduct virements at the DLGs; the power to carry out such was withdrawn from LGs and in times of emergencies like a collapsed bridge, it becomes difficult as they have to first seek authority from the Minister of Finance, Planning and Economic Development[16]. This has brought disgruntlement in the LGs as it is deemed to reduce the powers of the CAO (Chief Administrative Officer), the district executive committees and the council.

- It was highlighted by the DLGs monitored that opening of bank accounts after getting authority from Accountant General was not practical especially when the funds are from other implementing partners. This process causes delays in service delivery in LGs.

- It was also noted in the LGs of Butambala and Otuke that the warranting training offered was inadequate. Otuke District pointed out that the trainers sent to Gulu centre did not adequately handle the trainees and this caused some delays in accessing the funds.

- Issues of isolated salary increments are affecting performance. Government should come up with a strategy where such increments are effected across board.

16 Section 22 Virements- of the PFMA, 2015 request to vary is made by the accounting officer to the Minister of Finance, Planning and Economic Development.

Release of Unconditional Grant – Non-wage FY2016/17 for selected districts

The release of the unconditional grant non-wage for the sampled districts was good as an average of 98% of the budget was released by 30th June, 2017. A low release (70%) of the grant was realized in Butambala District while the rest of the monitored districts realized over 95%.

Table 4.6: Details of release for each district monitored

District	Approved Budget	Release	Expenditure	% Release	% Expenditure
Amuru	622,296,000	588,408,275	588,408,275	95	10
Bududa	699,996,000	692,060,316	692,060,316	99	100
Bundibugyo	765,548,518	765,548,518	765,548,518	100	100
Buikwe	506,326,366	533,974,422	533,974,394	105	100
Bukwo	409,512,992	406,655,430	406,655,430	99	100
Butambala	307,090,000	213,470,802	213,470,802	70	100
Kaliro	495,200,000	493,969,278	493,936,894	100	100
Kalungu	359,951,000	391,318,828	391,318,828	109	100
Kamuli	955,682,000	944,889,214	944,889,214	99	100
Kapchorwa	345,027,936	345,025,964	345,024,900	100	100
Kayunga	582,902,000	587,900,000	587,900,000	101	100
Kibuku	469,380,000	427,784,738	427,784,738	91	100
Kole	492,833,184	523,088,135	523,088,135	106	100
Kween	492,269,349	486,685,206	486,685,206	99	100
Manafwa	1,003,330,000	1,003,330,000	1,003,330,000	100	100
Nakaseke	838,961,958	830,424,637	830,424,647	99	100

Source: Field Findings

Conclusion

The districts monitored received averagely 100% of the funds for the FY2016/17. Government released 100% of the development grants to the DLGs by the end of Q3 although there were major delays in the Q1 release. Budget cuts of about 20% were experienced under the URF releases to LGs. The time taken to receive funds by the DLGs after PS/ST releases the circular has persistently remained long throughout the FY, on average 30 days.

The absorption of development funds and the unconditional grant (non-wage) by the DLGs was good, as 100% of the funds released were absorbed. Of the 22 DLGs monitored, 7(32%) are on the IFMS and TSA,they appreciated the efficiency brought about by the system.

Timeliness of quarterly funds released to the DLGs took a minimum of 30 days from the time of announcement of the release by the PS/ST prior to the warranting, which was long.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 complete warranting and then transfer funds from the district general fund accounts to the respective departments. The IFMS and TSA votes registered faster access of funds and effective and efficient management of public funds than the non-IFMS votes. The rampant poor link to the wide area network affects the speed of operations on the IFMS.

The recently introduced hybrid[17] warranting process to the LGs enforces accountability, funds to service delivery units such as capitation grants to primary schools and funds to health units are known by the accounting officers and can be easily monitored and reported on.

On the other hand, the Accounting Officers were disgruntled over the frequent travels they have to make to the MFPED in order to complete the reallocations and virements as per the PFMA 2015. These are costly and time consuming.

17 Window available for non-IFMS votes to apportion expenditure limits issued to service delivery units and departments.

Challenges

- There were issues of non-warranted funds due to non-provision of budget lines. For example, in Amuru DLG, Ug shs 214 million remained hanging and was returned to Consolidated Fund for lack of a budget line.

- Inconsistent expenditure limits communicated to LGs; for example Ug shs 2 billion for wages was communicated to Amuru DLG but only Ug shs 100 million was entered on the system, thus affecting salary payments.

- Network failure resulting in bouncing back of payments made to contractors. Towards year end, such funds tend to be swept back to Consolidated Fund as unutilized.

- Inconsistent coding of source and destination budget for warranting. Sometimes codes were changed by the Accountant General's office and not communicated in time to the LGs. This failed the system from agreeing with the warranting as was noted in Amuru DLG.

- Poor timing of implementation of the IFMS. Amuru district was connected on the IFMS in May 2017 yet the FY was ending in June. This affected the reporting as they had to change from the manual system to the IFMS thus preparing two separate financial statements, then merging them.

- The PFMA is not properly aligned to the Local Government Act. LGs are confused about which laws to follow/apply. Some of the provisions in the PFMA applying to LGs are in conflict with the policy of devolution/decentralization that is enshrined in the Constitution for the LGs-for example the reallocation and passing of supplementary budgets.

- The time lag between the announcement of the releases and the actual time funds reach the LG accounts remained long throughout the FY. The announcement of the releases raises expectations among all beneficiaries, who then cannot easily understand how they do not get paid as soon as the announcement is made.

- There was inadequate training in the recently rolled out warranting for the funds released.

Recommendations

- The MFPED should support LGs connected to the IFMS to ensure that their operations and service delivery is not disrupted. This can be achieved through fast tracking the National Backbone Infrastructure project to support a wide area network

- The IFMS roll out to the remaining 57 DLGs should be expedited by the MFPED and MoLG through adequate budget allocation to FINMAP that is responsible for the IFMS roll outs.

- Delays in access of funds for wages and non-wage recurrent expenditures should be addressed by MFPED-Budget Policy and Evaluation Department and Accountant General's office.

- The MoPS should revise the DLG structure to include an IT specialist to assist in handling some technical issues.

- The MFPED with the MoLG should align the PFMA to the Local Government Act for efficient service delivery and control.

- The MFPED-Accountant Generals office should demand for reconciliation before the sweepback of funds to Consolidated Fund is done.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 5: AGRICULTURE

5.1 Introduction

5.1.1 Sector objectives and priorities

Agriculture is core to achieving the national development goals as stated in the National Development Plan (NDPII) 2015/16-2019/20[18]. In the medium term, the Government of Uganda (GoU) expected development outcomes for the agriculture sector are to: a) enhance rural incomes and livelihoods b) improve household food and nutrition security. The key sector priorities for FY 2016/17 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 FY2016/17 including taxes and arrears but excluding donor funds was Ug shs 773.277billion, of which Ug shs 737.785billion (95.41%) was released and Ug shs 736.450billion (99.82%) spent. This was very good release and expenditure performance. The detailed performance is given in Table 5.1.

Table 5.1: Agricultural Sector Annual Financial Performance by 30th June, 2017 (billions including Arrears and Taxes and excluding Donor funds)

Vote/ grant	Approved budget (Ugshs billion)	Releases (Ugshs billion)	Expenditure (Ugshs billion)	% budget released	% release spent
MAAIF	113,354,502,540	83,676,318,373	83,513,315,553	73.82	99.81
DDA	6,618,702,180	6,618,701,999	6,598,621,101	100.00	99.7
KCCA	156,399,036,865	156,399,036,859	155,913,636,710	100	99.69
NAGRC & DB	12,140,000,000	12,045,000,001	12,043,601,397	99.22	99.99
NARO	40,121,069,209	35,380,664,185	35,376,444,060	88.18	100
NAADS Secretariat	318,607,454,963	317,891,282,709	317,277,320,237	99.78	99.81
UCDO	7,047,480,784	7,047,480,568	7,096,320,168	100.00	100.69
UCDA	67,912,300,404	67,649,522,894	67,554,078,778	99.61	99.86
LGs**	51,077,000,000	51,077,000,000	51,077,000,000	100	99.86
Total	**773,277,546,945**	**737,785,007,588**	**736,450,338,004**	**95.41**	**99.82**

***There is no system to capture the expenditures by LGs. Field work in the sampled districts indicated that all funds were 100% spent/committed. Hence it is assumed that the LG grant was 100% spent.*

Source: MFPED, 2016; Agriculture Sector agencies

18 GoU, 2014.

5.1.3 Scope

The annual monitoring for FY2016/17 focused on 11 programmes/projects in six out of the nine votes in the agricultural sector; the selected institutions were monitored both at semi-annual and annual (Table 5.2).

Table 5.2: Agriculture Programmes Monitored

	Vote/project	Sampled districts/institutions/regions
	Vote 010 Ministry of Agriculture, Animal Industry and Fisheries	
1	Agriculture Cluster Development Project	MAAIF (project not yet rolled out to districts)
2	Improving Access and Use of Agricultural Equipment for Mechanisation	MAAIF, Gomba Kayunga, Buvuma, Kyegegwa, Nakaseke, Kamuli, Masindi, Gulu, Luwero
3	National Farmer Leadership Centre	MAAIF, Mpigi district
4	The Goat Export Project in Sembabule	MAAIF, Sembabule district
5	Uganda China South-South Project	MAAIF, Butaleja, Kabale, Luwero, Mbarara,
6	Vegetable Oil Development Project	MAAIF, Kalangala, Gulu Hub, Lira Hub, Eastern Uganda Hub (Bukedea, Namutumba and Mbale districts)
	Vote 125 National Agricultural Genetic Resource Centre and Data Bank	
7	National Agricultural Genetic Resource Centre	Maruzi Ranch (Apac), Njeru Stock Farm (Buikwe), Nshaara Ranch (Kiruhura), Sanga Field Station (Kiruhura), Ruhengyere Field Station (Kiruhura), Bull Stud (Wakiso), LES (Wakiso)
	Vote 142 National Agricultural Research Organisation	
8	National Agricultural Research Organisation	ABIZARDI (Arua), KAZARDI (Rubanda), MbaZardi (Mbarara), MuZARDI (Mukono), Kamenyamiggo Satellite Station (Lwengo), NaFIRRI (Jinja), Ngetta ZARDI (Lira), NACORI (Mukono)
	Vote 152 National Agricultural Advisory Services/Operation Wealth Creation	
9	National Agricultural Advisory Services	Arua, Budaka, Butaleja, Buvuma, Dokolo, Gulu, Jinja, Kabale Kalangala, Kamuli, Kanungu, Kayunga, Kisoro, Kyegegwa, Lira, Luwero, Mbale, Mbarara, Mityana, Mubende Mukono, Mpigi, Nebbi, Pader
	Vote 160 Uganda Coffee Development Authority	
10	Uganda Coffee Development Authority	Lango sub-region I; West Nile sub-region; Acholi sub-region; Eastern and Central regions;
	Vote 501 – 850 Local Government Services and Marketing	
11	Production and Marketing Grant	Arua, Butaleja, Gulu, Jinja, Kabale, Kalangala, Kamuli, Lira Mbale, Mbarara, Nebbi

Source: Authors Compilation

5.1.4 Limitations

i) Inadequate field time to enable sampling of adequate numbers of beneficiary farmers.

ii) Poor specification by spending agencies of outputs and targets to enable proper performance measurement

5.2 Ministry of Agriculture, Animal Industry and Fisheries

5.2.1 Background

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

5.2.2 Performance

i. Agriculture Cluster Development Project

Introduction

The Agriculture Cluster Development Project (ACDP) is a World Bank/GoU funded project that aims to raise on-farm productivity, production and marketable volumes of maize, beans, cassava, rice and coffee in specified geographical clusters covering 40 districts. Implemented by MAAIF, the project is estimated to cost US$ 248 million to be contributed as an International Development Association (IDA) Credit (US$ 150 million) and GoU counterpart funding (US$ 98 million) over the period 9th April, 2015 to 31st March, 2022[19].

The project was designed to start as a pilot in FY2016/17 in five districts (Iganga, Amuru, Nebbi, Kalungu and Ntungamo) involving provision of subsidized agro-inputs to 450,000 farm households through electronic vouchers issued by an Electronic Voucher Management Agency (EVMA); provision of water for production to promote irrigated rice varieties and matching grants to farmers and infrastructure to enhance market linkages, post harvest handling, storage and value addition.

Although the project was approved and the financing agreement signed by Government in September 2016, it only became effective on 23rd January, 2017. Delays in declaration of project effectiveness arose due to unreadiness of MAAIF to meet the prior conditions of establishing a Coordination Unit, developing a project implementation manual, designing e-Voucher system and enhancing staffing capacity.

The approved budget for the project for FY2016/17 was Ug shs 30.759billion, of which Ug shs 13.880 billion (45.13%) was released and Ug shs 2.956 billion (21.29%) spent by 30th June, 2017. This was poor funds release and absorption performance.

Performance

As shown in Table 5.3, the physical performance of the ACDP was poor (25.70%); reflective of the low level of funds absorption (21.29%) despite the availability of funds. The poor performance was due to the delayed declaration of project effectiveness and establishment of the EVMA upon which all other activities were tagged. The low readiness and capacity of MAAIF to implement the project was a major contributory factor leading to most activities being differed to FY2017/18.

Table 5.3: Physical Performance of the Agriculture Cluster Development Project by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Qty	Weighted Score (%)	Remark
Project Steering Committees at national level established	4	129,000,000	4	0	
Project structures established at district and sub-county levels	10	129,000,000	10	0.93	
Project Implementation Manual developed	1	397,000,000	1	2.86	
E-Voucher Advisor recruited (ToRs developed)	1	1,260,000,000	0.4	3.63	Discussions ongoing with the International Fertilizer Development Centre
Bidding documents for E-Voucher Management Agency developed	1	64,500,000	1	0.46	

19 World Bank, 2015.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Qty	Weighted Score (%)	Remark
Stakeholders mobilized and sensitized at national cluster and district levels	3,000	520,000,000	2,557	3.19	
Beneficiary farmers and input dealers registered	5,300	554,614,000	0	0.00	Awaits deployment of the EVMA
Beneficiary farmers trained on input subsidy, agronomy	5,000	3,050,001,000	0	0.00	Training differed until farmer selection is completed
Exposure visit to Nigeria for technical staff	1	300,000,000	1	2.16	
Other aspects of E-Voucher Input delivery system developed (9 key activities)	9	2,625,723,500	1	0.00	Pending establishment of the EVMA
Staff capacity built (sets of activities)	5	2,196,931,000	2	0.00	One vehicle procured; three staff trained in Ghana
Prefeasibility studies for irrigation scheme undertakings implemented (sets of activities)	4	2,454,120,000	2	11.05	Bidding documents were developed, stakeholder meetings held.
ACDP activities supervised (months)	12	200,000,000	12	1.44	
Total		**15,068,889,500**		**25.70%**	

Source: Field Findings

Implementation challenges

i) Partial implementation of planned activities due to delayed declaration of project effectiveness and slow approval of documents/requisitions by both World Bank and the MAAIF Accounting Office/Accounts Department. *By 13th June 2017, documents that were submitted to World Bank in February 2017 for clearance had not been approved; similarly, it took one to two months for the documents that were submitted to the MAAIF Accounting Officer to be cleared.*

ii) Inadequate technical knowledge and capacity at MAAIF to design and implement the e-voucher system and undertake registration of 450,000 farm households.

Recommendations

i) The MAAIF and World Bank should improve the processes of clearance and approval of documents and requisitions made by the implementing department

ii) The MAAIF should fast track the recruitment of the E-Voucher Advisor and procurement and operationalisation of the E-Voucher Management Agency.

ii. Improving Access and Use of Agricultural Equipment and Mechanisation (1357)

Introduction

The GoU is implementing the Improving Access and Use of Agricultural Equipment and Mechanisation project that aims to enhance agriculture production and productivity through excavation of water for production facilities, bush clearing and opening of farm roads. The overall targets for the three year period (07/01/2015-

06/30/2018) are 500 valley tanks excavated/rehabilitated, 5,000 acres of bush cleared and 2,000 farm roads opened up.

This intervention builds on an earlier MAAIF intervention - Labour Saving Technology and Mechanization for Agricultural Productivity and Enhancement project - implemented from July 2011 to June 2015. Three sets of earth moving equipment were procured in FY2010/11 using a US$ 5 million grant from the Government of Japan. The beneficiaries pay to MAAIF standard lease/dry rates and contribute fuel for using the equipment through the Uganda Revenue Authority (URA).

The approved annual budget for the project during FY2016/17 was Ug shs 5.838billion, of which Ug shs 2.101billion (35.99%) was released and fully spent by 30th June, 2017. This was a poor funds release and very good expenditure performance. During the FY2016/17, the equipment was deployed in 16 districts, whereas monitoring was conducted in eight districts (Buvuma, Kayunga, Kyegegwa, Mubende, Nakaseke, Luwero, Gomba and Kamuli).

Performance

The physical performance of the Improving Access and Use of Agricultural Equipment Project during FY2016/17 was good (75.74%) despite the lower release and funds absorption - Table 5.4. This was largely attributable to the partnerships with other MAAIF agencies to expand water for production facilities and opening of roads on Government farms and ranches.

Table 5.4: Physical performance of the Improving Access and Use of Agricultural Equipment and Mechanization Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Construction and Desilting of Valley Tanks, Dams, Fish ponds	500	1,210,000,000	110	12.83	Worked in 21 districts, in partnership with NAADS, NARO and NAGRC&DB; the project target of 500 valley tanks per year was not met due to inadequate releases; the planned two additional equipment sets were not procured due to inadequate budget.
Farm Access Roads opening and Improvement	2,000	287,000,000	392	2.77	Inadequate budget release and equipment.
Bush clearing, opening and ploughing of bush (acres)	5,000	483,000,000	8,450	8.27	Undertaken in nine districts of Adjumani, Kamuli, Kayunga, Nakaseke, Isingiro, Gomba, Kiryadongo, Gulu and Wakiso
Procurement of the low bed unit	1	570,000,000	0	0.00	Funds not released
Renovation of Namalere Workshops	1	260,000,000	0	0.00	Funds not released
Staff salaries	62	620,000,000	100	10.62	
Allowances	100	720,000,000	67	12.33	However allowances were partially released (56 field staff were not paid their allowances for six months; arrears amounted to Ug shs 210 million for FY2015/16 and Ug shs 280 million for FY 2016/17

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Maintainance of equipment and Vehicle (number of equipment)	57	1,208,000,000	17	20.69	Inadequate releases hence only 30% of the machines were serviced
Fuel Lubricants (number of equipment)	57	480,000,000	27	8.22	Inadequate releases
Total		**5,838,000,000**		**75.74%**	

Source: Field Findings

Beneficiary satisfaction with services

The 15 beneficiary farmers/farms/institutions that were monitored in eight districts (Gomba, Kamuli, Buvuma, Kayunga, Kyegegwa, Mubende, Nakaseke and Luwero) expressed satisfaction with the quality of services offered by MAAIF under this project. The main challenge highlighted by some beneficiaries was delays in works execution due to frequent breakdown of machines and delay in repairs. Examples of work done during FY2016/17:

National Enterprise Corporation (NEC): Located in Kisozi Village, Gomba District, the beneficiary NEC farm is focused on fattening animals to produce beef for export. The NEC managers were satisfied with the excavation works of seven dams, construction of 8 access roads and bush clearing of 325 acres by 7th July, 2017. Works were undertaken to excavate a water reservoir and materials were ferried for construction of two office buildings and five farm houses.

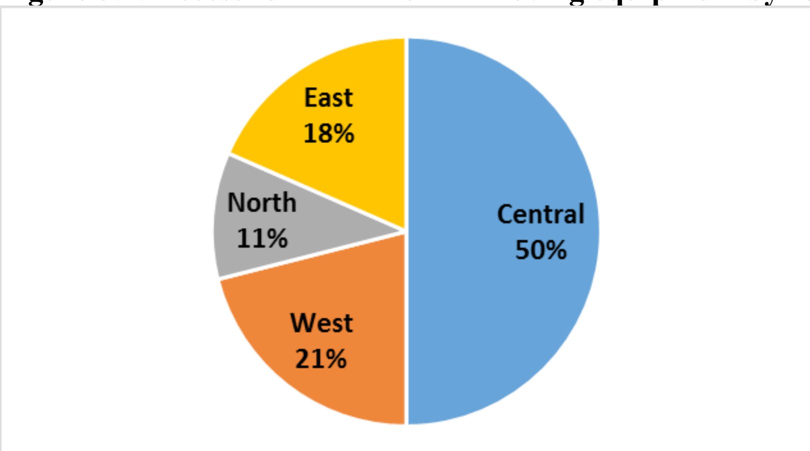
The water reservoir (left) and one of the valley dams constructed by the MAAIF project at the NEC farm in Kisozi Village, Gomba District

Felitai Livestock Demonstration Farm: The Farm Manager of the farm in Nakabira village, Kigge Parish, Kagumba sub-county in Kamuli district was fairly satisfied with the quality of works by MAAIF that focused on clearing 66 acres of bush and excavating one dam of 8,000 cubic metres capacity. One challenge highlighted was the incompleteness of the equipment that left very large lumps of soil after ploughing that necessitated farmers to incur additional costs of hiring other machines from private sector to break down the soils to enable planting. The MAAIF equipment lacked rippers and ploughs to break down the soils.


Bush clearing was ongoing (left) and the dam was excavated (right) by MAAIF equipment on Felitai Livestock Demonstration Farm in Nakabira Village, Kamuli District

Regional representation

Figure 5.1: Access to MAAIF earth moving equipment by region by 30th June, 2017



Source: Field Findings

There was regional inequality in access to the equipment: Out of 38 districts that benefitted from the project during FY2016/17, the majority were in the Central region followed by the Western region (Figure 5.1).

The disparity was attributed to; a) Presidential Directives to open up ranches for beef export and other strategic interventions in Gomba, Sembabule and Nakaseke districts; b) increased excavation works on NAGRC&DB ranches in Western Uganda; and c) unaffordability of leasing rates by residents in the Northern and Eastern regions due to high poverty levels.

There was gender inequality in access to and use of the project equipment by the beneficiaries. Out of the 111 project beneficiaries in FY2016/17, 87 (78.4%) were male, 8 (7.2%) were female and 16 (14.4%) were institutions. The inequality was largely attributed to two factors: a) women lacked access to and ownership of large pieces of land and commercial investments b) women lacked capital to lease the machines.

Implementation challenges

i) Demotivated field staff due to non-payment of allowances arrears for FY2015/16 (3 months) and FY2016/17 (9 months), and delayed renewal of contracts that expired on 30th June, 2017. The total arrears amounted to Ug shs 490 million.

ii) Delays in execution of works and non-achievement of planned targets due to low releases, irregular repairs of the aged equipment. More than half of the 57 equipment and vehicles required major repairs.

iii) Failure to procure more equipment due to the high taxes – Value Added Tax (VAT) and Withholding Tax (WHT) - on imported equipment. The budget provisions were inadequate to procure three additional sets as was planned.

Recommendations

i) The MAAIF should prioritize and pay all the arrears for the field staff and renew their contracts.

ii) The MFPED and MAAIF should allocate funds for procuring additional sets of earth moving equipments and servicing the existing machines.

iii) The MFPED should waiver taxes on imported agricultural equipment.

iii. National Farmer Leadership Centre

Introduction

The National Farmer Leadership Centre (NFLC) in Kampiringisa, Mpigi District was established by Government in 2011 with support from the Korean International Cooperation Agency (KOICA). The project aims to increase farmers' incomes through adoption of modern and appropriate Korean agricultural technologies and enhancing mindset change for rural and agricultural transformation through the Saemaul Undong (SMU) Korean model.

During the first phase of the project (2011 to 2014), key infrastructure was established including lecture rooms, administration blocks, halls and dormitories, staff houses, poultry, hatchery, mushroom and piggery units, green houses, staff rooms and irrigation systems. The project is in the second phase covering the period 07/01/2015 to 06/30/2019. The main focus of the second phase is to complete construction and renovation of infrastructure, acquisition of machinery, recruitment of key staff and stabilizing the training programme and farm operations.

The Korean Government provided a grant totaling US$ 4.4 million, of which US$3.5m was for infrastructure and administrative costs for the period 2011-2015, and an additional US$ 900,000 in May 2016 for operationalizing the centre from21st May 2016 to 21st May 2017. For FY 2016/17, the GoU approved budget for the NFLC was Ug shs 750 million, of which Ug shs 551.840 million (73.57%) was released and Ug shs 551.616 million (93.43%) spent by 30th June, 2017. This was good release and very good expenditure performance.

The approved budget for the donor component for FY2016/17 was US$ 346,500, of which US$ 219,663 (63%) was released and US$ 163,290 (74.33%) was spent by 31st December, 2016. The KOICA staff left office by 30th May, 2017 and did not provide full accountability to MAAIF for the final disbursements of the donor funds beyond the half year financial performance. The NFLC generated NTR from the training program, food and accommodation and farm operations which was spent at source by the donor – total amount generated was Ug shs 764.788million, of which Ug shs 721.145million (94.29%) was released and fully spent by 30th June, 2017. The balance (Ug shs 43,643,407) was transferred to MAAIF account.

Performance

The performance of the NFLC during FY2016/17 was good (81.55%). Among the key achievements were the construction of the semi-detached staff houses, establishment of demonstration farms for crops and livestock, training of farmers and different stakeholders and setting up of a fully equipped pre-fabricated tent that served as a conference hall. Refer to Table 5.5.

Table 5.5: Performance of the National Farmer Leadership Centre by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Staff houses constructed	2	350,000,000	1.4	22.431	Construction works were behind schedule at 70% due to delayed handover of site to contractor by MAAIF/MGLSD; and low capacity of contractor M/s P&D Traders.
Quarterly training programmes for staff implemented	4	20,000,000	1	0.358	One training was conducted.
Operations of the NFLC effectively coordinated and monitored by MAAIF (Four sets of activities - Salaries paid, fuel provided, stationery procured and vehicles maintained on quarterly basis)	4	380,000,000	3	21.028	Some activities were not fully implemented due to delayed disbursement of funds as the NLFC lacked an account.
Training sessions conducted for farmers, political leaders and district leaders	32	46,551,375	47	0.293	The training programme overperformed due to a higher intake (1,849 participants compared to the planned 960) and availability of NTR to implement the programme.
Staff allowances for 25 persons paid (months)*	12	248,274,000	6	12.372	
KOICA Local Coordinator paid (months)*	12	41,379,000	6	2.051	
Farm operations for crop (trees of macademia, mangoes, pawpaw, mangoes)*	4,000	175,860,750	2000	7.977	500 trees of each tree crop were planted; other commodities planted for food security on farm (bananas 4.5 acres; coffee 4.5 acres; cassava 1 acre; passion fruit 2 acres; pumpkins).
Farm operations for livestock (number of pigs and poultry)*	542	113,792,250	271	4.678	200 poultry birds, 20 pigs, 1 boar and 50 piglets were procured; 300 eggs were procured and fertilised; local structure for piggery was constructed.
Mushroom department operationalised for 12 months*	12	60,344,375	6	4.295	Local structure for mushrooms was constructed and mushrooms planted.
Local instructor paid (months)*	12	124,137,000	6	6.067	The local instructor was not hired as MAAIF guided that the ministry would provide this skill.
General farm operations and equiping Centre (7 sets of activites to be implemented)	7	68,518,117	7	1.397	Food was provided for staff; renovation works were undertaken; a dairy unit was constructed; a hall was established, equipped with chairs, audio system and curtains.
Total		**1,560,338,750**		**81.550%**	

Source: Field Findings

Note Information was not available on full year performance on these donor funded activities. The data for these activities was as at 31st December 2016.*


Semi-detached staff houses under construction (left) and the installed pre-fabricated tent (right) at the NFLC in Kampiringisa, Mpigi District

Challenges

1) Unauthorised spending of NTR at source: the Centre generated Ug shs 764.788 million as NTR during FY2016/17, of which Ug shs 721.145 million (94.29%) was spent by the KOICA by 30th June, 2017. Only Ug shs 43,643,407 was transferred to MAAIF account.

2) Closure of donor project (in May 2017) without proper accountability and financial records. The donor agency did not provide full accountability and financial records to MAAIF for US$ 346,500 spent during FY2016/17.

3) Slow operationalisation of the centre and low maintenance of existing projects due to lack of a sustainability plan and operational funds for transition period from the donor project to GoU mode. The Centre was unable to pay all the 23 staff that were retained after the exit of the donor project; and most demonstration gardens were not properly maintained.

Recommendations

i) The MAAIF and MFPED should institute measures to ensure that all the NTR collected at the centre is banked as per the public financial management regulations.

ii) The MAAIF should fast track implementation of the approval legal status of the NFLC and allocate sufficient funds for the centre operations.

iii) The MAAIF and Office of the Auditor General (OAG) should institute a forensic audit of the NFLC financials and especially for the donor financing.

iv. The Goat Export Project in Sembabule District

Background

The Goat Export Project in Sembabule District is a successor to the five-year pilot Exports Goat Breeding and Production Project that was implemented from 1st July, 2009 to 30th June, 2014 as a Presidential Initiative. 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 due to low funds disbursement. The breeding concept was for each of the 108 benefitting farmers to receive 500 indigenous female goats and an exotic buck from the project.

The overall objective of the phase II wealth creation project is to scale up the pilot phase efforts by tranforming Ssembeguya Estates from being a nucleus breeding farm, to developing Sembabule into a nucleus breeding district that produces goats for the local, regional and international markets. Farmers with at least 150 acres and demonstrated ability to multiply the goats for three years without selling the females are provided with at least 100 goats by the project. The medium term targets for the four year project (FY2015/16 - FY2018/19) 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

The approved budget for the project for FY2016/17 was Ug shs 1.200 billion, of which Ug shs 477 million (39.75%) was released and all fully expended by 30th June, 2017. This was poor release and very good expenditure performance.

Performance

The performance of the Export Goat Project in Sembabule District was very good (95.45%) in terms of output delivery for the resources that were disbursed for FY2016/17 (Table 5.6). However, the overall project performance was low as most targets were not achieved due to the poor release levels and delayed disbursement of Q4 resources on 30th June, 2017.

Table 5.6: Performance of the Export Goat Project in Sembabule District by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Local Mubende Goats purchased and distributed to farmers	5,008	976,560,000	1,802	79.87	Procurement of goats for Q4 were not done as the funds were received late on 30th June, 2017.
Vaccines procured	5,008	10,016,000	3,397	0.83	Less vaccines (67%) than planned were procured due to inadequate releases; the incidence of diseases could thus not be fully contained leading to increased goat mortality.
Salaries and wages for 14 staff for Q4	4	46,800,000	3	2.925	Delayed release of funds led to non-payment of salaries during Q4.
Demonstration and training and farm visits for 4 quarters	4	10,800,000	2	0.6	Not comprehensively done in Q4 due to inadequate funds; the beneficiary farmers were visited at most once or not at all, leading to inadequate follow up and advisory services for the project.
Project monitored by the implementing entities in 4 quarters	4	64,000,000	1	5.33	The extension and advisory services to farmers were minimal due to inadequate releases; few beneficiary farmers were reached by Ssembeguya Estates.
Review workshops	2	20,000,000	1	0.83	Resources for one review workshop were reallocated to other more pressing operational expenses.
Operational and other coordination expenses for 4 quarters	4	71,824,000	1	5.05	Lack of transport facilities limited coordination and programme follow up by the implementing agencies.
Total		**1,200,000,000**		**95.45%**	

Source: Field Findings

The four randomly sampled farmers in the benefiting villages in Sembabule district had all received the goats in FY2016/17:

Export Goat Project goats at Ms Phoebe Mbeere's farm in Kewaya Village, Sembabule District

- **Ms Phoebe Mbeere** in Kewaya Village, Karshonshomezi Parish, Ntusi Sub-county received 50 goats and one buck from Ssembeguya Estates two of which died due to accidents and one was stolen. The remaining goats had produced 22 calves by 6th July, 2017 four of which died due to diahrreo related diseases. The main challenge in the village was theft of the project goats by neighbours leftout of the project. Scaling up of the project to cover more beneficiaries was recommended.

- **Kakinga Ranch 27** in Kakinga Village, Karshonshomezi Parish, Ntusi Sub-county received 100 female goats and one buck; three of the female goats died due to pneumonia. During the FY, 102 calves were born, of which six died shortly after birth.

- **Ms. Nahabwe Mwesigye** in Kakinga Village, Karshonshomezi Parish, Ntusi Sub-county received 50 female goats and one buck from the project. Three of the female goats died due to attacks by stray dogs and the fourth died during birthing. By 6th July, 2017 the goats reproduced 42 calves of which 12 died mostly due to diseases.

Some of the Export Goat project goats on Mr. Kinwa's farm in Rutagengera Village, Sembabule District

- **Mr. Kinwa Asa** of Rutagengera Village, Mitima Parish received 50 female goats in April 2017; 15 died due to diseases and four were stolen. The goats had not yet reproduced by 6th July, 2017.

Box 5.1: Gender Issues in the Export Goat Project in Sembabule district

There was gender inequality in access to the project goats, with female farmers being more disadvantaged than their male counterparts. Out of the 91 farmers who benefitted from 50 female goats each from the project from July 2016 to March 2017, only 16 (18%) were female. Female farmers were deterred from active participation in the project due to stringent access cretaria: a farmer must own or have access to at least 150 acres; already engaged in goat rearing using own resources and exhibiting managerial and financial capacity. Most women as well as youth lacked ownership/access to these key factors of production. The married women and widows were required by the project to present a letter of proof of consent from husband, relatives and village council if they were to use land owned by men and/or family.

Other deterrent factors to female participation in the project that were highlighted by the sampled farmers included: low literacy and access to project information as most training workshops were attended by men; women were burdened with reproductive duties and could not attend scheduled training sessions most of which were located at distant sub-county headquarters; and domestic violence arising from men taking over the income from goat sales by women. Culturally, it was not acceptable for women in this area to sale animals, a task that was reserved for men. There were also instances of domestic violence in polygamous families where one woman had benefitted from the project and others had not and lacked income sources.

Source: Field Findings

Challenges

i) Slow project implementation and low achievement of planned targets due to inadequate and late releases.

ii) High goat mortality due to disease outbreaks and inadequate vaccinations, project supervision and advisory services.

iii) Difficulty in tracing project outputs and outcomes due to lack of a proper information management system.

Recommendations

i) The MAAIF should prioritise increased funding to the project for goat procurement, monitoring and advisory services and ensure timely disbursements to the implementing agency.

ii) The MAAIF should support Ssembeguya Estates and the farmers to establish an effective record keeping and information management system.

v. Uganda China South to South Project

Introduction

This China - Food and Agriculture Organisation - GoU funded project aims at increasing agricultural production and productivity of horticulture, cereals, aquaculture and livestock through technology, knowledge and skills transfer from China to Uganda. The first phase (2011-2014) involved deployment of 31 Chinese experts and technicians (Cooperates) to MAAIF institutions.

The second phase (1st July, 2015 to 30th June, 2018) focuses on technology development and transfer in seven hubs namely: i) Kachwekano Zonal Agricultural Research Development Institute (ZARDI) Kabale district – Horticulture, mushrooms, apples, pears and other vegetables. ii) Mbarara ZARDI (Mbarara district) – Livestock and animal feed formulation iii) Budaka district – rice iv) Amuria and Butaleja districts – aquaculture v) Luwero and Nakaseke districts – irrigated rice and agro-machinery vi) Kapeke – Integrated Agroecological Farm and vii) MAAIF Headquarters – Cross cutting issues – agri-business, value addition, agro-machinery and water harvesting.

Implementation of the second phase delayed by six months due to the late dispatchment of 16 Chinese Cooperates to Uganda in January 2016 and late release of the donor funds. The approved budget for the Uganda China South to South Project during FY2016/17 was Ug shs 300 million, of which Ug shs 285 million (95%) was released and fully spent by 30th June, 2017. The China Government provided US$ 1.688 million for FY2016/17 which was fully released and spent. This was very good release and expenditure performance for the project.

Performance

The annual physical performance of the Uganda China South to South Project during FY 2016/17 was good (72.44%) as shown in Table 5.7. The performance was lower due to inadequate counterpart funding and delayed release of donor funds.

Table 5.7: Physical performance of the Uganda China South to South Project by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Farmers trained nation wide in Chinese technologies	2,000	3,114,539,200	1,990	51.571	
At least 20 demonstrations established for each commodity (horticulture, cereals, aquaculture, livestock and agro-machinery)	100	1,701,468,800	35	9.861	Demonstrations were set up as follows: Cereals (8), Horticulture (4), Livestock (9), Aquaculture (10), Sweet potato processing (1), rice amd millet (1), assorted agromachinery at Chinese Agricultural Industrial Park in Luwero and Walking tractor in Budaka/Butaleja. Funds were inadequate for more demonstrations
Capacity of at least 100 technical staff built in Uganda; and capacity of at least 20 other staff and 10 key counterparts built in China	130	1,026,800,000	78	10.201	20 technical staff from MAAIF and LGs and 8 trainers were trained in China; 50 staff trained in Uganda; funds were inadequate
Chinese Cooperates and Experts housed and MAAIF operational expenses to coordinate the seven hubs	6	196,500,800	1.5	0.813	Housing was provided in six hubs; the seventh hub was recently established
Total		**6,039,308,800**		**72.446%**	

Exchange rate used for the donor funds: US$ 1 = Ug shs 3,400. Source: Field Findings

Examples of ongoing work in the Hubs

Project feed milling machine installed at Mbarara ZARDI, Mbarara district

In Mbarara hub, two choppers, a feed mixer and milling machine were procured and under use at Mbarara Zonal Agricultural Research Development Institute (ZARDI). They had supported the institute in chopping maize harvest from 30 acres to produce 120 tonnes of animal feeds. Two farmers in Biharwe Division, Mbarara Municipality and one in Masha sub-county, Isingiro district were supported by the project to set up demonstration sites for pastures and legumes. Technology transfer on farm was undertaken to train farmers in silage making to improve animal nutrition.

Biogas plant still under construction at Kachwekano ZARDI, Rubanda district

In Kabale hub, a biogas energy saving plant was being installed at Kachwekano ZARDI for powering the kitchen. Mushroom, vegetable, pear and apple research was undergoing at Bugongi Station of Kachwekano ZARDI in Kabale Municipality.

In Butaleja District, Mr. Sagula Robert of Masulula Village, Kanyenye Parish, Himutu Sub-county hosted an onfarm demonstration on hybrid rice variety and integrated rice-fish culture; he also undertook demonstration of foxtail millet hybrid seeds with fish culture. He received the following inputs from the project; nine bags of fertilizer, four litres of pesticides, hybrid seeds and 920 fish fingerlings. High productivity of the crops was realized, four times higher than the local varieties, within the same acreage. This attracted 12 other farmers within Masulula village to adopt the demonstrated practices.

Implementation challenges

i) Limited outreach and uptake of Chinese technologies by farmers due to inadequate funding and involvement of the ZARDI staff and LGs in planning and project execution. The ZARDI workplans for the project were not funded.

ii) Slow implementation of the project at some sites due to lack of operational funds and redundancy of the Chinese Cooperates.

Recommendations

i) The MAAIF and DLGs should mainstream the project interventions in the district workplan and budget to enhance staff participation and outreach to farmers.

ii) The MAAIF should ensure that the donor funded projects are properly costed and funded to limit lapses in implementation.

vi. **Vegetable Oil Development Project Phase 2**

Introduction

The Vegetable Oil Development Project Phase Two (VODP2) aims to increase the domestic production of vegetable oil and by-products to enhance rural incomes for smallholder producers. The project has three components: (i) Oil Palm Development (ii) Oil Seeds Development and (iii) Project Management. The first phase of the project (VODP1) was completed (1997-2012) and implementation is ongoing for the second phase (2010-2018). The project is co-financed by GoU, International Fund for Agricultural Development (IFAD) and Oil Palm Uganda Ltd (OPUL) through a public private partnership (PPP).

The Oil Palm Component is implemented in Kalangala and Buvuma districts by Kalangala Oil Palm Growers Trust (KOPGT) that provides fertilisers, tools, credit for farm maintenance, extension and transport services to smallholder farmers. The OPUL is involved in establishing the nucleus plantation; processing fresh fruit bunches (FFB) and marketing.

The Oil Seeds component supports smallholder farmers to develop value chains of simsim, sunflower, groundnuts and soya bean in 51 districts within four regional hubs: Lira (16 districts), Eastern Uganda (20 districts), Gulu (8 districts) and West Nile (7 districts). Pay for Service Providers (PSPs) are contracted to provide extension services, establish farmer platforms and undertake capacity building of farmers.

The approved budget for VODP2 for FY2016/17, as reflected in the MAAIF Ministerial Policy Statement (MPS), was Ug shs 35.686 billion, of which Ug shs 9.836 billion is GoU counterpart funding and Ug shs 25.850 billion is the IFAD loan. However, these financials were not a true reflection of the actual budget that was implemented by the project management. Based on the project performance report[20] and consultations with the implementers, the overall project budget (GoU and donor) inclusive of taxes, NSSF and salaries for FY2016/17 was Ug shs 59.294 billion, of which Ug shs 46.807billion (78.94%) was released and fully spent. This was good release and expenditure performance. The GoU release was 96.34% (very good) of the budget, while the donor release was 59.86% (fair) of the budget.

Performance

The physical performance of the VODP2 in FY2016/17 was fair (65.20%). The lower performance was due to delays in approval of contracts of service providers for the Oil Seeds component and resultant slow implementation; late procurement and distribution of inputs; pests and diseases that caused the loss of 70% of the oil palm seedlings while in OPUL nursery and non-functionality of the road equipment in Kalangala District. Refer to Table 5.8.

Table 5.8: Physical Performance of Vegetable Oil Development Project Phase2 by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Land cleared for oil palm growing on Bunyama and Bugala Island (hectares)	440	381,000,000	420	0.864	124 ha (31%) was planted in Bubembe Island as seedlings for 276 ha were destroyed by pests and diseases; 40 hectares were maintained.
Maintenance loans disbursed to 1,290 smallholder farmers on 3,300 ha in Kalangala	1,290	2,900,000,000	553	6.889	Due to the reduced planting arising from seedling inadequacy, less loans were given out for plantation maintenance.
Extension services offered to smallholder oil palm farmers in Kalangala	1,770	541,000,000	1,810	1.285	Five additional extension workers were recruited; OPUL offered complementary services; 24 best management demonstration plots were set up.

20 MAAIF, 2017.

Quality oil palm seedlings raised for Bubembe in Kalangala	100,000	1,025,000,000	22,281	1.588	More than 70% of the seedlings were destroyed by the Blast disease that affected the OPUL nursery.
Assorted fertilizers provided to farmers on credit (tonnes)	1,500	2,686,200,000	1,974	6.381	Prolonged drought slowed application of fertilisers to the plantations.
One fertilizer store with an office constructed in each of the sites Bunyama Island and Bubembe Island	2	2,653,000,000	0.4	0.000	The designs, specifications and bills of quantities for the stores were completed and procurement of contractor was initiated. Land was secured.
Land purchased and surveyed and boundaries opened in Buvuma district (Ha)	1,500	29,950,000,000	922.31	44.344	Of the purchased land, 5,114 Ha (60%) was free of encumbrances. Ug shs 15.198 bn was spent on tenant compensation and consultancies.
Oil palm road boundaries opened and roads constructed/maintained in Bunyama, Bubembe and Bugala Islands (Kms)	190	800,000,000	30	1.108	Underperformance due to breakdown of road equipment that was repaired and delivered to Bugala Island in May 2017.
Kalangala district leaders supported to undertake 8 production campaigns and 12 consultation meetings	20	15,060,000	26	0.036	10 campaigns and 16 consultation meetings were held
Monitoring visits to oil palm plantations by Kalangala district	24	9,909,000	46	0.024	More visits due to additional funding from the Production and Marketing Grant
Advisory services and farmer training by the district local government (No. of farmers)	1,000	11,956,000	700	0.020	
Farmers supported to farm as a business	5,316	191,828,545	5,960	0.456	
Farmer Learning Platforms established	1,863	158,095,607	1,876	0.376	
Farmers trained in conservation agriculture	4,326	151,630,101	4,684	0.360	
Farmers trained in farm mechanisation, post harvest handling, market linkages	6,044	508,619,004	6,118	1.208	
Village Savings and Loan Associations mobilised	466	68,353,601	492	0.162	
Higher level farmer organisation capacity built	2	19,191,596	5	0.046	
Demonstrations established and farmers trained	224	23897500	78	0.057	
Total		**42,094,740,954**		**65.204%**	

Source: Field Findings

For the oil palm component, the farmers greatly appreciated the VODP2 interventions that had led to increased production of fresh fruit bunches (FFB) and household income and assets. All the farmers had received the VODP2 inputs from KOPGT as indicated in the reports. Examples of the VODP2 performance in Kalangala district are illustrated by the following case studies:

- **Ms Nabukeera Prossy of Njoga Village, Bumanji Parish, Mugoye Sub-county** had 10 acres of oil palm plantation. By 30th June 2017, she had received 50 bags of fertilizer and extension services from VODP2 that had enhanced production levels on her farm. On average, she earned Ug shs 4m from oil FFB sales; she had completed a house out of the proceeds in addition to taking all her children to school. The main challenge was rotting of fruits after harvest due to inadequate farm roads.


Ms. Nabukeera's oil palm plantation supported by VODP2 (left) and the house she had built from proceeds of FFB sales in Njoga Village, Kalangala District

- **Mr. Musoke Robert of Mulole Village, Mugoye Parish, Kalangala Sub-county** had two acres of oil palm plantation. He had received extension services from VODP2; he had requested for fertilizer in February 2017 but had not received it by 30th June, 2017. His challenge was the inadequate farm roads and advisory services on pests and diseases; high cost of fertilizer and low price of FFB.

- **Ms. Margaret Nansubuga of Bbeta East Village, Mugoye Parish, Bujumba Sub-county** had received 18 bags of fertilizer and extension services from the project by 30th June, 2017 to apply to her six acres of plantation. However, the fertilizer was inadequate and hence she bought at a premium an additional 30 bags of fertilizer from other farmers that had received the fertilizer from VODP2 on credit. The farmer harvested on average 5 tonnes of FFB every month and had used the proceeds to build a house, educate four children, purchase three cows for household food security.

  Before the project, the farmer's household had no bank account and they had one meal a day. With the project, the farmer operated a bank account and the household had three meals a day. A key challenge noted was the lack of transparency at OPUL in weighing and costing the FFB as the weighing machines were not visible to the farmers. It was recommended that the weighing machines should be visible to all parties.

The performance of the Oil Seeds programme was lower due to protracted review of contracts by IFAD and the Office of the Solicitor General that led to delayed disbursement of funds and procurement of inputs. As a consequence, the Service Providers in Eastern Hub (EPSEDEC/CARD, Sasakawa Global 2000 Ltd), Agency for Sustainable Rural Transformation (AFSRT) in Lira hub and International Institute of Rural Reconstruction (IIRR) in Gulu hub delivered services in two to three instead of four quarters in the FY. Examples of the Oil Seeds component are provided in Box 5.2.

Box 5.2: VODP2 performance in Eastern Hub by 20th July, 2017

The Olasai Women of Purpose Group in Olasai Village, Nalungai Parish, Kachumbari Sub-county, Bukedea District received 40kg of Soy 3N and 20kg of Soy 2N seeds from VODP2 in May 2017 that fully germinated; however, the crop was stunted due to soil infertility. Olasai Aitaritoi Farmers Group in Olasai Village adopted the good practices from the former group; purchased and planted 20kg of Soy 3N that germinated well.

Ms. Aik Clare of Konguna Village, Konguna Parish, Kachumbari Sub-county, Bukedea District received 1kg each of PANA and Sesun seeds from VODP2 at the end of June 2017 that were planted. The Sesun seeds had poor viability as only 50% germinated, while the PANA grew well.

Ms. Joyce Apolot of Kangoku Village, Mukongoro Parish, Mukongoro Sub-county, Kumi District received 2kgs of Sesun seeds in May 2017. The seeds had poor viability as only 50% germinated.

Source: Field Findings

Gender Issues

Both men and women had benefited from the VODP2 interventions. By 30th June, 2017, a total of 1,810 farmers were participating in the smallholder oil palm scheme, of whom 36% were female. Both men and women reported improved production and incomes from oil palm production. However, whereas men tended to invest more in vehicles, expanding businesses and entertainment, women spent their proceeds in building the family house, feeding and educating the family. Domestic violence and marriage breakdowns were common with men fighting to retain rights over proceeds generated by their spouses from FFB sales.

Implementation challenges

i) Loss of fertilizer due to development of a black market in Kalangala and Masaka districts for the VODP2 inputs *"the uneven distribution of fertilizer to farmers, with the ones having larger plantations being favoured has led to the development of a black market for fertilizers. We buy additional fertilizer from our colleagues who have received it from the project at a premium; a bag ranges between Ug shs 20,000 to Ug shs 42,000. Many traders come from Masaka to buy the fertilizer and pay bribes to the ferry master to transport these goods past the police officers,"* said a farmer in Bujumba Sub-county.

ii) Wastage of fruits due to inadequate/poor road conditions; some fruits were not collected while a significant amount falls off VODP2 trucks while negotiating slippery roads.

iii) Slow implementation of the Oil Seeds Component due to: a) protracted adjustment of workplans leading to delayed disbursement of funds, procurement and delivery of inputs to the service providers.

iv) Difficulty to track progress and measure VODP2 performance due to weak monitoring and evaluation (M&E) systems at KOPGT and within the hubs.

Recommendations

i) The MAAIF and KOPGT should institute mechanisms to track use of fertilizers at farm level to minimize losses through the black market.

ii) The Kalangala DLG should fast track construction and rehabilitation of farm roads.

iii) The MAAIF and districts should ensure timely approval and disbursement of funds and procurement of inputs for the hubs.

iv) The MAAIF/VODP2 Secretariat should improve the M&E systems in the entire project.

5.2.3 Overall performance of MAAIF

The overall annual performance of MAAIF in FY2016/17, on the basis of six sampled programmes/projects, was fair (69.34%) – Table 5.9.

Table 5.9: Physical Performance of MAAIF by 30th June, 2017

Project	% weighted performance
Agriculture Cluster Development Project	25.70
Improving Access and Use of Agricultural Equipment	75.74
National Farmer Leadership Centre	81.55
The Goat Export Project in Sembabule district	95.45
Uganda China South-South Project	72.44
Vegetable Oil Development Project	65.20
Average	**69.34**

Source: Field Findings

5.2.4 Challenges of MAAIF

i) Flouting of PFM regulations as exemplified by:

a) Unauthorised spending of NTR at source.

b) Non-payment of staff allowances leading to accumulation of arrears.

ii) Partial implementation of planned activities due to:

a. Delayed approval and disbursement of funds to spending entities by the ministry resulting in late procurements.

b. Insufficient supervision and extension services of the programmes at LG due to understaffing in the Production Departments.

c. Delayed declaration of project effectiveness.

d. Low releases

5.2.5 Recommendations

i) The MFPED should enforce compliance to the PFM regulations by Accounting Officers.

ii) The MAAIF Accounting Officer should ensure timely approval and disbursement of funds to spending entities.

iii) The MAAIF should fast track implementation of the single spine extension system.

5.3 National Agricultural Genetic Resource Centre and Data Bank

5.3.1 Background

The National Animal Genetic Resource Center and Data Bank (NAGRC&DB) was established under the Animal Breeding Act, 2001 to conserve animal genetic resources in the country and ensure continuous production and supply of genetic and breeding materials. The NAGRC&DB implements its mandate through 11 farms/ranches and satellite centres namely: Nshaara, Ruhengyere and Sanga Farms in Kiruhura District; Njeru and Lusenke Farms in Buikwe District; Rubona farm in Kabarole District; Maruzi Farm in Apac District; Bulago Farm in Bulambuli District; Kasolwe Farm in Kamuli District; Livestock Experimental Station (LES) Farm in Wakiso District; Aswa Ranch in Pader District and the Head Office/Bull stud in Entebbe.

In July 2016, the NAGRC&DB commenced implementation of the Strategic Intervention for Animal Genetic Improvement Project (SAGIP) aimed at increasing livestock productivity, through sustainable utilization of animal genetic resources and strengthening institutional capacity. The project period is July 2016 to 2020. The approved budget for NAGRC&DB for FY2016/17 was Ug shs 12.140billion, of which Ug shs 12.045billion (99.22%) was released and Ug shs 12.043billion (99.98%) was spent by 30th June, 2017. This was very good release and expenditure performance. In addition, the institution planned to generate Ug shs 1 billion as NTR.

The NAGRC&DB Headquarters and seven ranches/stocking farms were monitored - Maruzi Ranch (Apac), Njeru Stock Farm (Buikwe), Nshaara Ranch (Kiruhura), Sanga Field Station (Kiruhura), Ruhengyere Field Station (Kiruhura), Bull Stud (Wakiso), LES (Wakiso). The findings are presented below.

5.3.2 Performance

The physical performance of the NAGRC&DB during FY2016/17 was good (77.42%), although lower than the high release and funds absorption levels - Table 5.10. The good performance was largely attributable to more than doubling of the institutional budget through the development project. Several strategic interventions were undertaken including procurement of breeding stock, semen packing and freezing machine, hay bailers; construction/desilting of valley tanks/dams and distribution of assorted chemicals for livestock management.

Performance did not match resource aborption levels because most ranches did not benefit directly from the strategic interventions and they lacked operational resources to undertake bush clearing, pasture development and advisory services. Some planned activities were not implemented at the ranches due to late initiation of procurements by NAGRC&DB Headquarters.

Table 5.10: Physical Performance of the NAGRC&DB by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Chemicals provided for tick control in cattle (in litres)	956	75,360,000	956	1.798	
National Bullstud at Entebbe rehabilitated	1	390,000,000	0.9	8.376	The works were about 90% completed
Semen packing and freezing machine procured and operationalised	1	900,000,000	1	21.476	
Pressurized cylinders for Nitrogen storage procured	15	309,000,000	15	7.373	
Hay bailers procured for ranches	2	280,000,000	2	6.681	Ruhengyere and Aswa ranches benefitted
Breeding stock procured (60 pigs, 40 goats and 13 bulls)	113	593,333,333	113	14.158	
Weighing scales procured	4	60,000,000	4	0.661	
Boma repaired	3	32,500,000	0.85	0.358	No funds were disbursed
Cattle dipped and sprayed (number of days)	52	12,308,400	52	0.294	
Dip wash samples delivered and analysed at the National Animal Disease Diagnostics and Epidemiology Centre (NADDEC)	52	9,360,000	26	0.223	Delayed analysis of samples at NADDEC was a challenge
Fenced paddocks constructed	5,000	25,000,000	0	0.000	Procurements were done but materials were not yet received by the ranches
Chemicals provided for tick control in goats (litres)	84	5,640,000	46	0.074	Inadequate chemicals were provided leading to high deaths among the goats
Livestock dewormed and vaccinated (chemicals and drugs in items)	25,338	56,172,000	24,808	1.312	Goat mortality increased due to inadequate vaccination

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Additional veterinary supplies and drugs provided at ranches (number of items)	7,692	75,869,000	6,772	1.594	Some items such asasburdizo, aluminium buckets, weigh bridges, glass barrels were not provided
Bush cleared and fences established/ repaired (acres)	300	51,000,000	0	0.000	Operational funds were not provided
Existing water systems maintained and fuelled and water availed to animals (quarters)	12	80,036,000	2	0.329	Water reticulation system was completed at Sanga Field Station. Poor maintenance of water systems on some of the ranches (Maruzi) resulting in low outputs from the animals
Artificial insemination services provided (Liquid Nitrogen provided litres)	306	1,429,000	300	0.033	
Roads constructed (kms)	41	220,000,000	5	0.704	Five kms were constructed at Ruhengyere Field Station; the low availability of MAAIF Earth Moving Equipment slowed the works
Animal mineral supplements provided (kg)	3,000	1,800,000	1,500	0.043	
Valley tanks desilted	7	193,147,500	5	4.139	Two valley tanks were desilted at Ruhengyere
Goat houses constructed/ repaired	6	153,000,000	3.3	2.983	Construction of goat 2 houses was at 80% complete at Sanga Field Station; construction of two goat houses at Nshaara Ranch was 60% completed
Water tanks constructed	3	300,000,000	1.35	3.221	Three concrete tanks were 45% completed at Ruhengyere Field Station
Pasture gardens fenced (acres)	320	24,865,000	0	0.000	Operational funds not provided
Pasture seeds harvested (kgs)	600	5,233,000	550	0.125	
Pasture seeds planted and fertilized (acres)	380	103,592,000	127	1.129	
Hay produced (bales)	5,000	14,075,001	5,000	0.336	Hay was produced at Ruhengyere Field Station
Office blocks, staff houses and other buildings renovated	8	218,000,000	0	0.000	
Feed mill/milking parlour rehabilitated	1	200,000,000	1	0.000	The milking parlour at Njeru Stock Farm was rehabilitated
Total		**4,190,720,234**		**77.422%**	

Source: Field Findings

The annual progress at some of the sampled NAGRC&DB farms is presented below:

Bull stud/NAGRC&DB Headquarters: The farm is located in Lunnyo Village, Entebbe Municipality, Wakiso District. Several strategic investments financed with the development project were undertaken at this farm including: rehabilitation of the National Bull Stud and procurement of breeding stcok, hay bailers, weiging scales, pressurized cylinders and semen handling machines. Four double cabin vehicles and 10 motorcycles were procured for the organization.

Maruzi Ranch: The ranch is located in Kayei Parish in Akokoro Sub-county, and Agaga Parish in Ibuje Sub-county, Apac District. The performance of the breeding programme was poor due to: lack of basic infrastructure and equipment including administration and accommodation buildings, transport means, fencing, paddocks and water systems; insufficient and aged bulls; delayed payment of herds men allowances; and contamination of genes from neighbouring animals that cross freely into the ranch.

The ranch lacked a proper recording system for the herds and sales of animals and milk. A conservative estimate by the herdsmen indicated that the ranch generated at least 100 litres of milk per day of which 60 litres were consumed by the staff and 40 litres sold at an average unit cost of Ug shs 600. The resultant funds were used on station for operational expenses. If all the milk was sold and the funds banked, the Centre would have generated about Ug shs 21.60 million annually as NTR.

Nshaara Ranch: Located in Nyakashita Parish in Nyakashashara and Ssanga subcounties in Kiruhura district, the ranch recorded a fair net growth (153) in cattle stock from 2,377 on 1st July, 2016 to 2,530 on 30th June, 2017; there was a modest net increase (47) in goat stock from 306 to 352 over the same period. High deaths of cattle and goats were recorded on the farm due to inadequate pastures and old age of animals associated with delays by NAGRC&DB to dispose off aged stock. The farm lacked proper costed work plans and hence could not be included in the detailed analysis. Performance was poor as only four out of 10 planned outputs for the year were achieved. Three valley tanks were desilted and two goat houses were under construction at 60% completion level by 3rd July, 2017.

Ruhengyere Field Station: Located in Kayonza Village, Kayonza Parish, Kikatsi Sub-county, the station recorded high net growth (232) in cattle stock from 3,324 on 1st July, 2017 to 3,556 cattle on 30th June, 2017; and negative net growth (-51) in goat stock from 1,700 to 1,649 over the same period. There were high deaths of goats due to inadequate drugs to treat the viral infections that led to abortions. The delayed analysis of dip wash samples at the National Animal Disease Diagnostics and Epidemiology Centre (NADDEC) due to inadequate staffing contributed to increased tick resistance and mortality among the livestock. The breeding programme was operating at a sub-optimal level (20%) due to lack of basic infrastructures like isolation paddocks; poor quality pastures as 70% of the ranch was in bush and encroachment of cows from neighbouring homesteads that introduced diseases. Data recording was poor due to lack of power and Information Technology (IT) facilities.

Sanga Field Station: Located in Sanga Town Council, Sanga Parish, Kiruhura District, the station recorded a modest net growth (33) in cattle stock from 274 on 1st July, 2016 to 307 by 30th June, 2017; and very insignificant net growth (1) in goat stock from 438 to 439 over the same period. The station experienced high mortality of goats (59) due to inadequate housing and low provisions of vaccines resulting in high incidence of diseases. Animals were poached by neigbouring abbartoirs due to lack of fencing.

The animal multiplication rate was low (60%) due to limited paddocks and fencing; high prevalence of bushes; inadequate artificial insermination; and insufficient pastures arising from land grabbing (1.5 square miles of the 2.5 square miles was encroached on a soldier and the matter was reported to the Uganda Land Commission but not addressed). The lack of imprest to meet basic operations crippled the breeding programme.

One of the valley tanks constructed at Nshaara Ranch (left) and goat houses still under construction at Sanga Field Station (right) in Kiruhura District by NAGRC&DB

Rehabilitated National Bull Stud at NAGRC&DB Headquarters (left) and dilapidated asbestos structure that serves as office block at Maruzi Ranch in Apac District

Gender

There was gender inequality in workers at the NAGRC&DB ranches. For example, at Sanga Field Station, only one worker out of the 10 was a female; she worked in the goats section mainly caring for the calves. At Ruhengyere Field Station, only four (5.79%) out of the 69 staff were female. All the 26 staff (100%) at Maruzi Ranch were male. Out of 38 staff at Nshaara Ranch, only one (2.63%) was a female. The main disincentives to women employment at ranches were the long distance (13kms to 20kms) travelled herding animals in bushes and the lack of protection against wild animals; lack of basic infrastructure for baby care; delayed payment of salaries and allowances that are needed to meet daily needs.

Outcomes

There was weak linkage between the outputs of NAGRC&DB and the intended outcomes. It is planned that good quality breedable animals would be sold to farmers to raise animal genetics and agricultural production at farm level. However, the NAGRC stations generally did not sell good quality breeding animals to farmers. In Sanga Field Station, castrates and old animals were the ones sold to farmers for slaughter. On most cases, good quality animals were transferred from one ranch to another to improve the genetics and not to the farmers. The lack of good quality breeds at the station constrained the breeding programme such that high quality animals could not be made available to farmers.

5.3.3 Challenges

i) Slow implementation and low achievement of some planned outputs due to late initiation of procurements as a result of inadequate capacity (understaffing and lack of engineers) in the NAGRC&DB Procurement and Disposal Unit (PDU) to do technical specifications in bid documents. A civil engineer was recruited in May 2017.

ii) Flouting of PFM regulations by NAGRC&DB:

a. Unauthorised use of NTR at source by ranches due to low or none disbursement of operational funds by NAGRC&DB to the farms. For example, during FY 2016/17, Njeru Stock Farm in Buikwe District generated Ug shs 36,085,900, of which Ug shs 29,605,500 (82%) was spent on farm on fuel, tractor repairs and ploughing and Ug shs 6,467,000 (18%) was banked on NAGRC&DB account. Kasolwe Stock Farm generated Ug shs 1,242,222 by 31st December, 2016 that was used at source for emergency treatments and repairing fences. Maruzi Ranch used proceeds from milk sales at source.

b. NAGRC&DB operational funds were disbursed to Farm Managers personal accounts due to lack of official bank accounts and accounts staff and systems at the ranches. The funds were not receipted.

iii) Poor performance of breeding programme due to inadequate breeding infrastructure, equipment and bulls, advisory services and bush clearing to plant good pastures.

iv) High death of old animals and wastage of materials at the ranches due to lack of a livestock and asset disposal policy as well as irregular seating of NAGRC&DB to authorise disposals. More than 1,500 unused good quality water pipes were abandoned at Nshaara Ranch for many years; some were stolen by encroachers.

5.3.4 Recommendations

i) The Public Procurement and Disposal of Public Assets Authority (PPDA) should review and strengthen the staffing capacity of NAGRC&DB PDU.

ii) The MFPED should enforce compliance of NAGRC&DB to the PFM regulations.

iii) The NAGRC&DB should prioritise funding for key breeding infrastructures and operations (perimeter fencing, spray races, farm roads, tractors and bush clearing) at the stock farms.

iv) The MAAIF and NAGRC&DB should put in place and effectively implement a livestock and asset disposal policy and system.

5.4 National Agricultural Advisory Services/Operation Wealth Creation

5.4.1 Introduction

The Government is implementing the National Agricultural Advisory Services (NAADS) since 2001 to increase farmers 'access to information, knowledge and technology. The programme was restructured in FY2014/15 to deliver the Operation Wealth Creation (OWC) intervention that focuses on distribution of agricultural inputs to all farming households and civilian veterans using the value chain approach. All procurements of inputs and technologies except for coffee (handled by UCDA) are centrally undertaken by the NAADS Secretariat.

The approved budget for the NAADS/OWC programme during FY2016/17 was Ug shs 318.607 billion, of which Ug shs 317.891billion (99.80%) was released and Ug shs 317.277 billion (99.80%) was spent. This was very good release and expenditure performance.

By 30th June, 2017, assorted inputs and strategic enterprises were procured and distributed to all districts including: maize (9,278.53 tonnes); beans (1,644.82 tons); rice seed (10 tons); cassava cuttings (193,457 bags); tissue cultured bananas (1.195 m); irish potatoes (8,226 bags); 4,414 dairy heifers; 118 beef bulls; 3,194 improved goats; day old chicks (212,200) and fish fingerlings (4.662 m). Others distributed were tea seedlings (133,412,140); citrus seedlings (17,818,210); mango seedlings (12,637,128); cocoa seedlings (4,657,971); and pineapple seedlings (13,890,000).

Twenty four districts were monitored to assess the programme annual performance. These include: Arua, Budaka, Butaleja, Buvuma, Dokolo, Gulu, Jinja, Kabale, Kalangala, Kamuli, Kanungu, Kayunga, Kisoro, Kyegegwa, Lira, Luwero, Mbale, Mbarara, Mityana, Mubende Mukono, Mpigi, Nebbi and Pader. The findings are presented hereafter.

5.4.2 Performance

The overall performance of the NAADS/OWC programme was fair (69.26%) – refer to Table 5.11. At least 97% of the annual quantities that were planned by the NAADS Secretariat were received by the districts. However, the quantities of inputs that were distributed were less than 50% of the volumes that were requested by the districts. The NAADS Secretariat clarified that not all commodities and volumes requested by the farmers could be procured due to resource and staffing constraints as well as lack of suppliers.

Table 5.11: Physical Performance of NAADS/OWC by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Maize seeds (kgs)	591,195	2,660,377,500	1,797,656	2.743	Low survival rate (30%) due to the army worm epidemic
Bean seeds (kgs)	237,050	912,642,500	372,582	0.941	
Citrus seedlings	2,190,000	5,111,700,000	3,817,837	5.023	High loss of seedlings during transportation due to poor grafting
Mango seedlings	1,555,000	4,787,500,000	2,572,366	4.521	
Tea plantlets	32,600,000	14,895,000,000	61,336,778	15.329	There were outstanding arrears in Kabale district for seedlings that were delivered in FY 2015/16
Apple seedlings	200,500	2,005,000,000	80,000	2.067	
Cocoa seedlings	1,750,000	525,000,000	1,638,892	0.541	
Cassava (bags)	7,377	368,850,000	30,385	0.380	
Irish potato (bags)	1,230	98,400,000	2,028	0.101	
Banana suckers	190,527	582,737,500	118,622	0.601	
Passion fruit seedlings	385,455	549,966,500	346,990	0.530	
Pineapple suckers	3,700,000	1,036,000,000	4,448,600	1.068	
Dairy heifers	1,136	2,629,800,000	1,142	2.709	Very low numbers provided; on average, each sub-county got one to two cows
Coffee seedlings	30,027,797	9,008,339,100	66,041,213	9.251	Loss of seedlings to drought due to late communication to LGs by UCDA of procurement ceilings leading to late distributions
Pigs	469	164,920,000	-	0.000	
Tilapia	120,006	36,001,800	880,706	0.037	
Poultry birds	42,800	117,060,000	26,000	0.048	
Chick duck Mash	81,720	127,483,200	25,440	0.096	
Growers mash	75,600	17,640,000	25,200	0.006	
Rice (kgs)	10,000	34,000,000	20,000	0.035	
Simsim (kgs)	20,869	41,739,000	20,869	0.043	
Sorghum (kgs)	20,000	-	-	0.000	
Fish Feeds	36,284	126,994,000	40,068	0.131	
Farmer groups supported with value chain development	2,500	29,050,000,000	24	0.288	Less value addition equipment were provided as the funds were channelled to strategic commodities
Inputs distribution monitored (number of visits)	12	22,090,000,000	12	22.779	
Total		**96,977,151,100**		**69.269%**	

Source: Field Findings

Coffee seedlings from UCDA/OWC seeds that were abandoned by a female nursery operator in Ihimbi Village, Kabale District due to low seed germination, drought and lack of labour to water the plants

By 30th June, 2017 farmers in the 24 sampled districts had received 97% of the planned quantities of inputs and technologies under the NAADS/OWC programme with the exception of pigs, poultry birds, simsim and sorghum. The inputs were generally of good quality except for a few instances of poor germination of some seeds in some districts, oranges that were poorly grafted and were destroyed during transportation and coffee seedlings that were too young and could not withstand drought.

However, the programme performance was constrained by loss, theft and low survival and productivity of planting materials due to drought, delivery of poor quality/diseased planting materials, pest and disease outbreaks especially the army worm (affected maize), inadequate supervision and advisory services, counterfeit inputs, negligence by farmers, damage of seedlings during transportation (grafted oranges) and poor agronomic practices. Based on a sample of 58 farmers, the survival rate of various commodities was as follows: Coffee (66%), bananas (67%), mangoes (66%), oranges (50%) and maize (37%).

In a bid to distribute the inputs to as many beneficiaries as possible (outreach was estimated by implementers to be less than 30% of the farming communities in most districts), some farmers received non-economic units such as 1 to 2 kgs of maize seed instead of the recommended 10kgs for an acre; two to three mango seedlings instead of the recommended 60 seedlings per acre; five to ten citrus seedlings instead of the recommended 80 tree seedlings per acre; seeds that had 10% germination and poor cattle cross breeds that produced between one to five litres of milk per day instead of ten to 15 litres per day. Such small quantities of poor quality planting materials and animal breeds limited the achievement of increased agricultural production and productivity and food security at household level.

Only 600 (0.3%) farmers than the annual target (200,000) benefitted from agro-machinery as funds were refocused to delivery of inputs as per strategic policy guidance; for the same reason, only 24 (0.96%) out of the annual target of 2,500 farmer groups were supported in value chain development.

Gender

There was gender inequality in access to agriculture sector inputs and services under the programme. Most high value commodities like coffee, cocoa, oranges, mangoes, tea and cattle were accessed by males as female farmers lacked access to/ownership of land and operational funds.

Outcomes

There was low linkage between outputs and outcomes of the NAADS/OWC programme. The small volumes of inputs distributed per farmer and low survival rates of crop enterprises reduced the possibility of attaining the programme/sector outcomes of increased agricultural production and productivity, household food security and commercialization. The planting materials that were supplied were not accompanied with extension services and other critical technologies to ensure establishment and growth such as fertilizers, pesticides and herbicides.

5.4.3 Challenges

i) Lower achievement of some planned outputs due to deviation from the approved workplan and budget re-allocations arising from additional policy directives.

ii) By 5th July, 2017, there were outstanding arrears for tea seedlings in Kabale District for 63 suppliers who delivered 11,544,310 seedlings to farmers during FY2015/16 worth Ug shs 5.194 billion.

iii) High loss and theft of inputs due to: abandonment of planting materials by farmers when they are delivered in the dry seasons; wilting of planting materials and death of animals during transportation by suppliers over long distances; and inadequate supervision by LGs of the input distribution processes.

iv) Low survival of NAADS/OWC planting materials due to drought, delivery of poor quality planting and diseased materials, pest and disease outbreak (especially the army worm affecting cereals), inadequate advisory services, counterfeit inputs and farmer negligence.

5.4.4 Recommendations

i) The MAAIF and NAADS Secretariat should internalise all the policy directives in the approved workplan and budget before the start of the FY to avoid interruptions during implementation.

ii) The NAADS Secretariat should prioritise and clear all outstanding arrears.

iii) The MAAIF and DLGs should improve programme supervision and fast track equipping extension workers in all lower local governments.

iv) The NAADS Secretariat should ensure timely procurement and delivery of inputs by suppliers to the sub-county and parish levels.

5.4.5 National Agricultural Research Organisation

5.5.1 Introduction

Established by an Act of Parliament in 2005, the mission statement of the National Agricultural Research Organisation (NARO) is *"To generate and disseminate appropriate, safe and cost effective agricultural technologies"*[21]. The NARO activities are implemented through seven research institutes and nine Zonal Agricultural Research and Development Institutes (ZARDIs). The NARO is implementing two development projects namely: Project 1139 - Agricultural Technology and Agribusiness Advisory Services (ATAAS) and Project 0382 - Support for NARO. Under the ATAAS, NARO, MAAIF and DLGs have partnered to pilot the extension-research linkages intervention where proven technologies were dessiminated through 118 DLGs to farmers.

The GoU approved budget for NARO was Ug shs 40.121billion, of which Ug shs 35.380billion (88.18%) was released and fully disbursed to the ZARDIs and Institutes. A total of Ug shs 5.816billion was disbursed to the nine ZARDIs, of which Ug shs 2.615billion (45%) was spent by 30th June, 2017, leaving an unspent of balance of Ug shs 3.201billion. This was poor absorption of funds at ZARDI level.

The monitoring work was undertaken at two research institutes, five ZARDIs and a Satellite Station: National Fisheries Resources Research Institute (Jinja); National Coffee Research Institute (Mukono), Abi ZARDI (Arua), Kachwekano ZARDI (Rubanda), Mbarara ZARDI (Mbarara), Mukono ZARDI (Mukono), Ngetta ZARDI (Lira) and Kamenyamiggo Satellite Station (Lwengo).

5.5.2 Performance

The physical performance of the NARO during FY2016/17 was good (84.2%) – Table 5.12. Performance was relatively lower due to delayed releases and procurements whereby technologies could not be tested during the dry seasons. Many experiments were destroyed by harsh weather conditions.

21 MAAIF, 2016.

Table 5.12: Physical Performance of NARO by 30th June, 2017

Output	Annual planned Qty or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Cost effective fish feed formulations developed and evaluated	2	12,437,600	2	0.150	
Mukene harvesting technologies, maps of fishing grounds and mitigation measures generated (activities)	3	39,687,400	1.5	0.319	Inadequate resources
Fishing breeding and nursery grounds for commercial fish determined on Lake Kwania	1	29,591,300	0	0.000	The available funds were reallocated to another activity
Selective breeding of Nile Tilapia and African catfish for genetic improvement	1	27,899,200	1	0.349	10 experimental fish cages were set up on Lake Victoria
Appropriate harvesting gears/ methods/ technologies for the emerging commercial fisheries on lakes Victoria, Albert and Albert Nile developed	1	28,248,500	0.1	0.138	No releases; hence some dissemination materials were produced
Fisheries technologies, outputs, management practices and policy guidelines desseminated to key stakeholders at the diverse shows	1	2,500,000	0.8	0.031	
Fish habitats characterised (sets of activities)	2	54,610,000	1.5	0.683	
Aquaculture technologies developed (sets of activities)	4	573,851,000	2	5.462	Delayed releases and procurements;
Crop resources research undertaken on sorghum, beans, groundnuts, cassava, rice, oranges, mangoes, passion fruits, apples, ovacado (sets of research activities)	36	379,900,000	20.9	4.105	Delayed and inadequate releases, late procurements, drought negatively affected performance
Natural resources research on soils and agroforestry resources managed (sets of research activities)	19	341,870,000	11	2.267	Delayed procurements of shade materials, pest infestation and late rains
Farming systems and livelihoods analysed (activities)	11	74,184,000	4.2	0.928	Inadequate funds for variety resistance trials, monitoring and evaluation and impact surveys
Livestock and fisheries research on dairy, goats, pastures, forage (activities)	32	814,065,000	20.6	9.190	Partial training of farmer groups and procurement of breeding heifers due to inadequate releases
Coffee and cocoa variety improvement and management (activities)	13	437,357,000	9.3	14.06	Research studies were still ongoing
Coffee and cocoa plant health management (activities)	11	293,992,000	10.5	3.677	

Output	Annual planned Qty or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Sustainable land management interventions researched upon (number of activities)	6	332,927,000	4	2.256	
Cow shed built at Nakyesasa sub-station	1	4,552,535,436	0.52	48.599	
Total		**7,995,655,436**		**84.2%**	

Note: Several other infrastructures were constructed over the years at various ZARDIs. However, information was not availed on the specific work done and expenditures on these infrastructures during FY 2016/17 only, thus they were not included in the survey results.

Source: Field Findings

Below are examples of activities and outputs delivered at the Institutes and ZARDIs that were monitored.

Well maintained cassava multiplication sites at Abi ZARDI in Arual District

Abi ZARDI is located in Obopi Village, Ewadri Parish, Madibe Sub-county, Arua District. Among the activities undertaken were: establishment of seed production blocks; on station and on-farm research on crops, livestock, agro-forestry, acquculture, adaptive seed multiplication and soil management and post harvest handling practices.

Through the NARO-MAAIF collaboration under ATAAS, 168 (male 88% and female 12%) farmers in the districts of Arua, Adjumani, Koboko, Maracha, Moyo, Nebbi, Yumbe and Zombo befitted from dairy, cassava, maize, rice and beans improved technologies and practices. The overall performance by 30th June, 2017 of this intenvention was estimated at 60% success level; the outputs were lower due: a) to prolonged droughts; ii) delayed approval of workplans and release of ATAAS funds by MAAIF due to bureacracies.

Kachwenkano ZARDI in Kachwekano Village, Rubanda District undertook experimental research on crops, livestock and pastures during FY2016/17. Under the MAAIF-NARO upscaling intervention, 258 farmers (68% male and 32% female) benefitted from improved technologies of beans, cassava, maize, rice and dairy. The intervention performed poorly during FY2016/17 due to inadequate facilitation of extension workers to mobilize farmers and supervise the demonstrations; low involvement of sub-county staff in the program; and under-budgeting by the districts for the demonstrations.

Mbarara ZARDI in Mbarara Municipality, Mbarara District undertook adaptive and applied research on various commodities in the crop, livestock, apiary, fisheries and agro-forestry sectors; multiplied and produced improved planting materials some of which were distributed to farmers. Under the ATAAS upscaling intervention, various improved technologies and inputs were distributed to 481 farmers (74% male and 26% female) in the districts of Isingiro, Sembabule, Ntungamo, Mbarara, Lyantonde, Kiruhura, Ibanda, Rakai, Buhweju, Rubirizi, Bushenyi, Sheema and Mitooma. Delayed requisitions for technologies by districts, drought and late disbursement of funds by NARO and MAAIF negatively affected programme implementation.

Mukono ZARDI in DFI Village, Ntawo Parish, Mukono Municipality - Mukono District completed construction of three reservoir tanks that were used for fisheries research; established pasture gardens; constructed a demonstration unit for indigenous chicken research; maintained 42 goats and 65 Nganda cattle and undertook various experiments in pasture, vegetables, irrigation and livestock in general. Program implementation was slow and outcomes of experiments relatively poor due to delayed release of funds, prolonged drought, and pests and diseases.

Experimental fish cages set up on Lake Victoria by NaFIRRI in Jinja District

The **National Fisheries Resources Research Institute** (NaFIRRI) is located in Jinja Municipality, Jinja District; it undertakes basic and applied research in capture fisheries, aquaculture and water environment. By 30th June, 2017, NaFIRRI had unspent balances of Ug shs 570.156 million (17% of the disbursed funds - Ug shs 3.343 billion). The under absorption was due to late disbursement of the Competitive Grant Scheme (CGS) funds in May-June 2017; slow implementation of off-budget projects; low preparedness/readiness to meet prior conditions and implement donor funded projects; and inadequate recurrent budget to effectively operate the development projects.

The **National Coffee Research Institute (NACORI)** is located in Kituza Village, Ssaayi Parish, Ntenjeru Sub-county, Mukono District. By 30th June, 2017 the Institute had undertaken several research experiments on coffee and cocoa variety improvement and management; plant health management and value addition. Coffee Wilt Disease Resistant (CWD-R) varieties were under testing and development at the station. The main challenges where: erratic releases from NARO Secretariat slowing implementation; inadequate offices and accommodation facilities for staff and lack of funds to pay for utilities and wage bill for security guards.

Coffee wilt resistant varieties mother gardens maintained at NACORI in Kituza Village, Mukono District

Ngetta ZARDI in Lira District had implemented several research projects on cereals, nutrition of livestock, pasture, legumes, root crops, fruit trees and fisheries. Under the MAAIF-NARO upscaling intervention, new technologies of cassava, beans, pastures, maize and rice where dessiminated to farmers in 16 districts (Lira, Dokolo, Oyam, Apac, Gulu, Nwoya, Amuru, Kitgum, Pader, Lamwo, Otuuke, Aleptong, Kole, Agago, Omoro and Amolator). The intervention was not performing well as districts delayed in requisitioning for the inputs which were delivered late during the dry seasons; on station, 100% of yields of research experiments was reported due to drought. A major challenge was the lack of organized performance data at the ZARDI due to poor record keeping systems and lack of a Monitoring and Evaluation Officer.

5.5.3 Challenges

i) Partial implementation of the NARO-MAAIF ATAAS upscaling project due to delayed submission of procurement plans by DLGs, inadequate staff capacity in the ZARDI PDUs and slow approval processes within MAAIF.

ii) Poor implementation of some development projects due to inadequate allocation of recurrent budgets. For example, NaFIRRI differed some research projects due to lack of recurrent funds/fuel to undertake regular assessments on lakes and rivers.

iii) Research experiments on station and off farm performed poorly at all ZARDIs due to harsh climatic changes, also associated with late releases when rains had ceased. As a consequence, the results were not conclusive and many experiments were to be repeated in FY 2017/18.

5.5.4 Recommendations

i) The DLGs should ensure timely submission of workplans to NARO; and MAAIF should expediate the approval processes for district requisitions in a timely manner.

ii) The NARO should ensure timely release of funds to the Institutes and ZARDIs.

iii) The MAAIF and NARO should promote and facilitate the acquisition of appropriate irrigation and water for production facilities both at the research stations and on farms.

5.6 Production and Marketing Grant

5.6.1 Background

The Production and Marketing Grant (PMG) supports implementation of MAAIF related functions in all Local Governments (LGs). Effective from FY2010/11, the PMG aims to: i) strengthen disease, pest and vector control and quality assurance services; and ii) strengthen the agricultural statistics and information system in LGs. Starting FY2015/16, districts were guided to spend 55% of the grant on development (non-wage) activities particularly infrastructure and 45% on recurrent expenses, especially operational costs. In addition, 30% of the grant was to be spent on commercial related activities and each subcounty to be provided with Ug shs 860,000 per quarter for operational expenses.

5.6.2 Performance

The physical performance of the PMG in FY2016/17 was very good (93.33%) as most of the planned outputs were delivered. These included setting up demonstrations for crops, livestock and aquaculture; delivery of crop and breeding materials to farmers; construction of various infrastructure; training and market information for farmers and pest and disease surveillance and control (Table 5.12). The main challenges related to low outreach to farmers of the PMG services due to the low releases and small scale interventions; poor maintenance and sustenance of the infrastructures by farmers due to inadequate operational funds; and low production due to drought and inadequate extension services.

Table 5.13: Physical Performance of Production and Marketing Grant by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)
Demonstration fish ponds established/rehabilitated	15	63,860,972	30	3.722
Fish hatchery and improved drying rakes established	3	20,000,000	3	1.166
Fish fingerlings procured and stocked in ponds/ pond equipment	81,407	54,858,000	87,392	3.197
Procurement of fish feeds (kgs)	2816	12,390,000	2816	0.722
Mobile plant and animal clinics operated	32	47,915,783	35	2.793
Manual rice planter supplied	2	4,000,000	1	0.233
Passion Fruit /Pineapple Demo and Nursery beds (seedlings/suckers)	24,322	47,403,970	24,322	2.763
Crop/Market data collection (surveys)	27	17,616,098	21	0.901
Farmers trained on good agronomic practices(times)	205	20,039,405	213	1.168
Banana tissue plantlets procured	7,454	28,874,630	7,454	1.683
Seed Germinator and Cassava Chipper procured	2	29,000,000	2	1.690
Groundnut /Bean seeds procured (kgs)	2,000	10,000,000	2,000	0.583
Tsetse traps procured/installed and maintained	1,294	37,745,359	646	1.105
Beehives procured	107	19,571,000	107	0.991
Irrigation pipeline extended	1	5,400,000	1	0.315
Dairy heifers procured	7	14,000,000	7	0.816
Plant clinic and soil test kits and vaccination vials/ acaricides procured (items)	10,545	39,634,948	10,546	2.310
Livestock /Poultry vaccinated (number)	564,000	20,492,618	228,661	0.483
Quality assured of livestock, crops and fish products/ markets (No of cases inspected)	13	3,254,175	12	0.190
Artificial Insemination Center established/Mantained	22	9,522,309	12	0.303

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)
Slaughter slab, livestock holding grounds and water troughs established	5	20,674,030	1.8	0.705
Maintenance of the dairy goat /Piggery demonstration unit	101	13,013,000	95	0.668
Pest and Diseases controlled/awareness on crop / Animal disease (visits)	633	51,203,372	611	2.984
Pasture seeds procured (Kgs)	18	2,881,311	18	0.168
Review meetings held	23	23,836,600	18	1.056
Technical backstopping and supervisory /sensitization / training /surveillance visits/reports submitted to MAAIF	1,142	313,734,901	1,018	17.758
Rehabilitation/construction of district offices/Pit latrines	4	19,234,422	4	1.121
Office/Administration welfare /Laptop /Camera / Furniture/Stationary/Equipment mantained/ procured	158	593,121,111	151	34.099
Market Linkages (number of farmers)	100	5,176,000	163	0.302
Vehicles/motorcycles serviced and fuels and accessories	778	60,777,979	448	2.000
Trade/market information disseminated to business community members (Radio talk shows/Trainings)	90	57,546,643	76	2.850
Value addition/ Cooperatives enhancement / Audits	78	48,994,384	68	2.495
TOTAL		**1,715,773,020**		**93.339**

Source: Field Findings

Left: Seed germinator for undertaking germination tests in 48 hours instead of seven days procured by Mbale Production Department was still in storage at the district headquarters, Mbale Municipality Right: Poorly maintained PMG supported stocked fish pond for Mr. Gony Tony in Alworo Village, Alworo Parish, Amach Sub-county, Lira District

5.6.3 Challenges

i) Partial implementation of some planned activities due to:

a. Delayed approval requisitions by the District Finance Departments and Accounting Officers and access to funds by implementing districts. For example in Lira, Mbale and Mpigi districts, approvals for expenditure were given by the Accounting Officers 2 to 3 months after the submission of the requisitions.

b. Breakdown of IFMS/networks and inadequate capacity in some districts to operate the systems. Capacity constraints were most prevalent in districts that had just been migrated from manual accounting systems to IFMS.

c. Untimely release/disbursement of funds.

ii) Delayed initiation of procurements for capital developments due to:

   a. Capacity constraints and inefficiencies in the PDU in the districts.

   b. Arbitrary decisions by the PDUs that small value procurements should be handled towards the end of the financial year after receiving all the funds.

iii) Lower production due to; a) Inadequate supervision of programmes due to insufficient staff, especially at LLG level b) drought c) pests and diseases especially the army worm that caused cereal mortality to raise to 60% and above in many districts.

5.6.4 Recommendations

i) The MFPED should enforce compliance of the LG Accounting Officers to PFM regulations to ensure timely release and disbursement of funds and early procurement processes.

ii) The PPDA and districts should review and improve the performance levels and capacities of PDUs in the LGs.

iii) The MAAIF and LGs should fast track implementation of the single spine extension system and enhance programme supervision.

5.7 Uganda Coffee Development Authority

5.7.1 Introduction

The Government established the Uganda Coffee Development Authority (UCDA) in 1991 to promote and oversee the development of coffee industry through support to research, propagation of clean planting materials, extension, quality assurance, value addition and timely provision of market information to stakeholders.

In line with the Coffee Strategy 2020, the GoU's focus is on increasing production and productivity through coffee replanting in Coffee Wilt Disease (CWD) affected areas, replacement of the aged unproductive trees and supporting introduction of commercial coffee production in new areas especially Northern Uganda. The Government plans to accelerate national coffee production from 4.2 million bags of 60kgs each to 20 million bags by 2020.

The approved budget for the year was is Ug shs 87.411billion to be contributed as Non-wage (Ug shs 67.912billion) and Non-Tax Revenue (Ug shs 19.499billion). For the non-wage component, Ug shs 67.649billion (99.61%) was released, of which Ug shs 67.554billion (99.86%) was spent. This was very good release and expenditure performance.

The UCDA interventions are implemented through five regions namely: Central, Western, South Western, Eastern and Northern. Annual monitoring was conducted at UCDA Headquarters and Cental, Eastern and Northern regions.

5.7.2 Performance

The physical performance of UCDA was very good (95.82%). The UCDA performed very well in raising and distribution of coffee seeds and seedlings, assorted equipment and inputs and improving knowledge of key stakeholders in good agronomic practices. Seedlings and seeds were procured/raised and distributed in time except in the Northern region. Refer to Table 5.13.

Table 5.14: Physical Performance of the UCDA by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Elite seed procured and distributed to nursery operators (kgs)	100,000,000	100,000,000	66,070,000	0.000	Underperformance due to poor crop harvest as a result of low rains
Coffee Wilt disease resistance (CWD-R) seedlings procured and distributed to nursery operators	50,000	50,000	148,100	0.000	
Acres sprayed and chemicals and equipment provided to control pests and diseases (acres)	6,234	900,000,000	6,234	31.895	Distributed 6,000 litres to farmers
One acre demonstration sites for improving farmers agronomic practices set up and maintained (number)	315	220,500,000	289	7.814	
Coffee platforms held	45	45,000,000	30	1.595	
Farmers trained on good agricultural practices (Training sessions)	1,296	259,200,000	1,135	9.186	Low training and farm visits in Northern Uganda due to inadequate staff
Breeder seed produced at BUGIZARD (kgs)	3,000	30,000,000	2970	1.063	
Coffee for replanting provided to identified groups and commercial farmers in Eastern region (seedlings)	4,000,000	1,200,000,000	4,700,000	42.527	
Monthly inspections undertaken of buyers stores and processing factories	403	39,000,000	363	1.245	
Coffee shows conducted	14	28,000,000	7	0.496	
Total		**2,821,750,000**		**95.821%**	

Source: Field Findings

The UCDA provided funding to the National Coffee Research Institute (NaCORI) at Kituza, Mukono District to construct a tissue culture laboratory that was 100% completed by 30th June, 2017.


Left: UCDA financed tissue culture laboratory at NaCORI in Kituza Village, Mukono District; Right: Mr. Okot Francis's nursery in Akonye B Village, Amach Sub-county, Lira District that received 31kgs of coffee seeds and 80kgs of polypots from UCDA

In some regions, a major challenge was the high mortality of coffee seedlings due to late deliveries of planting materials to regional offices by UCDA, damage to plantlets during transportation and the harsh weather conditions. Some seedlings were stolen from the recipients either in their gardens or in shades where they were kept to wait for the rains. For example in Lira District, the 270 seedlings received from UCDA by Ms. Sophie Amuge of Olilim Sub-county were stolen from under a mango tree where she had kept them.

In a survey undertaken by the Lira District Production Officer in conjunction with the District Local Councillors in August 2016 in 10 sub-counties, 17,848 seedlings (50.35%) had survived out of the 35,446 seedlings that were distributed by UCDA. In Mbale, Manafwa and Bududa districts, the survival rate of coffee seedlings in FY2016/17 was estimated at 30% due to the prolonged drought, late delivery of seeds, soil infertility and high prevalence of pests and diseases.

5.7.3 Challenges

i) Low survival of seedlings due to drought, low viability of seeds (less than 20% in some cases), pests and diseases and late deliveries of planting materials. This was particularly pronounced in Northern Uganda.

5.7.4 Recommendations

i) The MAAIF and UCDA should promote appropriate irrigation technologies and water conservation practices at farm level.

ii) The UCDA should improve quality assurance of planting materials and timeliness of procurements and delivery of inputs to farmers and nursery operators.

5.8 Overall Agricultural Sector Performance

The overall agriculture sector performance during FY2016/17 was good (75.42%) – Table 5.14. Under-performance was due to delayed approval and disbursement of funds by MAAIF and agencies and LGs to spending departments by Accounting Officers and the Finance Departments; delayed initiation of procurements and inefficiencies in the PDUs especially at the LG level; low survival of crop enterprises due to drought; delayed project effectiveness and disbursement of donor funds and arrears in the sector.

Table 5.15: Physical Performance of the Agriculture Sector by 30th June, 2017

Vote	% Physical performance
1. Agriculture Cluster Development Project	25.7
2. Improving Access and Use of Agricultural Equipment	75.74
3. National Agricultural Advisory Services/Operation Wealth Creation	69.26
4. National Agricultural Genetic Resource Centre and Data Bank	77
5. National Agricultural Research Organisation	84.2
6. National Farmer Leadership Centre	81.55
7. Production and Marketing Grant	93.34
8. The Goat Export Project in Sembabule	95.45
9. Uganda China South to South Project	72.44
10. Uganda Coffee Development Authority	95.82
11. Vegetable Oil Development Project Phase 2	65.20
Average sector score	**75.97**

CHAPTER 6: EDUCATION

6.1 Introduction

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

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.

6.1.2 Sector Programmes/Votes

The sector comprises of 15 Votes that is; Ministry of Education and Sports, MoES (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, UMI (Vote 140), Gulu University (Vote 149), Busitema University (Vote 111), Muni University (Vote 127), Uganda National Examination Board (UNEB – Vote 128), Lira University (Vote 301),National Curriculum Development Centre, NCDC (Vote 303), Soroti University (Vote 308) and Kabale University (Vote 307).

In addition, the Sector has transfers to Local Governments (LGs) including Kampala Capital City Authority, KCCA (501-580). The transfers include five LG grants namely, the District Primary Education including the School Facilities 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 status of implementation and achievement of targets for selected projects/programmes in 13 out of 15 central votes and grants in 46 LGs in the Education and Sports Sector for FY2016/17. Table 6.1 shows the sampled votes and projects.

Table 6.1: Education and Sports Sector Programmes/Projects Monitored

Vote/Vote Function	Programme/Project	Institution/District
013:Ministry of Education and Sports		
0701: Pre-Primary and Primary Education	01:Basic Education	MoES
	1296:Uganda Teacher and School Effectiveness Project	MoES
	1339: Emergency Construction of Primary Schools Phase II	MoES
0702: Secondary Education	0897: Development of Secondary Education	MoES, Mbarara, Kyenjojo, Arua, Agago
0704: Higher Education	07:Higher Education	MoES
	1241:Development of Uganda Petroleum Institute Kigumba	MoES, Kigumba
	1273:Support to Higher Education, Science & Technology (HEST)	MoES, Makerere University, Makerere University Business School, Kyambogo University, Gulu University. Muni University, Lira, Busitema University, Mbarara University of Science and Technology, Muni University

Vote/Vote Function	Programme/Project	Institution/District
0705: Skills Development	05:Business Technical Vocational Education and Training (BTVET)	MoES
	10: National Health Services Training	MoES
	11:Departmental Training Institutions	MoES
	0942:Development of BTVET	MoES, Kayunga, Kyema,Aduku, Bushenyi, Tororo, Nebbi, Luweero, Bukedea, Adjumani, Kibatsi, Kalongo, Nakaseke
	1270: Support to National Health and Departmental Training Institutions	MoES, Kampala, Tororo, Hoima, Kabale, Arua
	1310:Albertine Region Sustainable Development Project	MoES
	1338: Skills Development Project	MoES
	1368: John Kale Institute of Science and Technology	MoES
	1378:Support to the Implementation of Skilling Uganda (BTC)	MoES
	1412: The Technical Vocational Education and Training-Leading Institution's Expansion of Human Resource and Skilled Workforce Development for Industrial Sector in Uganda (TVET-LEAD)	MoES
0706:Quality and Standards	04:Teacher Education	MoES
	09:Education Standards Agency	MoES
	1340: Development of Primary Tachers Colleges (PTCs) Phase II	MoES, Kisoro, Rukungiri, Rakai, Masaka, Gulu, Moyo and Mityana, Kampala
0749:Policy, Planning and Support Services	01:Headquarters 02:Planning	MoES
0707:Physical Education and Sports	12: Sports and PE	MoES
	1369:Akii Bua Olympic Stadium	Lira
	1370: National High Altitude Training Center (NHATC)	Kapchorwa
0710:Special Needs Education and Career Guidance	06: Special Needs Education and Career Guidance	MoES
	1308:Development and Improvement of Special Needs Education (SNE)	Mbale
Transfers to Local Governments including KCCA (501-580)		
0781:Pre-primary and Primary Education	321411:Universal Primary Education (UPE) capitation	Kabale, Ntungamo, Kiruhura, Mbarara, Ibanda, Kamwenge, Bushenyi, Rubirizi, Kabarole Kigumba, Masindi, Nakaseke, Luweero, Isingiro, Rakai, Lwengo, Masaka, Butambala, Hoima, Wakiso, Moyo, Yumbe, Arua, Nebbi, Adjumani, Apac, Lira, Agago, Kitgum, Pader, Gulu, Kapchorwa, Katakwi, Soroti, Mbale, Tororo, Iganga, Luuka, Amua, Kaberamaido, Kamuli, Kaliro, Namutumba, Kibuuku, Buikwe and Jinja.
	0423: Schools' Facilities Grant	
	1383: Education Development	
0782:Secondary Education	321419: Secondary capitation grant-Non wage	
	1383:Education Development	
	321452: Construction of Secondary Schools	
0784:Education Inspection and Monitoring	321447: School Inspection Grant	
136: Makerere University		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Kampala
	1341: Food Technology Incubations 11	
	1342: Technology Innovations II	
137: Mbarara University of Science and Technology (MUST)		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Mbarara
	0368: Development	
138:Makerere University Business School		

Vote/Vote Function	Programme/Project	Institution/District
0751: Delivery of Tertiary Education and Research	01 Headquarters 0896: Support to MUBS Infrastructural Development	Kampala
139: Kyambogo University		
0751: Delivery of Tertiary Education and Research	01: Headquarters 0369:Development of Kyambogo University	Kampala
111: Busitema University		
0751: Delivery of Tertiary Education and Research	01: Headquarters 1057: Busitema University Infrastructure Development	Tororo
127: Muni University		
0751: Delivery of Tertiary Education and Research	01:Headquarters	Arua
132:Education Service Commission		
0752: Education Personnel Policy and Management	01 Headquarters	Kampala
	1271: Support to Education Service Commission	Kampala
149: Gulu University		
0751:Delivery of Tertiary Education	01: Administration 0906:Gulu University	Gulu
301: Lira University		
0751:Delivery of Tertiary Education	01:Headquarters 1414: Support to Lira University Infrastructure Development	Lira
303: National Curriculum Development Center		
0712: Curriculum and instructional materials Development Orientation	01:Headquarters	Kampala
307: Kabale University		
0751:Delivery of Tertiary Education	01:Headquarters 1418: Support to Kabale Infrastructure Development	Kabale
308: Soroti University	01 Headquarters Support to Soroti Infrastructure Development	Soroti

Source: Authors' Compilation

6.1.4 Limitations

- Some of the donor project implementers did not have up-to-date information on donor releases and therefore reliance was on information as reported in the progress reports for such projects.

- A number of beneficiaries had little information on scope of works, project costs, contract periods particularly on projects contracted and implemented by the center and districts. In many other cases, heads teachers did not share financial information with their deputies/staff regarding construction projects in schools. In such cases, the team interacted with the clerks of works, foremen or site engineers at the sites and also endeavored to talk to heads of institutions on phone to corroborate information received.

6.1.5 Education Sector Financial Performance

The revised Education Sector budget FY2016/17 was Ug shs 2,530,681,224,894, of which Ug shs 2,133,761,224,894 was GoU and Ug shs 396,920,000,000 (16%) external financing. Of the GoU, Ug shs 2,030,288,983,491 (99%) was released and Ug shs 1,973,402,714,149 (97%) spent, while Ug shs 271,780,000,000 (68.5%) was released and Ug shs 166,369,000,000 (61.2%) spent out of the external financing. Overall both release and absorption of funds was good.

6.2: Ministry of Education and Sports (Vote 013)

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.

The approved budget for Vote 013, both recurrent and development, was Ug shs 660.91billion which Ug shs 483.662billion (73.2%) was released and Ug shs 374.721billion (77.5%) spent. The Vote also received a supplementary of Ug shs 2billion for National Council of Sports that covered the Africa Cup of Nations. The level of absorption was good. Eight of the nine Vote Functions were monitored to assess the progress of achievement of the annual targets for FY 2016/17.

6.2.1 Pre-Primary and Primary Education (VF 0701)

The Vote Function provides technical guidance and initiates the development of Pre-Primary and Primary Education policies, oversees the delivery of the education and sports services in Pre-Primary and Primary education, monitors and supervises the implementation of policies and programmes for the subsector to ensure quality and standards[22]. The Vote Function has one recurrent programme (Basic Education) and three development projects (Karamoja Primary Education Project; Uganda Teacher and School Effectiveness Project; and Emergency Construction of Primary Schools Phase II). Focus was on the recurrent programme and two development projects of Uganda Teacher and School Effectiveness Project, and Emergency Construction of Primary Schools Phase II).

Basic Education Programme

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

The programme outputs are to: i) provide technical guidance and initiate the development of Pre-Primary and Primary Education Policies; oversee the delivery of the Education and Sports services in Pre-Primary and Primary Education; monitor and supervise the implementation of policies and programmes for the sub-sector to ensure quality and standards. Table 6.2 details the performance of Basic Education Programme by 31st December, 2016.

Approved budget of the programme was Ug shs 23,529,090,011 of which Ug shs 21,261,608,651 (90%) was received and all spent by end of the financial year. Table 6.2 summarises the performance of the Basic Education Programme.

22 MFPED Ministerial Policy Statement FY 2016/17 (Kampala, 2016)

Table 6.2: Physical Performance of Basic Education Programme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines, plans -Payment of staff salaries and associated allowances; support supervision; capacity building of head teachers; and review of UPE Program, MDD	100.00	1,536,552,012	100.00	6.53	Staff salaries, lunch and consolidated allowances were paid to 14 staff. Support supervision was provided to 90 primary schools in the districts of Jinja, Lwengo, Masaka, Kalungu, Bukomasimbi, Sembabule, Rakai, Lyantonde, and Nakasongola. Under World Food Program: Paid salary for 15 staff based in Karamoja Sub-region; A total of 245 schools in the region were monitored. However, funds were inadequate to facilitate the implementation of national and regional level MDD activities.
02:Instructional Materials for Primary Schools -Procurement of 362,173 copies in local language; Procurement of 537 copies of English readers; Procurement of assorted instructional materials; Travel inland and abroad; Office imprest, stationary, maintenance facilitated	100	16,337,055,999	80	55.86	Five contracts for supply of different instructional materials were fully discharged. Books and instructional materials were delivered to schools. Three other contracts were executed up to 70%. Internal Audit carried out verification of the deliveries before final payment of 30%. Monitoring activities for the delivery, storage and usage of these materials was done. Two activities were carried forward to FY 2017/18.
03:Monitoring and Supervision of Primary Schools Monitoring Nursery; P.1-P.3 classes; Monitoring and supervision on hygiene and girls education; Training of 300 nursery caregivers	100	405,482,000	80	1.65	Monitoring and supervision was done. Training, a key output was not done.
Primary Teacher Development Teachers benefit from teachers SACCO - District Service Commission facilitated to recruit teachers.	100	5,250,000,000	100	22.31	Funds were transferred to support teachers SACCO. Conducted a National Assessment revealing a staffing gap of 22,000 teachers in all LGs
Total		**23,529,090,011**		**86.4**	**Good performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

From Table 6.2 the Basic Education programme achieved 86.4% of the planned output targets for FY 2016/17. There was good performance on the core activity of the programme which was procurement of instructional materials for primary schools as five out of the seven contracts were fully discharged and the remaining two contracts achieved up to 70% by the close of the FY. Funds were also transferred to support the teachers' SACCO.

Project 1296: Uganda Teacher and School Effectiveness

Background

The project start date was 1st July, 2014 and its expected end date is 30th June, 2019. The overall project objective is to support the Government in improving teacher and school effectiveness in the public primary education system. The project is centered on improving education service delivery at teacher, school and system level to realize meaningful gains in pupil achievement in primary grades.[23]

The planned outputs for FY2016/17 are: i) contract salaries for 12 staff paid, ii) stakeholders sensitized on the project activities, iii) two bi-annual independent verifications and one annual procurement audit consultancy carried out, iv) Early Childhood Development Policy reviewed, v) early grade reading teachers and vi) 500 school administrators and 2,588 School Management Committees trained, vii) instructional materials for schools procured and distributed, viii) 50% contract sum released to 78 districts, ix) 7 motor vehicles and 185 motorcycles procured, x) computers, laptops and printers procured, xi) construction sites identified and xii) Education Sector Strategic Plan (2007-2015) reviewed.[24]

The approved budget for FY 2016/17 was Ug shs 117,559,155,000, of which Ug shs 7,891,000,000 was GoU contribution and Ug shs 109,668,155,000 was external financing. A total of Ug shs 5,453,637,750 (69%) was released, of which Ug shs 4,553,197,844(83%) was spent. The GoU released 91% released of the funds and all were spent. Out of the total external financing budget of Ug shs 109,668,155,000, Ug shs 95.98 billion (87.5%) was released and Ug shs 51.53 billion (53.7%) spent. Table 6.3 shows the detailed physical performance of the project.

Table 6.3: Physical Performance of Uganda Teachers and School Effectiveness Project (UTSEP) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies; comprising of salaries, utilities, support supervision to UPE and support to Gender Unit.	100.00	62,209,738,000	70	42.07	Staff salaries and utilities were paid, the Gender Unit was supported. Assorted stationary procured. 7,000 teachers trained in early grade reading methodologies, 2,265 care givers trained in early childhood education and 1,936 head teachers trained. Some of the other activities where they failed to attract bidders under this output were dropped following a mid-year review.
Instructional Materials for Primary Schools: 6,500,000 copies of text books and teachers reference materials procured.	6,500,000	20,042,548,000	4,700,000	13.55	4,700,000 million books (72% of the total) were procured for 12,198 government aided primary schools at a book ratio of 4:1. They did not achieve to 100% because P3 books not being ready on time.

23 Ministry of Education, Science, Technology and Sports Ministerial Policy Statement FY2016/17 Kampala (2016)
24 Ibid

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Monitoring and Supervision of Primary Schools (P.1-P.3 classes in 20 private schools, nursery section in 20 schools, monitored trainings on use of learning framework in 3 districts; utilities	6	9,580,413,000	4	6.479	Performance was good except the remapping of the catchment area of the 23 core PTCs and CCs which was dropped under the project. 1,400 schools inspected once. At mid-year the target was scaled down to 1,000 schools.
Purchase of Office and ICT Equipment including software 150 units of ICT distributed to PTCs and CCs ICT based inspection system developed and in use Procurement of office equipment	3	3,767,461,000	2	4.514	ICT based inspection system was developed and in use; and office equipment was procured. Procurement of 150 units of ICT equipment for PTCs were not procured as the activity was dropped from the project.
Classroom construction and rehabilitation (Primary)	100	52,266,864,000	10	2.53	For some of the 55 schools monitored, the construction had commenced but majority were still at slab level.
Total		**117,559,155,000**		**69.1%**	**Fair performance**

Source: IFMS; MoES Progress Report; Field Findings

The overall performance of the project was fair with 69.1% of the annual outputs targets achieved. Performance however, was compromised by low absorption of the donor financing as only 53.7% of the releases were absorbed. The core activity of the project that has most resources (i.e. civil works) was moving rather slowly. Construction in the 55 schools, out of the planned 76 schools delayed to start. While works were ongoing, most schools had not gone beyond ground slab level by 30th June, 2017.

The project performed well on procurement of instructional materials where a total of 4,700,000 out of 6,500,000 copies of instructional materials were procured and distributed.

The project procured and distributed 185 motorcycles, and 100 were distributed to co-ordinating centres, 75 to district education offices and 10 to field engineering assistants. Seven motor vehicles were procured, and five given to the project coordination office, while two procured with the GoU counterpart funding were given to the Minister and Commissioner Planning respectively. The project is behind schedule and has applied for a one year extension up to June 2019.

Procurement for the remaining schools (out of the 138) was at evaluation stage. The contracts were to be signed in August 2017 and sites handed over to contractors in September 2017, with completion of all civil works due in September 2018. A number of schools were monitored and details are given below:

Construction works under UTSEP Project

The project scope is to cover 138 primary schools, all in hard-to-reach areas and which had not had any interventions before. In each beneficiary school, the project is to construct seven classrooms (two -2 classrooms blocks, and one -3 classroom block), one administration block (inclusive of a head teacher's office, a deputy head teacher's office and a staffroom) and 3 pit latrines (one - 2 stance drainable pit latrine for staff and two-2 stance drainable pit latrines for boys and girls).

By the end of the FY2016/17, civil works for the first phase; (construction of 55 schools) had commenced and progress reached the ground slab in most of the schools.

L-R: Construction of a classroom block at ring bim level at Kashambya Primary School; Construction of a classroom block and an administration block at ground slab in Kemihoko Primary School, in Ibanda District

L: Construction of administration block at ground slab level in Ishongororo Primary School in Ibanda District

Challenges

- The initial target of constructing 293 schools was scaled down to 138 due to changes in designs which increased the costs. For instance the timber for roofing in the initial designs was changed to iron roofs. Social safeguards in construction to ensure safety of the girl-child during the construction period in schools were also included.
- The long procurement process for the project goods and services is a big challenge.
- Procurement is done by the districts, so performance of one district impacts on the whole project performance. For instance when one district delays its procurement, it delays disbursement of funds for all other districts that have done theirs in time.

Recommendation

- The MoES should expedite implementation of core activity of construction and rehabilitation of the beneficiary primary schools. This will improve the absorption of the donor funds and also deliver the much needed classrooms.
- The MoES should put in place a strong Monitoring and Evaluation mechanism to track the implementation of all project activities across all the districts.

Project 1339: Emergency Construction of Primary Schools

Background

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

In FY2016/17, the project outputs are to construct and rehabilitate 18 primary schools; Ngaro Nkalu in Luweero, Nsozibirye UMEA P/S Butambala, Mulatsi Primary School-Mbale, St. Thereza Kabunza P/S- Wakiso Kaiho Mixed P/S- Mbarara, Nabalanga P/S- Mukono Rumogi P/S Hoima, Bughendero P/S Kasese, Ndolwa P/S-Buyende, Namirembe Day and Boarding P/S- Budaka, Agulurude P/S -Oyam, Namagunga P/S-Mukono, St. Edward Gobero P/S- Wakiso, Rwenkobwa P/S-Ibanda, Namulanda P/S- Luuka , Bussi P/S- Wakiso, Bumpingu, P/S- Iganga, and Bugiri P/S- Bugiri). However, due to financial constraints, the plan was adjusted to 8 schools; Bugiri P/S- Bugiri, Nabalanga P/S- Mukono, Ngaro Nkalu in Luweero, St. Edward Gobero P/S- Wakiso, Rumogi P/S Hoima, and Namulanda P/S- Luuka.

The budget was Ug shs 1.85 billion, of which Ug shs 0.684 billion (36.9%) was released and all spent by end of the financial year. Table 6.4 shows the details.

Table 6.4: Performance of Emergency Construction of Primary Schools by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies -Staff facilitated with welfare items -Office infrastructure maintained -Office stationary purchased	4.00	99,810,000	41,044,000	5.38	Monitoring of schools under construction was not done because schools received funds late. Staff were facilitated with welfare items, offices maintained and stationary purchased.
Government Buildings and Administrative Infrastructure -Construction and rehabilitation of 18 primary schools	18	1,754,000,000	8	25.3	Due to limited finances, funds were disbursed to only 8 schools. The Internal Audit Department delayed the release of these funds to schools which slowed implementation. Six of the eight schools were monitored. Repair works on the roof at Ngalonkalu P/S were completed. Civil works had not started in three of the six (i.e. Nabalanga P/S, Bugiri P/S and Namulanda P/S). Works were ongoing in the other 2 schools. (In Rumogi P/S and Mpunge P/S works were at wall plate progress.) This project did not achieved the planned output targets.
Total		**1,853,810,000**		**31.1**	**Poor performance**

Source: IFMS; MoES Progress Report; Field Findings

As shown in Table 6.4, the project performed poorly. While the project planned to renovate and rehabilitate 18 primary schools, funds were disbursed to 8 primary schools. The project received 36.9% of the budget therefore it should have renovated/rehabilitated 36.9% of the planned schools (7 schools). By the end of the FY, works were completed in only one school. This project therefore did not achieved the planned output targets for FY2016/17.

L-R: Construction works at wall plate at NgaloNkalu P/S, Luweero; Completed repair works for the roof at Rumogi P/S, Hoima

Overall Conclusion

Overall, the Pre-Primary and Primary Education (VF 0701) performed fairly (62.2%). This is because the recurrent programme and two development projects of Uganda Teacher and School Effectiveness Project (UTSEP), and Emergency Construction of Primary Schools Phase II had good, fair and poor performance respectively. The UTSEP project is largely behind schedule and characterised by low absorption of the donor financing.

Recommendation

The Pre-Primary and Primary Education Vote Function should step up the performance of the 2 projects; UTSEP, and Emergency Construction of Primary Schools Phase II in order to improve the rating and performance of the Vote Function.

6.2.2 Secondary Education (VF 702)

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

Project 0897: Development of Secondary Education

The project started on 1st July, 2015 and has 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 revised Budget (GoU) for the project was Ug Shs 10,213,640,000, of which Ug Shs 8,447,505,158 (83%) was released and Ug Sh 8,363,277,247 (99%) expended by the end of the FY 2016/17. Table 6.5 summarizes the performance of the project.

Table 6.5: Performance of Development of Secondary Education Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Output: 070201 Policies, laws, guidelines plans and strategies (Allowances, office imprest, facilitation of SWGs & meetings & seminars, payment of utilities & rent for offices, Trainings of student leaders)	100	2,532,309,000	85	21.76	Salaries and allowances for staff were paid. However, there were challenges in payment of salaries for SESEMAT staff whose contracts took 4 months to be extended. At least four activities were fully accomplished by half year. Rent and utilities paid. Allowances and office imprest paid. MDD activities done in Q1. Training of student leaders was conducted in western region only.
Output: 070202 Instructional materials for secondary schools (Text books and locable cupboards for 12 UPOLET schools)	100	1,215,000,000	100	11.82	Books were procured for the 28 secondary schools. In Q2 Ug shs was released to the 12 UPOLET schools to procure instructional materials off shelf. Some computers were bought however, the lockable cupboards were not procured because the outturn was not 100%
Output: 070204 Training of secondary Teachers (Allowance to monitor lesson study activities, trainings of SESEMAT teachers)	100	659,700,000	100	6.42	All planned activities were undertaken during the FY2016/17
Output: 070206 Purchase of ICT equipment (300 schools provided with computers by UCC)	100	300,000,000	100	2.92	No ICT equipment was procured and the invoice to renew the ICT licence had not been paid.
070280: Classroom construction and rehabilitation (Incomplete APL I structures completed in Patongo S.S in Agago district , Loropi S.S. in Moyo district, Awara College in Arua district, Kyenjojo S.S in Kyenjojo district) Construction of Ntare School Construction of a storied classroom block Payment for construction works at Manjasi S.S	100	5,572,601,000	52	30.00	**Patong S.S** (A science block was completed, two- 2 classroom blocks completed, , 2 blocks of VIP latrines each with five stances completed), **Laropi S.S**, a 2 classroom block was completed, a six stance VIP block for girls completed, five stance VIP block for boys completed, **Awara College-Etori** (Two- 2 classroom blocks at 98% progress, 2 blocks of 5 stance VIP latrines were all completed). The APL 1 structures were completed in 3 schools and the contractor was fully paid: Overall civil works at Kyenjojo S.S reached 60% progress.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
					The MoES constructing 3 blocks of science laboratories for Physics, Biology and Chemistry respectively at Ntale School in Mbarara. The works were contracted to M/s Block Technical Services at a sum of Ug ghs 2,556,850,208. The works commenced in February 2017. The school received the first disbursement of Ug shs 211, 370,042 and a second installment of Ug shs 300,000,000. As at the end of June 2017, progress on the structures was at ring beam estimated between 35-40%. Kololo S.S. is doing completion works on a structure at a cost of Ug shs 471m. The MoES disbursed to the school Ug shs 294,350,272 during the FY 2016/17. Ug shs 108m was recovered by the school as penalties from the previous contractor and added to the available funds. By June 30th 2017, the school had just signed a new contract for the completion works. The MoES paid an outstanding bill of Ug shs 48m for Manjasi S.S.
Total		**10,279,610,000**		**70.9**	**Good performance**

Source: IFMS; MoES Progress Report; Field Findings

The overall physical performance of Project 0897 Development of Secondary Education was good (70.9%) as a number of planned outputs were achieved at the end FY 2016/17.

School outside the work plan for FY 2016/17

During the FY2016/17, funds were disbursed to six secondary schools that were not in the approved work plan; Kifamba Comprehensive in Rakai (Ug shs 100m), Lwamabala/Mpumudde S.S in Lyantonde (Ug Shs 50m), Onono College in Omolo (Ug shs 50m), Puranga S.S in Pader (Ug shs 70m), Kibuku S.S in Kibuku (Ug shs 100m) and City High S.S in Kampala (Ug 75m), Kigezi High in Kabale (Ug Shs 100m).

A science block completed at Patong S.S

A completed classroom block at Awara College-Etori

Kifamba Comprehensive Secondary School, Rakai District

The school received Ug shs 80,000,000 in December 2016 for the completion of an administration block and construction of a school kitchen. The administration block was completed and commissioned in July 2017. The school however still has some incomplete structures.

L-R: Completed administration block and a kitchen at Kifamba Comprehensive Secondary School, Rakai District

Onono Memorial College – Omolo district

Onono Memorial College received Ug shs 50,000,000 from MoES. The funds were for rehabilitating an administration block whose roof was blown off. The engineer from MoES condemned the old structure and advised that the funds be used to put on a new structure. At the same time the school has a science laboratory that was left incomplete under the APL I project. Works on the science block were left at 90% progress and no furniture was provided. Funds amounting to Ug shs 52,318,771 were recalled and returned to MoES November 2013. The School Board decided to use the funds to complete this science laboratory, and have sought clearance from the MoES. By 3rd July, 2017 works had not started and funds were still on the school account.

Kibuku Secondary School, Kibuku District: Did not receive the Ug shs 100m from MoES for emergency construction of four classrooms, so civil works were done at the school.

Lwamabala/Mpumudde Secondary School in Lyantonde District: Did not receive the Ug shs 50m from MoES for emergency construction of four classrooms, so no civil works were done at the school.

Kigezi High, Kabale District

The MoES started rehabilitation and extension of this school in 2011, and the Board contracted M/s Concrete Constructors Limited to construct a 3 storied block at a cost of Ug shs 900m. During FY2016/17 Ug shs 100m was disbursed to the school to clear part of the outstanding debt as the contractor was threatening to take the school to court. Reports indicated that MoES has cumulatively released to the school Ug shs 385,387,000 leaving an outstanding obligation of Ug shs 546,613,000. The civil works on the block were estimated at 70% progress bt 30th June, 2017.

Conclusion

The overall physical performance of Project 0897 Development of Secondary Education was good (70.9%) as a number of planned outputs were achieved. These included completion of APL 1 structures in Patongo S.S, Laropi S.S, Awara College-Etori. Works in Kigezi High and Ntale progressed while outstanding bills for Manjasi S.S were paid.

Three schools out of the six that were outside the approved work plan were confirmed to have received the funds disbursed to them (Kafamba Comprehensive, Onono Memorial College and Kigezi High). Works were completed in Kifamba Comprehensive, ongoing in Kigezi High and no works had started in Onono Memorial College by 30th June, 2017. The other schools did not receive the funds.

Challenges

- The APL 1 World Bank project closed in FY2013/14, however, the MoES has outstanding arrears amounting to Ug shs 1.9billion for retention fees owed to APL I contractors. These were funds that head teachers should have paid to contractors but were returned to MoES. The total outstanding arrears for all the 121 secondary schools under APL 1 amounts to Ug shs 15 billion. A number of these contractors are threatening to take government to court.

- The Secondary Education Vote Function has challenges of not accessing the IFMS system and they are still using vote books. Many requisitions are made to the accounts department to implement their activities which are either never paid, paid very late or less funds than requisitioned disbursed to schools. An example is Kyenjojo S.S where Ug Shs 133 million was requisitioned and only Ug shs 70 million disbursed to the school. While funds were requisitioned for Bukandula S.S., City High School, Kibuku S.S. and Lwamabala S.S, no funds were disbursed to them. The Secondary Education Department got to know about this long after the FY closed. At the end of the day, a department is not able to fully implement their work plan.

- The planning department does not adequately consult the implementing departments. As a result a number of projects are designed, submitted to the Development Committee (DC) and included in the Public Investment Plan (PIP) without the technical input of the user departments. Additionally a number of progress reports are done by the planning department without adequately consulting the implementing departments. This results in misreporting when making quarterly reports for submission to MFPED.

- Budget overruns due to lack of needs assessments: The APL 1 World Bank project closed in FY2013/14, leaving 121 secondary schools incomplete. Since then, the MoES has completed only 28 schools. Hitherto, no needs assessment was conducted in those schools to establish the budgetary requirements to complete each school. As a result, the allocations to these schools are not informed by engineers' estimations, thus having many contracts with budget overruns.

- With the limited resources, often the MoES takes on too many projects and leaves many incomplete.

Recommendations

- The MoES should budget for all arrears under APL 1 and other projects, (after verification by Internal Audit Department) to have them paid. To avoid costs of litigation, details of suppliers should be sent to MFPED in cases where no budget provisions were made as guided by the Budget Execution Circular FY2016/17 on payment of domestic arrears.

- The MoES should desist from implementing activities outside the approved work plans.

- The MoES should ensure that user departments access the IFMS system in order to spend on departmental activities as planned.

- The Planning Department should adequately consult the implementing departments on all issues ranging from development of new projects and writing of progress reports.

- The Construction Management Unit of MoES should always undertake needs assessments to establish the budgetary requirements of schools before funds are disbursed.

- The MoES should make a comprehensive plan/budget to clear all outstanding contract obligations for civil works in different schools. This will save government from paying court fines and interest arising from delayed payments.

6.2.3 Higher Education

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

The Vote Function has one recurrent Programme; Higher Education and two development projects: Development of Uganda Petroleum Institute Kigumba (1241) and Support to Higher Education Science and Technology (1273). The recurrent programme and development projects were assessed to establish level of performance and below is the detailed progress.

a) Higher Education Programme

Background

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

Performance

The (revised) budget for programme 07 Higher Education was Ug shs 29,473,046,286, of which Ug shs 25,523,269,681 (87%) was released and Ug shs 25,508,352,453 (99.9%) spent by the end of FY2016/17. Table 6.6 summarises the performance of the Higher Education Recurrent programme for FY2016/17.

Table 6.6: Physical Performance of the Higher Education Recurrent Programme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
070401: Policies, guidelines to universities and other tertiary institutions (% of activities) Lunch and transport allowances. 14 adverts for scholarship offers made and meetings on MoUs facilitated. Staff training supported Computer and IT supplies procured M&E visits to higher education institutions	100	484,882,248	57.77	1.25	Salaries were paid; 65% of the allowances were realized and paid out; 10 out of 14 adverts were done. The meeting on MoU was not conducted due to insufficient funding; No staff training in the department took place. Computer and IT supplies were not procured as funds were sent late. Facilitation of officers to travel to Ghana was done.
070451: Support establishment of constituent colleges and Public Universities -Recurrent subvention to run Uganda Petroleum Institute Kigumba disbursed (%)	100	1,800,000,000	77.5	5.32	Ug shs 1,550,000,000 out of the planned Ug shs 2,000,000,000 was disbursed to support the college.
070452: Support to Research Institutions in Public Universities -Top up allowances to 316 students abroad paid -4 research projects funded at public universities	100	1,645,100,000	67	4.16	Top-up allowance for all students paid. The four planned research projects at public universities haven't yet been funded as funds were not available.
070453: Sponsorship Scheme and Staff Development for Masters and Phds Uganda's education Attache' in India and Algeria supported, Support to Uganda Education Students' Financing Board, Students returning home facilitated. Repatriation costs paid for.	100	18,989,311,797	100	64.43	Students attached to India and Algeria were supported although the funds were limited; the Higher Education Students" Financing Board was facilitated; and tickets were paid for 3 students that returned home from Cuba. No student fell sick and therefore repatriation costs were not incurred.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
070454:Monitoring/ supervision and Quality assurance for Tertiary Institutions (% of activities) (AICAD,NCHE, JAB) -African Institute for Capacity Development supported -Subvention to support NCHE programs disbursed -JAB intake capacities monitored -District quota activities monitored and reviewed -Completion, survival and drop-out rates monitored)	100	2,940,000,000	100	9.98	AICAD was supported but with only 50% of the funds. 86% of the subvention to NCHE was disbursed. The headquarters however still have outstanding bills to clear. The second phase of the NCHE home did not start due to outstanding arrears. The Joint Admissions Board (JAB) admitted students to public universities and monitored completion, survival and graduation.
070455: Operational Support for Public and Private Universities (% of activities) -Funds to support 150 science education students at Kisubi Brothers University provided - 5 selected private universities supported to expand infrastructure.	100	3,613,752,241	100	12.26	Funds to support Kisubi Brothers University College were provided to support 150 science students; 5 private universities of Nkumba, Ndejje, Kumi, Bishop Stuart, and Mountains of the Moon were supported to expand infrastructure.
Total		**29,473,046,286**		**97.4**	**Physical performance was very good**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Overall performance of the programme was very good (97.4%). There was excellent performance on the sponsorship scheme and staff development, a key output of supporting students in India and Algeria, facilitation of the students Higher Education Student Financing Board which offers loan schemes to students to pursue their studies. Funds to support private universities were also provided; and support to Uganda Petroleum Institute Kigumba (UPIK). The limited budget however affected the achievement of some outputs.

b) Development of Uganda Petroleum Institute Kigumba (UPIK) Project (1241)

Background

The project was as a result of a Presidential Directive issued on 21st February, 2009 to establish UPIK with the aim to train the human resource (including craftsmen, technicians and professionals) needed to provide services for the Petroleum Sector, once the mining of oil and gas in Uganda commenced. 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 to offer a full menu of programmes in oil and gas. The major output of the project for FY2016/17 was construction of an administration block.

Construction of an Administration block: Works commenced in May 2015 with an expected completion date of May 2016. Works stalled for some time due to management wrangles and resumed in July 2016. The contract was extended to May 2017 and works are complete as shown in Table 6.7.

Out of the budget of Ug shs 4.2 billion, the institution had received Ug shs 3.3 billion (78.6%) leaving an outstanding balance of Ug shs 0.9 billion (21.4%). They are also planning to partition the offices. This is being handled by the LG and was at procurement stages.

Table 6.7: Physical Performance of the Development of UPIK Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Construction and rehabilitation of Facilities Construction of administration block (% of works).	100.00	4,200,000,000	100	100	Construction of administration block was completed
Total		**4,200,000,000**		**100**	**Excellent Performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

L-R: Completed administration block at UPIK

c) Support to Private Universities

His Excellence, the President made pledges to five private Universities; Nkumba University, Ndejje University, Kumi University, Bishop Stuart University and Mountains of the Moon University. During FY2016/17, the MoES prioritized fulfillment of these pledges, whose budget was Ug shs 2.8billion, of which Ug shs 2 billion was released and funds disbursed to these universities.

Two of the five private universities were monitored and details are given below.

Ndejje University – Luweero District

The President pledged support of Ug shs 1 billion to the University. The MoES has hitherto disbursed Ug shs 300 million (i.e. Ug shs 150 million in FY2015/16 and Ug shs 150 million in FY2016/17). The money was used to quip the science laboratories.

Some of the equipment procured by Ndejje University; Luwero District

Kumi University

The Science block under construction at Kumi University to as pledged by the President

The President pledged to construct a science block at Kumi University. In FY2016/17 Ug Shs 237,367,568 was disbursed to the University in fulfilment of this pledge. By 30th June, 2017 the university had received a total of Ug shs 535,367,568 for the science block. M/s Etiko Construction Limited was contracted at a sum of Ug shs 366,247,161. Civil works started 7th March, 2017 for four month.

Conclusion

The private universities that were supported all received the funds for the Presidential Pledge and utilized the funds to undertake civil works for which the funds were given.

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

Background

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

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

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

Performance

The approved budget for FY 2016/17 was Ug shs 119.200billion, of which Ug shs 93.491 billion is external financing and Ug shs 25.708billion is GoU counterpart funding. The GoU released Ug shs 18.39billion (71%), of which Ug shs 17.8 billion (96.8%) was spent while the donors released Ug shs 75.61billion (80.9%) of which Ug shs 59.07billion (78.1%) was spent. Table 6.8 details performance of Support to Higher Education, Science and Technology Project.

6.8: Physical Performance of the Support to Higher Education, Science and Technology Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)[1]	Remark
070402 Operational Support for Public Universities (% activities) Payment of Salaries, office equipment, stationary paid Higher Education Strategic Plan reviewed -PCU offices renovated, workshops organizes, academic staff recruited for PHD and MSC, 240 students enrolled for merit based scholarships	100	15,486,804	100	12.99	Salaries and statutory deductions were paid, and the Higher Education Strategic Plan reviewed. Two studies to inform Higher Education Strategic Plan are under the Request for Proposals (RFPs) stage and were rolled over to FY 2017/18. Assorted equipment was procured, PCU offices renovated and maintained, LAN maintained, adverts done, project committee meetings and supervision missions, evaluation reports submitted , project vehicles maintained and internet services provided. 130 university PhD and 21 MA staff were supported. 421 students are benefiting from the merit scholarships. Eight incubation centers were operationalized.
070475: Purchase of Motor Vehicles and other Transport Equipment PSFU, UMA, and PCU	100	441,000	60	0.37	Contracts were ready for singing for three vehicles (for PSFU, UMA, and PCU) out of 5 planned.
070476: Purchase of Office and ICT equipment including Software	100	210,000	50	0.17	Laptops were procured
070477: Purchase of specialized machinery and equipment	100	17,682,250			ICT equipment was installed in the 8 public universities, Masts were being delivered to the same universities. The Procurement process for the workshop and laboratory equipment was awaiting a no objection from the World Bank.
070478: Purchase of Office and Residential Furniture and Fittings (% activities). -Office equipment for PCU procured	100	7,072,900	80	5.93	Furniture for MUBS was delivered. However, the rest of the public universities were still drawing specifications for which furniture to procure.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)[1]	Remark
070480: Construction and Rehabilitation of facilities (% activities) at various beneficiary institutions in Makerere, MUBS, Kyambogo, MUST, Busitema, Gulu, Muni, UMI, and rehabilitations at Makerere, Kyambogo, and Busitema.	100	78,307,122		65.6	Construction of new buildings is on-going and at various stages of completion in the beneficiary institutions: MUBS at 100%; Makerere at 88%; Kyambogo at 87%; Busitema at 85%, Makerere University of Science and Technology (MUST) at 64%; Gulu at 68.5%, and Muni Universities at 60% progress. UMI is still under procurement and the progress was at 5%. The project however is slightly behind schedule.
Total		**119,200,076,000**			
Average score				**85.2**	**Good performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Table 6.8 shows that the annual performance of the HEST project was good (85.2%) as at end of FY 2016/17. The core targets of the project were achieved.

Progress of Construction works at Beneficiary Public Universities was as follows;

i) Kyambogo University

Construction works commenced in February 2016 with an expected completion date of May 2017. The scope of work includes construction and renovation of eight sets of workshop blocks. Progress of construction works at the University was at 90%. Four newly constructed blocks and three renovated structures have been completed and handed over while the other four are in advanced stages of construction. Detailed progress includes; Technical Teachers Education block 98%; Central Teaching Facility 98%; Central Library 90%; Multi-purpose science laboratory 95%; New Engineering Workshop 70%; renovations 70%.

L-R: Progress of Central Teaching Facility at 98%: Central Library 90% complete at Kyambogo University in Kampala

ii) Mbarara University of Science and Technology

The project started in May 2016 with an expected completion date of November 2017. The scope of works includes; a) construction of a two storied multipurpose laboratory and a three storied library. M/s Excel Construction Limited was contracted at cost of USD 4.8 million. By 30th June, 2017, the project was behind schedule, as progress of civil works for the multi-purpose laboratory was at 64%, while the library was at 63% against the time progress of 80% for the laboratory) and 76% for the library respectively. The contractors reported frequent changes in designs as the major cause of the delays. For example, the floor design in the laboratory changed from cement screed to terrazzo, in order to accommodate the heavy duty machinery to be placed there. The contractors requested for an extension up to February 2018.

L-R: Super structures of the laboratory at 64% progress and library complex at 63% at MUST

iii) Makerere University

The contract start date was 2nd February, 2016 while the expected end date was 26th July, 2017. The scope of works included construction of two central teaching facilities, refurbishment of old laboratories in six colleges and a daily value chain at Kabanyolo Lot. M/s Excel Construction, supervised by M/s Arch Design, was contracted at a sum of USD 12,880,109.97 (AfDB – Ushs.10,915,347.44 and GoU- Ushs.1,964,762.54) inclusive of VAT. By 14th July, 2017, the central teaching facility 1 was at 95% progress, the central teaching facility 2 was at 78% and the refurbishment of the existing laboratories was at 92% respectively. Works are therefore slightly behind schedule as per site plans and time lapsed.

L-R: The HEST Project at Makerere University; Central Teaching Faculty 1 at 95% progress and the Central Teaching Facility 2 at 78% progress

iv) Busitema University

The library at 85% progress at Busitema University by June 2017

The scope of works consisted of three new structures (a laboratory and lecture block, library block and workshop) and renovation of a workshop. The contract was awarded to M/s Prisma in December 2015 and is expected to end in August 2017. The contract sum was USD 5,421, 207.05.

As at the end of the FY, the overall progress of works at Busitema main campus was at 85%. The physical progress on the different structures was as follows: Works on the laboratory and lecture block were at 80%, library at 85% and renovation of the workshop at 90%.

v) Gulu University

Faculty of Agriculture Block at 76.7% progress by June 2017 – Gulu University

The scope of works included construction of an agricultural block, a multi-functional laboratory block, a library block and a health science block in Lira. The contract sum was USD 6.853,315 for a period of 18 months. The contract start date was 3rd February, 2016 and the end date is 31st July, 2017. The overall physical progress by 30th June, 2017 stood at 68.5%. Physical progress on the respective blocks stood at follows: Agricultural block at 76.7%, multi-functional laboratory block at 59.4%, library block at 69.5%. By 30th June, 2017 eight certificates were raised, five of which were fully paid. Works were behind schedule.

vi) Lira University

The main teaching hospital at Lira University at 58.6% progress by June 2017

The scope of works included construction of a Public Health block and the Health Sciences block. The Public Health block was completed and handed over on 19th December, 2016. Civil works on the three-storied Health Sciences Block were ongoing. This block will have a theatre, minor theatres, in-patients, out-patients, treatment rooms, observation rooms, consultation rooms, labour rooms, a mortuary, a pharmacy, x-ray rooms etc. The contract was awarded to M/s Samhee Construction Company Limited at a sum of USD 6,853,315.42 for 18 months. The start date was 3rd February, 2016 with an end date of 31st July, 2017. The overall progress of civil works were at 58.6%. The work was behind schedule by three to four months.

Conclusion

The project annual performance of the HEST project was good (85.2%) at end of FY2016/17. However, overall the project is behind schedule particularly on construction and rehabilitation of facilities. With just a few months to the end of the project (June 2018), two sites particularly UMI and Muni are far behind schedule; that is 5% and 60% respectively. The contractors for Gulu and Mbarara universities also applied for an extension of six more months respectively. Civil works at Makerere University and Lira University were also behind schedule. UMI was still procuring for the contractor and contract was awaiting clearance of the Solicitor General by 30th June, 2017.

c) Higher Education Students Financing Board (HESFB)

Background

The Higher Education Students' Financing Board (HESFB) is a body Corporate established by an Act of Parliament, number 2 of 2014, to provide both Loans and Scholarships to Ugandan Students to pursue higher education. The 1995 Constitution Chapter 4, Article 30 provides that all persons have a right to education and this is expounded in the preamble to the Constitution which provides for national objectives and directive principles of state policy that directs the state to take appropriate, measures to afford every Ugandan equal opportunities to attain the highest standards possible.

The objectives of the Students' Loan Scheme are:-

- To increase equitable access to higher education in Uganda;
- To support highly qualified students who may not afford higher education;
- To ensure regional balance in higher education services in Uganda;
- To support courses critical to national development and ensure quality education in public institutions through quality assurance and supervision;
- To ensure sustainable revolving loans fund;

Since 2014, the HESFB has been operating as a programme subvention under Vote 013 MoES.

Financial Performance

The approved budget for FY2016/17 was Ug shs 18.350billion, of which Ug shs 13.605billion was to cater for student loans while Ug shs 3.744 billion was for wage and non-wage. At the end of the year, the HESFB received Ug shs 16.23 billion (92.9%) of the budget, all of which was spent. This however, created domestic arrears of Ug shs 1.27billion for the students' loans and fees that could not be paid.

Overall Performance

A total number of 3,764 students in the universities and other tertiary institutions supported by the Board since its inception. The support covers Tuition, Functional fees, Research fees and Aids and Appliances for Persons Living with Disabilities (PLwDs). A total of 18 Chartered Universities and 33 other Tertiary Institutions were approved by the Board to participate in the Students' Loan Scheme in the Academic Year 2016/17. These are students for first, second and third years offering diploma and degree courses. All loans are disbursed directly to the respective participating institutions apart from the Persons Living with Disabilities (PLwDs) who receive some funds into their individual accounts to cater for their Aids and Appliances.

There was a good link between the financial and physical performance of the HESFB. The release and expenditure performance was excellent. Most of the funds were transferred to various universities as loans for both first, second and third year students for academic year 2016/17.

Achievement of set targets

At least 24 (92%) outputs targets for FY2016/17 out of the 26 planned outputs, were substantially achieved. The remaining outputs were not fully achieved due the shortfall in funds released.

Implementation Challenges

- The Board receives many applications from needy students who deserve to be supported than they can support due to limited financial resources. Over the last three academic years, the Board received 10,288 loan applications, of which only 3,799 have been supported. The number of applications is growing every year.
- Budget shortfalls for the loan scheme lead to creation of domestic arrears arising from loans and fees that are not fully paid in a given financial year.
- There is lack of a central admission board for universities. Due to this, the selection process and admission dates for different public and private universities are not synchronized. The Board relies on admissions from these universities to start its own selection process, so it has to wait until all universities have finalized. This gives the Board very little time before universities open. The challenge is that a student who applied for a loan can be admitted in more than one university being given different courses. The Board has very little time to find out that this is the same person so that other deserving students take the opportunity.
- Insufficient information from some institutions on students' progress especially regarding performance and progress in order to release subsequent funding.
- Lack of a Vote status. HESFB remains a subvention under MoES (Vote 013). This affects its planned activities and does not give it prominence in terms of growth, future prospects and funding. HESFB's performance is also not clearly articulated in Vote 013's performance report. HESFB's budget is sometimes negatively affected when Vote 013 has other competing priorities, thus necessitating vote status for the Board.
- HESFB is still understaffed. While the staff ceiling stands at 36, they have hitherto recruited only 21.
- The HESFB has inadequate funds to support other students who are not on the loan scheme but are dropping out of various courses in their second and third years.
- The HESFB is a body Corporate established by an Act of Parliament, Number 2 of 2014, to provide both Loans and Scholarships to Ugandan Students to pursue higher Education. However, to date there are many institutions managing scholarships (e.g. MoES, MoFA, State House, MEMD through the Petroleum Directorate, MoH under HSSP, Ministry of Karamoja Affairs under OPM, etc.). This makes the HESFB unable to full perform their mandate regarding management of all scholarships as spelt out in the law.
- The PFMA (2015) does not talk about the revolving funds to be given back to other intended users.

Recommendations

- Government should release 100% of the students' loans and fees budget in order to avoid creation of domestic arrears resulting from non-payment of student fees. There is need to ringfence HESFB funds so as to enable to the Board realize 100% funds release.
- The MoES should budget and clear the outstanding domestic arrears of Ug shs 1.27 billion for the students' loans and fees for FY2016/17.
- The HESFB should be made a Vote so that it manages and account for its budget.
- The Board recommends that Government increases funding to HESFB to enable it increase support to beneficiaries.
- Admission of students to universities should be done by one body. This will ensure that a student is

admitted to one public university, thus open up opportunities for all deserving students.

- Government should consider putting in place a Central Admissions Board to synchronize the selection and admission processes to public universities.

- Basic information from the National Identification and Registration Authority (NIRA) should be used during the selection of loan beneficiaries to avoid award multiple awards of loans to students in public universities.

Conclusion

Overall the performance of the Higher Education Vote Function was very good. This was on account of the two recurrent programmes (Programme 07 and HESFB), and the two development programmes (Kigumba and HEST) which performed at 97.4%, 92%, 100% and 85.2% respectively.

6.2.4 VF 0705: SKILLS DEVELOPMENT (BTVET)

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

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

There also 7 Development Projects: 0942 Development of BTVET, 1270 Support to National Health and Departmental Training Institutions, 1310 Albertine Region Sustainable Development Project, 1338 Skills Development Project, 1368 John Kale Institute of Science and Technology (JKIST), 1378 Support to the Implementation of Skills Uganda Strategy, 1412 The Technical Vocational Education and Training-Lending 1.

One recurrent programme 05 BTVET and six development projects were monitored to assess the progress of implementation and achievement of annual targets.

The recurrent programme had a budget of Ug shs 23,720,303,655, of which Ug shs 22,525,383,695 (95%) was released and Ug shs 22,483,012,724 expended (100%). The physical performance of this programme is summarized in Table 6.9.

6.9: Physical Performance of the Recurrent BTVET Programme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, laws, guidelines plans and strategies, 2,500 staff at headquarter and in the field paid salaries. BTVET staff at headquarter facilitated.	100	2,963,822,655	100	12.49	2,500 staff were paid at the headquarters and in the field. BTVET staff in the field facilitated.
Monitoring and Supervision of BTVET Institutions Monitoring of BTVET institutions conducted; Facilitation for 12 officers to travel abroad paid. Vehicle servicing and maintenance, fueling procured	100	39,013,000	50	0.13	5 out of 8 BTVET institutions were monitored. Two vehicles (UG 2596 E and UG 1818 E) were serviced and fueled. Due to insufficient release only 1 out of the 12 officers was able to travel abroad.
Assessment and Profiling of Industrial Skills (DIT, Industrial Training Council) Capacity of Assessment resource persons developed (1 Assessor training w/shop for 60 Assessors comprised of selected instructors /entrepreneurs/ enterprise supervisors conducted at a hired venue in central region). Results of 18,000 Assessed candidates marked, graded and released Orientation of TVET Instructors on ATP use (500 Instructors trained) 5 profiles developed/36,000 Assessment training packages printed	100	2,050,714,000	70	6.35	120 assessors trained and certified, 18,000 candidates accessed and results released, 397 out of 500 TVET instructors trained and certified, 15,000 out of 36,000 assessment packages developed and printed.
Operational Support to Government Technical Colleges Capitation grants for 1,600 students in 5 UTCs, 1,600 students in 5 UCCs paid Industrial training fees paid Capitation grants for non-formal trainees paid. Instructional Materials for BTVET institutions provided. Competence Based Education and Training enhanced in UTCs.	100	18,666,754,000	70	58.45	Paid capitation grants for 1,600 students in 5 UTCs, 1,600 students in 5 UCCs paid Industrial training fees, 10 competence Based Education and Trainings conducted per UTCs, instructional materials had a partial release and therefore only 60% were procured, only 26 out of 270 non formal trainees received capitation due to insufficient release.
Total		**23,720,303,655**		**77.4**	**Good performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

The recurrent programme scored 77.4% which was good performance.

Project 0942 Development of BTVET

The (revised) budget for this programme was Ug shs 70,379,302,290, comprised of Ug shs 24,111,242,290 GoU financing and Ug shs 46,268,060,000 of external financing. By the end of the FY, Ug shs 49,327,691,514 (70%) (of which Ug shs 14,016,952,514 (GoU) and Ug shs 35,310,739,000 (External)) was released and all expended.

Table 6.10: Physical Performance of the GoU funded component under project - Development of BTVET by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of land by Gov't (Payment for land compensation at Ahmed Seguya T/I)	8.00	500,000,000	6.00	0.64	Squatters on land were all compensated
Purchase of M/V and other transport equipment (2 motor vehicles procured)	1	200,000,000	0	0.00	The motor vehicles were not procured.
Purchase of specialised machinery and equipment (for UTC Kyema, UCC Tororo, Kabasanda T/I, Kalera T/I, St Kizito Msk, UCC Pakwach and L.Katwe T/I)	4	1,340,000,000	0	0.64	Procured tools and equipment for UTC Kyema, UTC Elgon, Tororo and Aduku. In UTC Elgon for instance, tools for the civil laboratories, mechanical laboratories, electrical and electronics laboratories, electrical installation workshops and for the electronics workshops were delivered. The delivery notes were available for verifications.
Construction and rehabilitation of learning facilities (IDB-Expansion of UTC Elgon, UTC Lira & NTC Unyama Construction works at Ahmed Seguya T/I, Tororo T/I, Kibatsi T/I and Kalongo T/I, Construction of UTC Bushenyi, UTC Kyema, UTC Kichwamba	100	66,700,223,290	65	87.70	IDB I and BADEA projects were completed. IDB II and KUWAIT projects were progressing well.
Construction and rehabilitation of accommodation facilities (Construction of dormitories at the 2 Technical Institutes	2	1,760,000,000	1	0.31	The dormitory for St. Kizito T/I was completed while that for L.Katwe T/I had not started.
Total		**70,379,302,290**		**92.2**	**Very good performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Performance of Project 0942 was very good, and was the best performing project under Vote 013, as most of the planned outputs were achieved. The excellent performance was largely on account of the externally funded projects which had good progress.


Construction of a dormitory at St. Kizito Technical Insistute, Masaka District

Works on the IDB II project sites progressed as follows:

Uganda Tehnical Insitute (UTC) Kyema: All civil works at UTC Kyema were completed by April 2017 and all the furniture was delivered. The structures were awaiting official handover. The institution saved money during construction, amounting to Ug shs 1.33billion (from IDB and GoU), which will fund construction of a recreational field and purchase more furniture.


L-R: Completed teaching complex and some of the furniture delivered to UTC Kyema, Masindi District

UTC Bushenyi: Civil works at UTC Bushenyi (85%) were behind schedule. The contractors had submitted a request to extend their contract to 30th October, 2017.


L-R: Teaching complex, and a girl's hostel at UTC Bushenyi. Civil works were at 85% progress

UTC Kichwamba (70%): Works are progressing well and were of good quality.


L-R: Teaching complex and machinery workshop; and boys hostel, collectively at 70% progress at UTC Kichwamba in Kabarole District

Challenge

Some of the institutions that received tools and equipment (e.g UTC Elgon) had not engraved them as per the requirements of the Treasury Accounting Instructions.

Recommendation

- The MoES should direct all education institutions to comply with the Treasury and Accounting Instructions to have all government properties engraved.

Projects under Skills Development VF 0705 that have not started

There are five projects under the Skills Development Vote Function that had not started implementation. These projects were approved, included in the Public Investment Plan (PIP), Ministry Policy Statement and became effective. However, they have not started implementation long after becoming effective. The most culpable is Project 1310, Albertine Region Sustainable Development, which has not started implementation two-and-half years after becoming effective. All these projects are therefore behind schedule. Refer to Table 6.11 for details.

Table 6.11: Summary of projects that have not started implementation after becoming effective

Project name	Approved budget for FY 16/17	Budget Release by end of FY	Budget spent by end of FY	Remarks
1310 Albertine Region Sustainable Development Project	10.68	5.50 (51.4%)	0.22 (4.0%)	The project start date was 1st July, 2014 and end date is 30th June, 2019. Two-and-half years after the project became effective implementation has not started. Most of the activities are still at planning stage because there was poor response from the International twinning institutions. Absorption of funds was very poor by 30th June, 2017. They are only paying salaries.
1338 Skills Development Project	53.42	22.12 (41.4%)	0.00 (0.0%)	The project start date was 1st July, 2015 and end date is 30th June, 2020. However, to date project implementation has not started. They are still sourcing for internationally accredited institutions for twinning to make them centres of excellence. By 30th June, 2017 they had not absorbed any funds.
1368 John Kale Institute of Science and Technology (JKIST)	1.60	0.80 (49.1%)	0.50 (62.4%)	The project start date was 1st July, 2015 and end date is 30th June, 2019. However, to date it is still at design level. Funds are spent on preparatory activities. The land title for JKIST has never been handed to MoES by Kisoro DLG.

Project name	Approved budget for FY 16/17	Budget Release by end of FY	Budget spent by end of FY	Remarks
1378 Support to Implementation of Skilling Uganda Strategy (BTC)	17.70	4.41 (24.9%)	0.21 (4.7%)	The project start date was 1st July, 2015 and end date is 30th June, 2020. To date project implementation has not started.
1412 The Technical Vocational Education and Training TVET LEAD).	4.64	3.08 (66.4%)	2.22 (72.2%)	This project start date is 2016 with end date of 2021. This is an addendum to Nakawa Vocational Training Institute and it is about to begin. The curriculum for the degree courses was revised by JICA. However, instructors under the program do not have the necessary qualifications. Many have diplomas instead of degrees. Yet some trained instructors with the necessary qualifications have left for better paying jobs. KCCA has no wage provision for the instructors who are degree holders. Construction has not started.

Source: IFMS; MoES Q4 Progress Report; Field Findings

Conclusion

Overall the performance of the Skills Development Vote Function was poor because 5 of the projects as shown in the Table 6.11 have not started and are not absorbing funds. However, the recurrent programme, as well as Project 0942 performed well at 77.4% and 92.2% respectively.

Recommendation

The Vote Function needs to ensure that the bottlenecks constraining the start of the five projects are addressed immediately. This will improve absorption of funds and achievement of the desired targets.

6.2.5 Vote 0706: Quality and Standards

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

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

Three of these were monitored: Teacher Education programme (04), Education Standards Agency and Development of PTCs Phase II (1340)

Teacher Education Programme (04)

Background

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.

Performance

Programme 04: Teacher Education

The total budget for the programme was Ug shs 8,850,518,359, of which Ug shs 8,828,119,059 (100%) was released and Ug shs 8,759,343,893 (99%) spent. Details are shown in Table 6.12.

Table 6.12: Performance of Teacher Education Programme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Output Policies, laws, guidelines, plans and strategies Salaries for 21 TIET staff paid; Salaries and wages for 21 Mulago Health tutors college staff, 51 Abilonino CPIC staff, 422 NTC staff paid PSFU, UMA, and PCU Paid lunch and kilomileage allowances to 21 TIET staff	100	4,222,408,359	65	31.10	Good performance noted as salaries, wages and allowances were paid for 40 of the 42 staff planned for. Money was disbursed to cater for the 51 Abilonino staff and the 422 NTC staff.
Curriculum Training of Teachers Welfare to TIET staff provided Monitored and support supervised TIET institutions to enhance quality in teacher education TIET vehicle fuelled, serviced, repaired and maintained	100	27,600,000	100	0.31	Welfare to TIET staff provided department vehicles fuelled, repaired and maintained. Support supervision provided for 11 TIET institutions (Kaliro NTC, Muni NTC, Mubende NTC, Uyama NTC, Abilonino National Instructor's College and Mulago Health Tutor's College; Ndegeya, Kabulasoke, Shimon, Kaliro and Gulu PTCs) to enhance quality in teacher education. Monitoring and supervision was delayed as budget was inadequate
Teacher Training in Multi-Displinary Areas Teaching practice exams and living out allowances for 3,751 students in NTCs, 175 students in Abilonino CPIC, and 120 students in Health Tutors college paid Facilitated Instructor Teacher Vocational Education and training	100	1,679,000,000	100	18.97	Paid teaching practice allowances for 3,751 students in 5 National Teachers Colleges (NTCs) (175 students in Abilonino CPIC, and 120 students in Health Tutors College. Facilitated instructor Teacher Vocational Education Training (industrial training) at Nakawa

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Training of Secondary Teachers and Instructors Capitation grants to 5 NTCs for 3,751 students, Abilonino CPIC for 175 students, Health Tutors Colleges for 120 students and 45 PTCs for 16,239 students paid.	100	2,921,510,000	100	33.01	Paid capitation Grants to 5 NTCs for 3,751 students; Abilonino CPIC for 175 students, Health Tutors College for 120 students and 45 PTCs for 16,239 students.
Total		**8,850,518,359**		**83.4**	**Physical performance was good**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Conclusion

- The performance of this programme (Programme 04: Teacher Education) was very good as it achieved 83.4% of the planned output targets for FY2016/17.

Implementation Challenge

- Inadequate capitation grants to the NTCs as the funds availed were limited to effectively run the operation of the NTCs.

Recommendation

The MFPED should revise the capitation grants for NTCs to enable them effectively run the institutions

Education Standards Agency (Programme 09)

Background

The program's objectives are: i) to provide a systematic and coherent inspection and quality assurance service, ii) to strengthen inspection, effectiveness and efficiency by working through partnership with foundation bodies, NGOs and CSOs, iii) to support Education Managers by developing professional effectiveness and iv) to strengthen inspection in schools by holding school managers accountable.

The expected outputs are: i) scaling up inspection from 1,900 secondary schools to 2,600 secondary schools and 500 BTVET to 600 Institutions, 20 PTCs to 45 PTCs, ii) Capacity building and training for both Local Government and Central Government Inspectors, iii) Develop and review, disseminate guidelines for DEOs and Inspectors of all schools to all LGs iv) to use systematic approaches to inspection by carrying out Monitoring of Learning Achievement and v) to empower foundation bodies and other Education partners by equipping them with skills to effectively monitor schools.

Performance

The Programme had a budget of Ug shs 4,150,136,898, of which Ug shs 3,182,375,518 (77%) was released and Ug shs 3,177,585,120 (100%) spent by the end of the FY2016/17.

Table 6.13: Physical Performance of Education Standards Agency by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, Laws, guidelines, plans and strategies Salaries, allowances paid; purchases of assorted stationary -Inspection of schools done; roadwork carried out MLA tests, inspection tools and feedback reports printed.	100	3,857,176,898	75	89.92	Good performance noted on most of the outputs. Salaries, lunch and kilometrage allowances were paid, teacher training institutions were inspected, and learning achievements were monitored. The procurement process for the assorted stationery, road works and printing of MLA tests had commenced but were not able to be completed due to financial constraints.
Training and Capacity Building of Inspectors and Education Managers 143 Local governments and municipalities activities monitored and support to education managers provided -Advertisements and public relations carried out -296 education managers and inspectors trained inland and 6 trained abroad.	100	292,960,000	100	7.06	112 LGs and Municipalities activities monitored and support to education managers provided; 3 Newspaper adverts (Bukedde, New Vision and Monitor) were paid for; Facilitated a one day DIS and DEO (300 participants) Workshop in President's office.
Total		**4,150,136,898**		**97.0**	**Performance was very good**

Source: IFMS; MoES Q4 Progress Report; Field Findings

The programme performed very well on their core mandate activities such as inspection of learning facilities.

Challenge

Limited and late release of funds which delayed the execution of some core activities. Funds were received during examination time so it was hard for inspection of some schools to be conducted.

Recommendation

The Accounting Officers should ensure timely release of the inspection funds to enable the inspection function to be undertaken.

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

Background

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

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

Performance

The project had a (revised) budget of Ug shs 5,443,544,370, of which Ug shs 3,294,590,281 (60%) was released and Ug shs 3,293,490,284 (99%) spent.

Table 6.14: Physical Performance of Development of Primary Teachers' Colleges Phase II by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, Laws, guidelines, plans and strategies Photocopying services and stationery procured small office equipment and furniture for the project procured Needs assessment conducted at new colleges	100	205,096,819	33.00	2.42	Needs assessment at the new colleges conducted and completed. Procured assorted stationery.
Government Buildings and Administrative Infrastructure Construction of facilities in 10 PTCs paid: Kisoro, Rukungiri, Rakai, Kabukunge, Christ th King, Erepi, Busuubuzi, Kabale, Bukinda, Kabwangasi, and Kaliro PTC Kickstart works at 6 PTCs; Kabwangasi, Kitgum, Busikho, Jinja, Ibanda, and Ngora PTC Kick start works at 6 PTCs. -40 site meetings at construction works paid	100	4,814,872,551	40	61.40	Paid part of the arrears for Certificates for construction of facilities at the 10 PTCs rolled over from previous FYs. To-date there is an outstanding bill of Ug shs 4 billion in unpaid certificates for those PTCs. Part of the money was used to pay for Certificate No 3 for on-going civil works at Shimoni Demonstration School (which was under project 0984 which closed in FY2015/16). The contract M/s Excel Construction Limited for these works is now paid for under this project 1340. The civil works for the 6 PTCs were not kick started as planned.
Purchase of Motor vehicles and other transport equipment Two motor vehicles procured for project activities	100	423,575,000	50	3.97	One vehicle (out of the 2 planned) was procured.
Total		**5,443,544,370**		**67.8**	**The physical performance was fair**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Performance of Development of Primary Teachers' Colleges Phase II (Project 1340) was fair as 67.8% of the annual output targets were achieved. Project performance was affected by diversion of part of the projects' funds to pay for ongoing works for Shimoni Demonstration School which were not in the approved work plan for FY2016/17.

Conclusion

The overall performance of the Quality and Standards Vote Function was good as the VF achieved at least 82.7% of the planned output targets for FY2016/17.

Recommendations

- The MoES should adhere to the approved workplan for the FY while implementing activities for this project.
- The MoES should expedite the process procurement processes and ensure that civil works for the six sites start.

6.2.6 Vote Function 0707: Physical Education and Sports

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

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

The Vote function has two development, Akii Bua Olympic stadium (1369) and National High Altitude Training Centre (1370), and one recurrent program, Sports and PE (12). The two development project were monitored. The entire budget FY2016/17 for this Vote Function was Ug shs 12.21billion.

Project 1369: Akii Bua Stadium

Background

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

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

The revised annual budget for this project was Ug shs 900,600,000, of which Ug shs 214,140,000 was released and Ug shs 208,140,000 spent by end of the FY2016/17.

Table 6.15 Performance of Project 1369: Akii Bua Stadium end of FY2016/17

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policies	100	45,600,000	23%	2.70	
72: Government buildings and administrative infrastructure (Perimeter fence completed to secure the stadium and start construction for the stadium)	100	855,000000	5.00	20.87	The perimeter fence was not done, the stadium was not secured and construction of the stadium did not start. A temporary ground was put in place
Total	**100**	**900,600,000**		**23.6**	**Poor performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

By 30th June, 2017, financial performance was fair as only 21.4% of the budget was released, of which 97.2% was spent. This FY2016/17, the MoES planned to complete a perimeter fence to secure the stadium land and to start the procurement of works to construct the stadium. Ug shs 175,000,000 was received by Lira DLG, which was all spent. Works on the perimeter fence to secure the stadium were not done due to limited funds.

The funds were used to grade the temporary football ground, procure murram to level Bishop Odur Kami Road, purchase and plant the grass for the temporary ground, procure the goal posts, netball posts and volley ball posts in the temporary ground. The performance on this project was therefore poor and the planned annual output targets were not achieved.

Prisoners planting passparum grass in the temporary ground that had just been levelled at Akii Bua Stadium –Lira District

Conclusion

Two years after the project became effective, Project 1369: Akii Bua Stadium is far behind schedule both in terms of financial disbursements and physical performance.

Recommendation

- The MoES should expedite the construction of Akii Bua Stadium as it is behind schedule.

Project 1370: National High Altitude Training Centre

Background

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

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

The annual budget for this project was Ug shs 5,829,800,000, of which Ug shs 5,429,800,000 (93%) was released and Ug shs 5,408,958,002 (99%) spent by end of FY2016/17. Both release and expenditure were very good.

Table 6.16: Physical Performance of the National High Altitude Training Centre by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Policies, Laws, Guidelines and Strategies	100	174,800,000	100	3.00	
Government Buildings and Administrative Infrastructure	100	5,635,000,000	80	83.24	The site was handed to the contractor in January 2017. Civil works started on the hostel block, artificial turf, site roads, parking and material for the chain link delivered.
Purchase of Motor Vehicles and Other Transport Equipment	100	20,000,000	100	0.34	
Total		**5,829,800,000**		**86.6**	**Good performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

This phase is to cost Ug shs 25,677,856,046.8 for a period of 36 months. M/s China National Complete Plant Import and Export Corporation were procured to undertake the works. The annual targets were achieved as 86.6% was achieved by 30th June 2017.

On the construction works: Form works for the hostel block to the columns were 100% completed, reinforcement of the columns completed, the form work to the first floor slab was 50% complete and the steel works for the beams were at 45% progress, the block works and sub-structures for the external kitchen were at ring beam level. The overall progress on the hostel block was 40%.

The excavation works for the artificial tuff were 100% done. The excavation works for the 3km jogging track were at 40% progress by 30th June 2017. Cutting away and excavation of top soil for the site roads and parking were at 40% progress, materials for the chain link fence were delivered to the site but works were yet to commence. While the project is slightly behind schedule, good progress had been made.

The external works (fencing, gate house, water pond) was at 0% progress. The overall cumulative progress reached 15% and the project activities were reported to be on schedule. This was good progress given that the site was handed over to the contractor on 19th January 2017 for the first phase.

Challenges

- The deed plans are not in place and the land title for the project area is not available.
- The survey report of the 148 acres is not yet available.

Conclusion

Vote function 0707: The Physical Education and Sports, performed fairly (55.1%) on account of Project 1370: National High Altitude Training Centre, which had performed well both on the financial and implementation of planned activities.

Recommendations

- The MoES should ensure that funds for Project 1369: Akii Bua Stadium are expeditiously released to the project to enable timely execution of works.
- The MoES should ensure that the survey report for the 148 acres together with the land title for the project are secured.

6.2.7 Vote 0749: Policy, Planning and Support Services

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

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

Programme 01: Headquarter

Background

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

The expected outputs; ensuring efficient and effective deployment and utilization of the human, material, and financial resources to achieve the Sector goals.

Performance

The (revised) budget for this FY was Ug shs 37,306,396,518, of which Ug shs 34,747,583,283 (93%) was released and Ug shs 32,637,518,270 (94%) spent. Table 6.17 details the findings.

Table 6.17: Physical Performance of Programme 01 Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Policy, consultation, planning and monitoring services - pension for General Civil Service paid	100	25,107,536,510	95.00	63.94	Pension was paid to 2,660 General Civil Service retirees and gratuity to 8 people.
Ministry Support Services - facilitation of field trips for different activities both inland and abroad, procurement of office furniture, motor vehicle tyres, fuelling, servicing and maintenance.	100	3,297,417,293	83	9.39	The necessary public information was disseminated, maintenance of vehicles was done, and office furniture was procured. Other ministry support services were achieved Inland travel reduced due to constrained budget. Insufficient funds to finance the procurement of motor vehicle tyres and batteries.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Ministerial and Top Management Services - Payment of utility bills (water, electricity, rent, security) and support to the registry function.	100	4,961,367,961	65	11.87	Utility bills and medical entitlements were paid and Uganda flags on the State Ministers' vehicle were placed. Procured calendars for Ministers and PS offices, printed and bound assorted documents, procured assorted cutlery, fridge guards and
					other assorted items, serviced and repaired metal detectors, paid utility bills, paid rent for Social Security House and Legacy Towers.
Support to National Commission for UNESCO Secretariat and other Organisations -Training, attending conferences, supervision, development of models and encouragement of Youth involvement in UNATCOM and UNESCO activities.	100	1,108,468,000	70	2.97	Facilitated UNATCOM to perform administrative services. Trained Fifty (50) journalists on the UNESCO Tool Kit of Freedom of Expression in commemoration of the world press Freedom Day. Facilitated staff to attend the Paris conference held in Paris, France in January, 2017; a meeting in China at the end of March, 2017. Facilitated a conference held in Dar-es-Salaam in Tanzania.
Arrears	100	2,831,606,754	0	0.00	No domestic arrears paid.
Total		**37,306,396,518**		**87.6**	**Good Performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

The programme performance was good as 87.6% of the annual recurrent targets were achieved.

Programme 08: Planning

Background

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

Performance

The total budget for FY2016/17 was Ug shs 5,794,859,811, of which Ug shs 4,056,262,962 (70%) was released and Ug shs 3,973,072,457 (98%) spent. The annual targets were achieved. Table 6.18 details the performance.

Table 6.18: Physical Performance of Programme 08: Planning by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policy, consultation, planning and monitoring services Budget Framework Papers (BFPs) and budget estimates , release advises, MPS, Cabinet memorandum prepared	100	1,368,550,000	100	23.62	BFPs, MPS, Cabinet memorandum, 4 quarterly performance reports and monitoring of LGs were all carried out.
Ministry Support Services MPS printed; sector programs monitored and supervised; implementation guidelines reviewed -heavy duty photocopier machine for education planning, and policy Analysis department maintained	100	962,993,049	50	12.22	Conducted a Regulatory Impact Assessment of the Proposed Skills for Production Enterprise Development in Animal Resources (SPEDA) National Programme, monitored and supervised sector programmes, procured firm to print the MPS for FY2017/18
Education Data and Information Services Annual School Census (ASC) conducted, -Verification of ASC 2016 exercise conducted ; Education statistics Information dissemination workshop held -Salaries paid and assorted stationary procured	100	2,198,375,762	50	26.65	Piloted and pre-tested the ASC 2017 data collection instruments. Provided office imprest for the Statistics section. Paid SACMEQ annual subscription fee. Paid outstanding ASC 2016 balances for Sironko DLG. Paid lunch allowance and mileage for 23 staff in Q1 and Q2 and 38 in Q3. Headcount and validation exercise conducted 2017; Verification exercise for annual school census 2017; Workshop to disseminate Education Statistics Information and quick action activities. Part contribution made to SACMEQ honored.
Education Sector Coordination and Planning -Stationary for workgroups provided -Education and Sports Sector review and Budget workshops held -Revised Education Sector Strategic Plan -Education sector projects formulated	100	1,264,941,000	80	20.58	Organised and held workshops for the Education and Sports Sector Strategic Plan (2016 - 2020) review meetings; Updated and formulated Education and Sports Sector projects. The final Education Sector Strategic Plan (2016 - 2020) will be available after wide consultations have been concluded and approval by relevant authorities has been secured.
Total		**5,794,859,811**		**83.1**	**Good Performance**

Source: IFMS; MoES Q4 Progress Report; Field Findings

Performance of Programme 08 was good as 83.1% of the annual targets were achieved.

Conclusion

Both programmes under Vote 0749 Policy, Planning and Support Services performed well and achieved most of the planned output targets.

Implementation Challenge

Demand for consumptive items, like fuel and travel abroad, is so high especially from the political leaders and this makes keeping within the limit set by Government difficult.

Recommendation

The MoES Accounting Officer should explain to the political supervisors the financial and accounting regulations within which they are operating in order to avoid future queries.

Overall Conclusion of Vote 013

The overall performance of Vote 013 was fair with 68.58% of the annual output targets achieved. The best performing VF was Higher Education with 93.5% targets achieved followed by VF 0749 - Policy Planning and Support Services with 87.5%, and Quality and Standards with 82.7%. The Secondary Education VF performed well with 70.9% of the annual output targets achieved. The worst performing VF was Skills Development largely because 5 of the projects under the VF had not started long after becoming effective and are not absorbing funds. On the other hand, the Quality and Standards, Pre-Primary and Primary Education and Physical Education and Sports VFs performed fairly with 67.8%, 62.2% and 55.1% respectively.

6.3 UNIVERSITIES

During FY2016/17, a total of Ug shs 56,701,061,681 supplementary funding was released 9 public universities to cover domestic arrears and salaries. Table 6.19 gives the details.

Table 6.19: Supplementary funds received by the different Universities in FY 2016/17

University	Supplementary received for salary (Ug shs)	Supplementary received for domestic arrears (Ug shs)
Uganda Management Institute	1,379,288,199	894,826,639
Busitema University	95,612,613 (for gratuity payments for staff)	1,825,424,122
Muni University	279,448,799	895,989,898
Gulu University	1,428,514,471	3,320,787,660
Makerere University	577,504,749	12,123,350,422 10,000,000,000 (Contribution to the retirement benefits scheme)
Busitema University		1,825,424,122
Makerere University Business School (MUBS)	1,949,020,226	3,153,073,856
Kyambogo University		4,408,454,479
Mbarara University		1,878,092,924

Source: IFMS

Last FY 2016/17 nine out of the 11 public universities experienced budget shortfalls largely for salaries and domestic arrears. This constrained some of their activities as some of them were not able to pay for their June salaries.

Universities in general should be able to do proper budgeting for all their annual requirements without having recourse to a supplementary.

6.3.1 Vote 111: Busitema University

Delivery of Tertiary Education and Research (0751)

The Vote Function's objective is to develop human capacity with employable skills that are critical for the social transformation of the country through teaching and training, research and outreach in science and technology for tertiary education. There was one development and one recurrent program under the Vote Function. Both of these were monitored.

Programme 01: Headquarters

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

The expected outputs: (1) To provide excellent teaching and learning that will equip graduates with employable skills that are critical for socioeconomic transformation of the country, (2) To promote research, community engagement and technology transfer in science and technology applicable for the society, (3) To develop the human resources capacity at the University, (4) To build internal capacity for financial resource generation and mobilization.

The total (revised) budget for this programme this FY was Ug shs 28,149,407,581 of which Ug shs 26,557,990,249 (94.35%) was released, and Ug shs 19,955,327,615 (75.14%) spent by 30th June, 2017. All of the outputs were monitored at half year and their performance is presented in Table 6.20.

6.20: Performance of Busitema University Headquarters FY 2016/17 by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Teaching and Training. 3741 students taught and examined, 100 proposals and projects for final year students vetted and approved, I tracer study carried out;	100	13,134,240,154	84.00	40.59	3,143 students were enrolled and taught, 1,143 students graduated, 6 programs revised, two semesters conducted, 541 proposals developed, 1 tracer study carried out.
Research, Consultancy and Publications (I training session in proposal, report writing and publication skills conducted, I research collaboration conducted, 25 publications published, 7 students prototypes tested)	100	80,100,000	82	0.00	4 training sessions carried out in proposal, report writing and publication skills, 3 research collaboration carried out, 102 publications by staff published, 9 students prototypes tested.
Outreach 2 HIV/AIDS sensitization workshops, I hatchery established, 120 farmers trained in best practices, 3 prototypes per department tested	100	57,323,000	95	0.19	Planted over 3,000 trees, 6 HIV sensitization workshops carried out, 1 hatchery established, 540 farmers trained, 9 prototypes developed, 1 exhibition done.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Student Welfare (Accommodation and allowances for 3 months paid, 15 teams participate in AUU games, 500 students counselled, 1,500 under graduate gowns purchased)	100	1,877,872,781	80	5.66	Students were paid feeding and living out allowances, 1 guild election conducted, gowns purchased, 17 students participated in the AUU games and 2,526 students were counselled. The Vote over-achieved on four of these targets.
Administration and Support Services (One annual workplan, BFP, MPS prepared, 1 quarterly budget performance review carried out, NTR reports, 1 training need assessment carried out, 25 staff sensitized on HR policies, 2 council meetings, 20 staff confirmed in service)	100	9,825,967,952	94	34.91	Work-plan developed, 4 quarterly progress report submitted to MoFPED and MoES, 6 council meetings were held, I quarterly internal audit report produced, internet services were provided to all six campuses , land policy developed, HIV and Gender policy developed
Arrears	100	3,173,903,694	0	0.00	The university received a supplementary to pay for domestic arrears and gratuity payments
Total		**28,149,407,581**		**81.6**	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

As evidenced above, the recurrent program performed well. The table also shows that 81.6% of planned recurrent output targets for the FY were achieved. The university had gratuity arrears of Ug shs 1.8billion covering about 300 staff for the period 2007 to 2013 when all staff where on contract. The university also had domestic arrears totaling Ug shs 95,612,613. However all these were later cleared through a supplementary.

Challenges

- Staffing shortages; for example the Mbale campus is operating at 26% of the overall workforce.
- Budget cuts for FY2017/18 are predicted to have negative impacts on the effective running of the university.
- Busitema University has six campuses all located in rural areas. These areas are not connected to the National Backborn Infrastructure (NBI). This has made provision of Internet services to the campuses very expensive.
- Introduction of IFMIS to universities in the middle of the FY was a big challenge.

Busitema University Infrastructure Development (1057)

The project started on 1st July, 2008 and is expected to end on 30th June, 2018. The overall goal of the project is to create a conducive environment for teaching and learning for nurturing students at the university, as well as enhance the research portfolio of Busitema University.

The expected outputs are: (1) construction of two lecture rooms at Nangongera Campus, (2) construction of 1 medical complex at Mbale campus, (3) construction of 1 lecture block at Arapai campus (4) construction of 1 lecture block and administrative block at Namasagali campus (5) installation of LAN, WAN and Intercoms at Busitema and Arapai campuses, (6) Water harvesting equipment installed in University Buildings (10 tanks),

(7) Renovation of Hostels, (8) A number of sports and recreational centres developed and renovated (6 each of football pitches, 6 volley ball, basketball, netball, cricket, lawn tennis and rugby) and (9) installation of Solar Panels systems. Three outputs were monitored and the findings are reported in Table 6.21.

The total budget for this project for FY2016/17 was Ug shs 1,077,520,811, of which Ug shs 474,952,082 (44.08%) was released and Ug shs 214,742,262 (45.21%) spent by 30th June, 2017.

6.21: Physical Performance of Busitema University Infrastructure Development Project FY 2016/17 by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Government Buildings and administrative infrastructure (Construction of a lecture block at Arapai)	100	840,000,000	28.00	56.08	The lecture block at Mbale was not done because the release was low. Construction at Arapai was done but only half of the bill was paid. The designs for the lecture block at Namasagali and Mbale were done. Renovation of the volley ball and net ball pitches and the police post were done. The basketball pitches at Busitema was done while the one at Namasagali was not done.
Purchase of Motor Vehicles and Other Transport Equipment	100	200,000,000	100	25.08	2 pick-ups procured. A tractor for Arapai campus was procured.
Purchase of Office and ICT Equipment, including Software	12	0	0	0.00	Some computers were procured but performance was at 50% because the release was inadequate.
Purchase of Office and Residential Furniture and Fittings	100	200,000,000	100		Furniture was procured.
Total		**1,077,520,811**		**74.6**	**Physical performance was good**

Source: IFMS; Q4 Progress Report; Field Findings

Despite the poor performance of the release (44%), physical performance for Busitema University Infrastructure Development Project FY 2016/17 was good as 74.6 % of the planned output targets were achieved. This was on account of the good performance on the first two outputs (i.e.Government Buildings and Administrative Infrastructure and Purchase of Motor Vehicles and Other Transport Equipment) where the bulk of the funds were.

Conclusion

The overall performance of Vote 111 Busitema University was good as 74.6% of the annual targets were achieved.

Challenge

- Some contractors were not paid and are threatening to take the University to court.

6.3.2 Vote 308: Soroti University

The Vote mission statement is to develop an innovative institutional and educational model for vocationalizing education and extension system so as to increase the productive and entrepreneurial capacity in students/youth and communities.

The Vote has one Vote Function - Delivery of Tertiary Education and Research. There was one development project, (Project 1419 Support to Soroti Infrastructure Development), and one recurrent program (Programme 01 Headquarters), under the VF. Both were monitored.

Programme 01: Headquarters

The recurrent budget for this FY was Ug Shs 5,006,999,998, of which Ug shs 4,160,774,993 (83.10%) was released and Ug shs 2,483,429,268 (59.69%) spent by 30th June, 2017. Table 6.22 shows the details.

Table 6.22: Physical Performance of the Recurrent Programme – Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training	100	1,775,229,322	0.00	0.00	No students were enrolled at the university for FY2016/17 as it had not effectively started teaching.
Research, Consultancy and Publications	100	169,009,156	0	0.03	Academic programmes were developed. A needs assessment done leading to three new programmes which are under review (BSc Industrial Engineering, BSc Castonomy and BSc Greenary science). The research agenda was developed.
Outreach	100	843,605,504	0	0.00	No students were enrolled at the university. They are however going to partner with MUK and AFRISA to set up model farms for IGAs and training of farmers in Serere.
Student Welfare	100	472,522,935	0	0.00	No students were enrolled at the university.
Administration and Support Services	100	1,686,633,081	50	19.44	All salaries and statutory deductions for the 46 administrative staff were paid. All gratuity for the six staff were paid. There were not able to recruit additional staff as the University Council was not in place. A recruitment plan for FY2017/18 was developed. All operation activities were done including budget reports, student rules and regulations, strategic plan, financial, audit and HR manuals were developed and were awaiting approval by Council to become working documents.
Guild Services	100	40,000,000	0	0.00	No students were enrolled at the university for FY 2016/17

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Contributions to Research and International Organisations	100	20,000,000	100	0.40	They have contributed to the VC forum, Common Wealth Universities, University Secretary Forum, ICAD, UNESCO
Total		**5,006,999,998**		**19.8**	

Source: IFMS; Q4 Progress Report; Field Findings

In FY2016/17, Soroti University had not started operations and did not do well on the recurrent side because it had not enrolled students. Because of that, absorption of funds on the recurrent budget stood at 59.69%. However, all the other preparatory activities to make the university operational in the subsequent FY2017/18 were undertaken. These included securing all university land, development of the university infrastructure, putting in place the University Council and all the operational activities as shown above. Permission was also sought to shift funds to other outputs but within non-wage.

Soroti University Infrastructure Development (1419)

The entire project has a duration of 5 years, and began on 1st July, 2016 with an expected end date of 30th June, 2021. It has a large scope including the creation of lecture halls, libraries, laboratories, internal roads, pathways and offices, to mention but a few. At half year, three activities were monitored; (1) construction of a teaching block, (2) construction of a laboratory block and (3) construction of a multi-purpose block. The three projects had staggering start dates, the multipurpose block began on 7th January, 2015, the teaching block started on 3rd November, 2014 and works on the laboratory began on 10th May, 2014, stalled in early October of that same year and restarted again at the end of the month – 29th October, 2014.

The total development budget for Soroti University was Ug shs 6,000,000,000, of which Ug shs 4,272,000,000 (71.20%) was released and 3,297,000,000 (77.18%). Table 6.23 shows the details.

Table 6.23: Physical Performance of Soroti University Infrastructure Development Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of Land by Government Transfer Land title of 288 Hectares of land at Arapai to Soroti University Name, Fencing off of 1.5 kilometres side of the land, valuation of property belonging to squatters, compensate 15 families who were squatters.]	100	105,000,000	25.00	0.46	A very small proportion of the budget released. Fencing was done, land title acquired, 4 squatters who accepted were paid, boundaries were cleared for the second time and all those within University land ordered to vacate.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Government Buildings and Administrative Infrastructure [Completion of 8 Office spaces]	100	4,153,000,000	78	70.21	The overall progress of the site was 90% as at end of FY2016/17. Construction of the multi-purpose block reached 85% progress, the laboratory block reached 92% progress and the teaching block reached 92% progress. They were all remaining with finishes works, and external works which included the parking area, walk ways and the green areas. The works were on schedule. 11 certificates were raised of which 10 were paid.
Roads, Streets and Highways [Tarmack 0.5 kilometres of road from main road to main Campus, build a round-about]	100	273,000,000	0	0.00	Tarmac was not done due to budget cuts. However, the roundabout was done and routine maintenance.
Purchase of Motor Vehicles and Other Transport Equipment [Procure 2 Station wagons, 2 Mini-Buses]	100	650,000,000	50	5.41	Procured 2 motor vehicles (a station wagon and one Mini bus van)
Purchase of Office and ICT Equipment, including Software. [Procure 40 Desktop Computers, 5 laptops, Bandwidth of 30 mbps, 2 Multi-purpose Heavy Duty Printers, 10 iPads, LCD Projectors, 3 Beamers, 4 scanners, 3 Solar Pannels of 1,500 Watts each, 12 solar batteries of 1,500 AH each.]	100	725,000,000	50	13.28	24 computers were procured, 10 ipads and a big server. Networking was to be done.
Purchase of Specialised Machinery & Equipment [2 Heavy Duty Photocopiers, 2 shredders, 20 fans]	100	40,000,000	29	1.19	2 heavy duty photocopiers were procured
Purchase of Office and Residential Furniture and Fittings [10 Lecture chairs, 10 Library Chairs,5 office chairs]	100	10,000,000	100	0.16	Office and residential furniture were procured (100%).

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Construction and rehabilitation of learning facilities (Universities) [Completion of 6Laboratories, 2libraries, 2 assembly halls, assorted laboratory equipment]	100	19,000,000	23	0.45	Construction of the laboratory block reached 92% progress. Finishes works were remaining.
Lecture Room construction and rehabilitation (Universities) [Completion of 18 lecture rooms]	100	19,000,000	69	1.35	Construction of the teaching block reached 92% progress. Finishes works were remaining.
Campus based construction and rehabilitation (walkways, plumbing, other) [Building pavers, walkways , calvats of 500 metres]	100	6,000,000	6	0.04	External works which included the parking area, walk ways and the green areas were yet to be done.
Total		**6,000,000,000**		**92.55**	**Very good performance**

Source: IFMS; Q4 Progress Report; Field Findings

L-R: Multi-purpose block at 85% progress, Laboratory block at 92% progress

L: The teaching block at 92% progress at Soroti University

Performance of Soroti University Infrastructure Development Project FY 2016/17 was very good. The university made significant progress on the development side despite the release of 71.2%. The core activity of government buildings and administrative infrastructure progressed well as the overall progress of civil works reached 90% progress. The three structures under construction progressed as; multipurpose block (85%), laboratory block 92% and the teaching block 92%. Remaining finishes works included; splash aprons, verandah works, plumbing works, external works, paving the parking areas, walk ways, green areas. Civil works were on schedule and were expected to be completed in time.

Challenges

- The university does not have adequate staff (teaching and administrative).
- Lack of staff services such as accommodation, commercial services like banks and bookshops and a canteen within the university.
- The university has only 4 motor vehicles which are in a pool thus causing transport problems.

Conclusion

The overall performance of Vote 308 Soroti University was fair as 56% of the annual output targets were achieved with better performance on the development side than on the recurrent side.

Recommendation

- Government should release all the development release to the university so that they are able to pay the contractors for all the civil works at the university and for all works to be completed on schedule.

6.3.3 Vote 127: MUNI UNIVERSITY

The overall Vote objective is to conduct teaching, research, outreach activities, examinations and award degree, diplomas and certificates. The Vote has one Vote Function - Delivery of Tertiary Education and Research. There was one development project, (Project 1298 Support to Muni Infrastructure Development), and one recurrent program (Programme 01; Headquarters), under the VF and both were monitored.

Programme 01: Headquarters

The (revised) budget for this programme was Ug shs 8,174,492,905, of which Ug shs 8,174,367,893 (100%) was received and Ug shs 5,721,104,222 (69.9%) spent.

Table 6.24: Physical Performance of the Recurrent Programme for Muni University by 30th June, 2017

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training [Conduct 34 weeks of lecture for 300 Government sponsored students and 48 privately sponsored students, prepare and conduct examinations for 348 students Admit 108 New Government and 40 private students, Introduce Bachelors of Nursing Sciences and Bachelors of Science with Education]	4.00	1,788,061,547	90.00	19.69	Admitted 102 government students and 117 private, of which 82 government and 69 private students reported. Introduced a BSc Nursing and BSc with Education courses. All lectures undertaken and students examined.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Research, consultancy and publication [15 research proposals written for funding, and 15 articles published]	2	121,942,337	85	1.27	Published 12 articles and 5 are in the pipeline.
Outreach [ICT problems identified and defined. Community trained in effective use of ICT]	2	440,138,354	80	4.31	The community identified the ICT problems and were published in journals.
Students welfare [Pay Living out allowance to 300Government sponsored students allowance and faculty allowances]	1	918,742,104	100	11.24	Living out and faculty allowances were paid to 264 government sponsored students.
Administration and Support Services [Recruit additional Teaching, Administrative and Support staff, Enter new staff on payroll Pay staff salaries and allowances every month, Make Statutory deductions to URA for PAYE and NSSF of 10% employers contributions every month, Transfer Gratuity to Gratuity account, Confirm staff due for Confirmation]	6	3,984,618,665	100	48.74	Recruited additional staff and are on the payroll. Paid all salaries and made statutory deductions
Guild Services [Establish NEW Guild Government in 1st Semester, Draw the Guild budget, Approve the budget. Support Guild Government]	4	10,000,000	100	0.12	The student guild was elected in the first semester. The guild budget was drawn, approved and supported by government.
Contribution to research and international organisations [Make contributions to Research and organisations, AICAD, IEACL, CUUL, VCs Forum, Deans Forum, Academic staff Association, Non Administrative Staff Association and NUEI Support Staff), make contributions to research materials]	2	15,000,000	100	0.18	Contributions to research and international organisations such as ICAD, IEACL, CUUL, VCs Forum, Deans Forum. Academic staff association, Non-Teaching Staff Association etc was done
Arrears		895,989,898	0	0.00	
Total		**8,174,492,905**		**85.6**	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

The recurrent programme for Muni University performed well (85.6%) by the end of FY 2016/17. The core output targets were achieved.

Project 1298: Support To Muni Infrastructure Development

The total project budget was Ug shs 4,550,000,000 of which Ug shs 2,535,058,400 (55.72%) was received, and Ug shs 1,843,409,650 (72.72%) spent by 30th June, 2017. Table 6.25 shows the details.

Table 6.25: Physical Performance of Support to Muni Infrastructure Development by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of Land by Government	100	220,000,000	90.00	3.72	Due to the shortfall, did not achieve the master plan for Paroketo and Bidi bidi. They concentrated on main campus.
Government Buildings and Administrative Infrastructure	100	2,430,000,000	90	50	Commenced on fencing. Progress was 70%. Over achieved because contractor used own funds. This has been rolled over to FY2017/18. Fully paid the land procured from TPO and facility was fully handed over to University. They are in process of transferring the title to the names of the university.
Purchase of Motor Vehicles and Other Transport Equipment	100	950,000,000	0	0.0	Motor vehicles not procured. All the funds were diverted and used to pay for the TPO above.
Purchase of Office and ICT Equipment, including Software	100	256,300,000	20	1.98	Procured afew computers and laptops. No scanners, no projectors, no flat screens etc were procured due to shortfall in the releases.
Purchase of Specialized Machinery & Equipment	100	293,700,000	0	0.00	Specialized machinery were not procured because of the shortfall in releases.
Purchase of Office and Residential Furniture and Fittings	100	400,000,000	0	0.00	Most of the office and residential furniture was not procured because of the shortfall in the releases. Procured around 5%.
Total		**4,550,000,000**		**55.7**	**Fair performance**

Source: IFMS; Q4 Progress Report; Field Findings

The table shows that whereas half of the development budget was released, overall performance was fair. While performance on the core activity of government infrastructure reached 70%, the university did not achieve on most of the other planned output targets due to limited funds.

Challenges

- The university is grossly understaffed and the wage bill is small compared to the requirement. The circular from MoPS indicated higher salaries than what the university was paying to staff for FY 2016/17. This has caused domestic arrears of Ug shs 800m statutory deduction inclusive.
- The administrative costs for running the university are too high. The University Secretary, Bursar and other administrative staff often have to travel to Kampala for unforeseen meetings and other official work at MoFPED, Auditor General, State House and other places and the university cannot pay for all their allowances all the time.
- Limited funds to sufficiently meet the needs of a young university that is science inclined.
- The university gets limited resources from NTR which makes it rely heavily on government funding.
- Internet connectivity challenges because the National Backbone Infrastructure (NBI) has not yet been extended to the West Nile region.

Conclusion

Overall the Vote performed well during FY2016/17 (average 70.65%), with better performance on the recurrent than development side.

Recommendation

- The Government should release all the development funds to the university so that they are able to pay the contractor for all the civil works at the university and for all works to be completed on schedule.

6.3.4: Vote 301 Lira University

The University was established by an Act of Parliament on 25th June, 2015. It has a main campus located at Ayere Village, Barapwo Parish, Lira Sub-county 10km off Lira Municipal Council along Lira – Kamdini road. The university was established as a model for Health Sciences and is majorly Applied Science and Technology based and it aims at producing more skills in Healthy Science and Technology to respond to the increased demand from the labor market and promoting the development of a knowledge-based economy by providing solutions to community Health problems.

The Vote has One Vote Function - Delivery of Tertiary Education and Research. There was one recurrent programme (Programme 01: Headquarters) and one development project, (Project 1414 Support to Lira Infrastructure Development)m and both were monitored.

Programme 01: Headquarters

The budget for this FY was Ug shs 6,449,400,000 of which Ug shs 5,837,482,524 (90.51%) was received, and Ug shs 4,253,588,506 Ug sh (72.87%) expended.

Table 6.26: Physical Performance of the Recurrent Programme: Lira University Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 01 Teaching and Training (900 students taught and examined for two semesters of which 100 will be government sponsored, Two Semester examinations conducted and reviewed by external examiners, Five academic programs developed, 167 students supervised for internship, 125 research projects for the final year students supervised, vetted and approved, 60 academic staff salaries paid for 12 months)	100	2,479,634,182	42.00	18.86	696 students of which 84 were government sponsored were taught for 2 semesters. Seven academic programmes were developed. 167 students were supervised during internship. 132 project proposals were developed and 71 academic staff were paid salaries and statutory deductions made. They over achieved on a number of these outputs.
07 51 02 Research, Consultancy and Publications (3 research collaborations conducted, 2 training sessions in proposal, report writing and publication skills done, 4 publications by staff in different recognized journals, 34 students prototypes tested, E-Library purchased to boost research and publications.)	100	241,277,746	40	1.73	Two out of three research collaborations were concluded. 3 training sessions in proposal and research writing were done. 4 publications by staff in different journals were undertaken. 74 students prototypes were tested. They subscribed to the E.library to 4 library sessions. They over achieved on at least 3 outputs.
07 51 03 Outreach (3 HIV/AIDS sensitization workshops for students and communities around the University carried out, 2 community mobilization and sensitization on hygiene and sanitation and solid waste management, etc.)	100	11,600,000	50	0.09	5 out of 3 sensitization events were conducted in communities and inside the university on HIV, Hepatitis B, and cervical cancer. 6 public health events were conducted. 2 practical field attachments and domiciliary conducted. 2 business entrepreneurial skills sensitizations conducted. They over achieved on these outputs.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 04 Students Welfare (100 students paid living out allowances at a rate of Ug shs 6,000 per day for two semesters, One Guild election conducted, 4 Guild Cabinet meetings conducted, etc..)	100	260,604,035	51	2.32	Living out allowances for 84 students were paid. 6 guild meetings held. 4 guild functions, 7 games and sports activities were conducted. 300 new students were oriented. UNSA funds were remitted. They over achieved on these outputs.
07 51 05 Administration and support services (One annual work plan, BFP itemized and MPS for FY 2017/18, 4 quarterly budget performance reviews carried out, 4 quarterly progress prepared and submitted to MOFPED and MoES, One Training needs assessment carried out, 107 new staff inducted and oriented, 53 staff Confirmed, etc)	100	3,456,284,037	70	39.73	Workplan/MPS, 3 quarterly reports submitted, one training needs assessment conducted, 53 staff were confirmed, 107 staff inducted, 6 council meetings held, a strategic plan submitted, the master plan and the building plan were at award stage, ICT services, 54 computers and 6 laptops were provided, cable lines were laid and the server room was constructed. 15 and 12 staff on Masters PhD trainings respectively in different universities. They over achieved on these outputs.
07 51 51 Guild Services (Transfer to guild fee account for Guild activities)	1	45,060	1	0.65	The independent guild account was opened.
Total		**6,449,400,000**		**62.7**	**Fair performance**

Source: IFMS; Q4 Progress Report; Field Findings

Table 6.26 shows that the financial performance of the recurrent programme was fair.

Challenges

- A technical supplementary was made which reduced the wage allocation for the last quarter (April to June 2017), as a result salaries and wages for those months were not paid. Also domestic arrears are still outstanding due to inadequate funds.
- Staff at the same rank in different public universities are getting different salaries, thus causing disharmony among the staff. This is because the older and bigger universities have more students and receive more NTR and are able to top up salaries of their staff.

Project 1414: Support to Lira Infrastructure Development

The approved budget for this project was Ug shs 1,500,000,000 which was all released (100%) and Ug shs 1,310,000,000 (87.3%) spent by 30th June, 2017.

Table 6.27: Physical Performance of the Development Project: Support to Lira Infrastructure Development (Lira University) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 72 Government building and Administrative Infrastructure (Construction of Administration block phase one, Designing and Development of master plan and physical plan of Lira University)	100	601,600,000	25.00	10.03	Procurement for all the building plan and the physical plans was at the award stage. Funds were not spent on this activity. Target not achieved.
07 51 73 Roads, Street and Highways (opening and graveling roads and making bridges for 3 km road network)	1	100,000	0	0.00	Roads were opened, but not graveled because the master plan was not ready. Target was not achieved.
07 51 75 Purchase of Motor Vehicles and Other Transport Equipment (1 station wagon for the Vice Chancellor's office purchased, 2 double cabin pickup purchased, Final payment of Bus asset released)	100	398,400,000	66	17.53	One Motor Vehicle and 2 double cabins were bought, and final payment of the bus was made. Targets achieved.
07 51 76 Purchase of Office and ICT Equipment, including Software (Connecting Lira University to the main grid ICT Backbone, procurement of machinery and equipment (100 computers, computer accessories, 3 photocopiers and medical equipment, 20 projectors)	2	500,000	1	0.00	Internal connections were done and were waiting for the ADB project to connect to the main grid. 54 computers, 3 printers, 8 medium size printers, and medical equipment worth Ug shs 300 million were procured.
07 51 78 Purchase of Office and Residential Furniture and Fittings -Procurement of 200 lecture chairs, 20 lecture tables, 20 office chairs, executive furniture for Council Board room,15 executive office tables and 15 executive office chairs.	1	100,000	0	0.00	200 lecture theatre chairs, 10 tables and 10 computer tables and the executive furniture for the council board room were procured.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 81 Lecture Room construction and rehabilitation (Universities) (Completion of one Public Health block)	100	500,000,000	60	20.00	Public Health block was successfully completed.
Total		**1,500,000,000**		**47.6**	**Poor performance**

Source: IFMS; Q4 Progress Report; Field Findings

Table 6.27 shows that physical performance of Project 1414: Support to Lira Infrastructure Development was poor. While 100% of the development budget was released, many of their annual development targets were not achieved. For instance procurement of the building plan and the physical plans were not achieved and funds were not spent, the roads were not graveled because the master plan was not in place.

Challenges

- The budget for infrastructure development is still inadequate this being a new university.
- The university is still understaffed yet it has a teaching hospital. Staffing levels are at 26% and has not yet attracted staff at senior level.
- There was a budget reduction for the non-wage recurrent from Ug shs 2.7billion to Ug shs 2.6billion yet the government sponsored students have increased from 100 to 200.
- Power fluctuations negatively impact on the operations of the university such as IFMS, ICT and other teaching/medical operations in the teaching hospital.
- The university lacks a perimeter wall around the campus which compromises its security.

Conclusion

Overall, Vote 301: Lira University performed fairly during FY 2016/17 (average 55.15%), with better performance on the recurrent than development side.

Recommendation

- Government should release all the development budget to the university so that it is able to implement the development activities as planned.

6.3.5 Vote 149 Gulu University

Gulu University was established to be a leading academic institution for the promotion of rural transformation and industrialization for sustainable development. The Vote has one Vote Function - Delivery of Tertiary Education and Research. There was one recurrent programme (Programme 01: Headquarters) and one development project, (Support to Gulu Infrastructure Development), and both were monitored.

Programme 01: Headquarters

The programme had a total (revised) budget of Ug shs 28,393,717,427 of which Ug shs 28,393,717,383 (100%) was released, and 22,825,674,487 (80%) expended by 30th June, 2017.

Table 6.28: Physical Performance of the Recurrent Programme: Gulu University Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
07 51 01 Teaching and Training (Admit 240 Government sponsored students and 2,500 Private students, Register 8 additional PhD students and sponsor 15 additional Masters Programme students under AfDB HEST Project, Sponsor 20 administration to undergo trainings, workshops, conferences and seminars Under AfDB HEST Project, Conduct 30 weeks of lectures & 2 weeks of exams for 5,000 students, etc...)	100	8,975,938,431	100.00	31.61	Conducted 15 weeks of teaching and 2 weeks of exams for 2 semesters. Admitted 240 students on government and 2,500 private students but about 60% reported. They got SIDA and ADB scholarships. 5 staff funded at UMI and 6 at other universities. Field trainings for 400 students for Faculty of Agriculture, 750 students for Year II and Year III did school practice, Year III medical students were attached to hospitals for clinical experience, 1,200 were attached to industries, four new programmes were introduced.
07 51 02 Research, Consultancy and Publications (Conduct 15 research seminars and training, make 15 publications, Prepare and present 20 Research proposals for approval and funding, -Conduct 10 Public lectures, Produce 4,000 brochures on research guides, make subscriptions to 10 referred research journals.	100	162,709,171	75	0.43	All output activities were 100% achieved by the end of FY 2016/17.
07 51 03 Outreach (Conduct community clerkship in 30 Health centers for 100 Medical Students, carry out internship for 50 Medical students, Carry out Field visits/attachments and industrial visits for 250 students for Faculty of Agriculture & Environment, conduct 5 trainings/sensitization workshops for Health Center staff, carry out industrial attachment for 250 students.)	100	5,065,018,702	67	11.95	All output activities were 100% achieved by the end of FY2016/17 by the 2 faculties of agriculture and medicine.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
07 51 04 Students’ Welfare Pay living out allowance every month for 810 Government sponsored students, pay welfare for 10 disability students.	100	1,845,784,821	100	6.50	All output activities were 100% achieved by the end of FY 2016/17 by the 2 faculties of Agriculture and Medicine.
07 51 05 Administration and support services (Pay Salaries for 470 staff on payroll and Wages for 30 casual workers, Remit 15% NSSF contribution to NSSF for the 470 staff, Remit Statutory Deductions (PAYE) to URA for the 470 staff, Pay accumulated Gratuity Arrears for 40 staff and Gratuity for 5 staff whose contract are ending in FY2016/2017, etc…)	100	7,950,231,504	100	28.00	All output activities were 100% achieved by the end of FY 2016/17.
07 51 51 Guild Services (Form a new Guild Government and swear in executives (20) by April 2017, Prepare Annual Budget for Guild activities and seek Council approval by 31st Mach 2017, Conduct Guild executive induction for 50 members	100	12,446,000	100	0.04	All guild activities were undertaken.
07 51 52 Contributions to Research and International Organizations (Make annual contributions for research journals, periodicals, and make subscriptions to 10, international organizations for Library materials, information, Research and Publications, Attend 10 research conferences and make 8 presentations of papers, Make 5 publications.)	100	25,003,617	80	0.07	All output activities were 100% achieved by the end FY 2016/17.
07 51 99 Arrears	100	4,356,585,181	0	0.00	Arrears paid
Total		**28,393,717,427**		**78.6**	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

The performance of the recurrent programme was good, as some of the core recurrent targets for FY 2016/17 were achieved.

Challenge

During FY2016/17, government diverted money for non-teaching staff to start three new universities of Kabale, Soroti and Lira creating a salary shortfall of Ug shs 2.9billion which resulted in non-payment of salaries and statutory deductions for January to June 2017. Later government released a supplementary of Ug shs 1,428,514,471 as salaries for January to May. This left a balance of Ug shs 1.5billion, so June salaries with all the statutory deductions were not paid. Gulu University has salary arrears amounting to Ug shs 700 million for FY 2016/17.

Project 1414: Support to Gulu Infrastructure Development

The total project budget was 2,500,053,381 of which Ug shs 1,467,285,392 (58%) was released and Ug shs 1,215,110,113 (82%) expended. Table 6.29 shows the detailed performance.

Table 6.29: Physical Performance of the Development Project: Support to Gulu Infrastructure Development) – Gulu University by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 71 Acquisition of Land by Government (Open up boundaries of all Gulu University lands, at Nwoya, latoro, Purongo, Forest, Gulu, Town, Main campus, Process Titles for 1.552 acres of land in Latoro, 70 acres in the Municipal, procure 3,000 Hectares of land in Nwoya, Carry out property valuation and compensation of Land owners 150 for the 742 Hectares of Land in Latoro.)	100	1,549,847,875	30.00	33.83	Land was opened up and an additional 500 acres acquired.
07 51 72 Government building and Administrative Infrastructure (Completion of the Construction of 1 Income Generation Unit with Offices, Construction of a Business Center with offices, banks, lecture rooms for Faculty of Business & Development Centre Phase I and II, Tile Main administration building, Replace certain locks and curtains Installed.)	100	100,000,000	40	1.60	The main hall which was burnt by students was rehabilitated from fines charged on students of Faculty of Education And Humanities. The storied administration building was extended. Rehabilitation of the old site for medical students was completed. Locks and curtains replaced.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
07 51 73 Roads, Street and Highways (Tarmac 10 kilometers of roads under AfDB HEST Project 2 Kilometer of road at Main campus, 1 kilometer of road at Faculty of Medicine New site to Bio-Systems Engineering workshop site, Install street lights at Main Campus and Faculty of Medicine.)	100	20,152,125	10	0.00	
07 51 75 Purchase of Motor Vehicles and Other Transport Equipment (Procure of 4 Double cabin pickups for Faculty of Education & Humanities, Faculty of Medicine, Kitgum Campus and Faculty of Science, 2 Station wagon for the office of the University Bursar and Academic Registrar, 2 Motor Cycles for Audit and store.)	100	200,000,000	25	2.00	One station wagon for the D/VC was procured. The motor cycles were not procured due to limited funds.
07 51 76 Purchase of Office and ICT Equipment, including Software (Procure Office 2013 with 500 user license, Increase Bandwidth from 2MBps to 30Mbps, Develop In house Modules of Management Information Systems for stores, fleet management and Human Resources, construct Local Area Network in 18 Buildings at main Campus (Faculties of Science, Humanities, Medicine, Agriculture & Environment, in Administration Block, Library, Academic Registrars Office, Faculty of Business & Development Studies, Institute of Research & Graduate Studies, Procurement block, main hall, Faculty of Law buildings, Public	100	100,000,000	46	1.84	A few of the ICT equipment was procured due to limited funds.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Caff, Gulu University, Procure of 20 Personal Computers, 5 Laptops, 5 Heavy duty printers, 4 LCD Projectors, 5 servers, Implement CEMAS, implement AfDB HEST Project ICT components, Install CCTV cameras at Main Campus Administration building, Anti Virus software, Install Financial Management System, procure heavy duty server machine)					
07 51 77 Purchase of Specialized Equipment and Machinery (Procure 3 heavy duty Generators (200KVA) for Faculty of Medicine, Bio-Systems Engineering Department and Kitgum Campus, -Procure 5,000 Watts for 12 Hours, 5,000 AH batteries, -Procure 2 Heavy duty copiers, -procure 2, 20 feet containers for document archives, 4 Projectors.	100	200,000,000	12	3.84	Procurement of the specialized equipment was halted because of a drop in NTR.
07 51 78 Purchase of Office and Residential Furniture and Fittings (Procure 2,000 Lecture chairs,1,000 Library chairs, 200 library Tables, 50 office desks, 20 book shelves, 20 office chairs, 10 sideboards, 40 Conference chairs,10 long conference tables,)	100	40,053,381	45	0.82	Procured 2,000 chairs, procured books for the Faculty of Law. Bought furniture for the reception and front offices. However the library chairs were not bought.
07 51 80 Construction and rehabilitation of learning facilities (Universities) (Construct 1 New Library building, under AfDB HEST Project, 1 multi-functional Bio-Science laboratory under AFDB HEST Project, 1 Biotechnology Trauma & Disease Treatment Center, equipping of laboratories for Faculty of Science, Agriculture	100	120,000,000	50	4.80	The administration block was extended. The overall progress for the HEST project was at 68.5% by June 2017. (The Faculty of Agriculture block was 76.7%, Laboratory block at 59.4% and the Library block at 69.5%).

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
& medicine under AfDB HEST Project, -1 Library building at Kitgum campus.)					
07 51 81 Lecture Room construction and rehabilitation (Universities) (Construction of a Business Center in Faculty of Business & Development Studies, Construction of Faculty of Agriculture & Environment block, Faculty of medicine Block, Faculty of Science Block (Under AfDB HEST Project), rehabilitation of lecture block at Faculty of Education & Humanities, 1 lecture block at Kitgum Campus.)	100	120,000,000	25	2.59	The business offices were repaired.
07 51 84 Campus based construction and rehabilitation (walkways, plumbing, other) (Build and Repair walkways Pavements, carry out Plumbing, Construct 1.0 kilometers of walkways at the main campus, 0.5 kilometers at faculty of Agriculture & Environment, Build pavers for main campus and FOA&E and Medicine, Barricading non-walk areas at all Campuses, Install street lights at main campus and AfDB HEST project sites, Faculty of Medicine New site, -Install a heavy duty transformer at the AfDB HEST Project site.	100	50,000,000	20	1.05	Roads, streets and walkways were not graveled.
Total		**2,500,053,381**		**52.4**	**Fair performance**

Source: IFMS; Q4 Progress Report; Field Findings

Table 6.29 shows that the physical performance of the project was fair. Few of the annual planned targets were achieved, partly due to the limited development release that performed at 58%.

Challenges

- Out of the development budget of Ug shs 2.5billion, Ug shs 1,462,285,392 (58.49%) was released. This meant a number of planned outputs were not achieved due to the low budget performance.
- Gratuity arrears were not paid. For FY2016/17 the total salary arrears for Gulu University amounted to Ug shs 2.8billion, of which Ug shs 1,035,797,521 (41.4%) was released. Some staff were partially paid gratuity, but these arrears continue to accumulate as no provision for gratuity was made for FY2017/18.
- The NTR collections are drindling because of a reduction in enrollment of students resulting from alternative universities that have opened up in the region.
- The recruitment plan for Gulu University remained unimplemented as the university did not receive funds to recruit staff for FY2016/17. They had planned to recruit 85 staff, of which they recruited only five replacing those who retired. The staff establishment stands at 40% with most affected faculties being Faculty of Medicine, Faculty of Science, and Faculty of Agriculture.
- The operations of the Finance and Academic Registrar's offices remain manual because the CEMAS did not take off and the IFMS is not yet connected.
- The physics laboratories are not equipped, so the students have to be taken to Makerere University for practicals which is very expensive.
- The university has about 800 government sponsored students. However, their welfare allowance has largely remained the same over the years. For instance students are paid Ug shs 5,000 per day to cover breakfast, lunch and dinner, Ug shs 40,000 per month yet hostels are charging an average of Ug shs 200,000 to Ug shs 300,000 per semester. They are also paid Ug shs 1,000 per day from Monday to Friday for transport regardless of where the student stays. These allowances often delay and are not commensurate to the cost of living.

Conclusion

Overall, Vote 149 Gulu University performed fairly during FY 2016/17 (average 65.5%), with better performance on the recurrent than the development side.

Recommendation

Government should release all the development budget to the university so that it is able to implement the development activities as planned.

6.3.6 Vote 307: Kabale University

Kabale University's mission is to be a people centered efficient university that excels in generation and dissemination of relevant quality knowledge. It aims at skills development and attitudinal change for life-long. The Vote has one Vote Function.

Delivery of Tertiary Education (Vote Function 0751)

The VF has a recurrent Programme 01: Headquarters and a development project; Support to Kabale Infrastructure Development.

Programme 01: Headquarters

Background

The programme's objectives are to; i) focus the university programmes on the mandate and core business of Kabale University, ii) harness and optimally exploit the opportunities within the catchment area (niche) for the growth and development of the university, iii) strengthen Kabale University capacity to deliver its mandate and iv) encourage the public to make "special" contribution towards enhancement of KAB mandate.[25]

25 MoES Minisiterial Policy Statement FY 2016/17, Kampala 2016

Performance

The approved budget for FY2016/17 was Ug shs 8.299billion, of which Ug shs 7,402,400,000 billion (90%) was released and 94.3% spent indicating very good absorption capacity. Ug shs 422,000,000 was not spent as the university received it late on its account in addition to the lengthy procurement process.

Table 6.30: Physical Performance of Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ugshs in billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
075101: Teaching and Training Admission, teaching and training of Students.	100	2,366,917,431	100	31.024	A total of 96 students were admitted on Government sponsorship and 2,600 students under private scheme; Orientation and 30 weeks of lectures were conducted; and an Internal Auditor and Quality Assurance Officer were trained.
075102: Research, Consultancy and Publications Cconduct 4 research seminars and training; make 10 publications, prepare and present 5 Research proposals for approval and; conduct 4 public lectures.	100	194,676,696	68.75	1.617	Carried out two research seminars, one publication and 4 are in the process of publication; conducted 3 public lectures.
075103:Outreach Study visits by 30 nurses to 6 health centres, industrial training and school practice in schools conducted	100	1,165,182,019	100	15.272	Outreach conducted at 6 health centres, industrial training for technology students and hotel management students was done; so was school practice.
075104: Student□s Welfare - allowances to students paid	100	531,691,743	100	6.969	Living out allowance was paid for 96 Government Sponsored students.
075105: Administration and Support Services salaries, wages and remittance of statutory deductions such as PAYE and NSSF paid	100	3,278,932,112	100	42.359	Salaries, wages and remittance of statutory deductions such as PAYE and NSSF were paid.
075151: Guild Services Guild leaderships elected	100	50,000,000	100	0.419	Elections were held
075152: Contributions to Research and International Organisations Annual subscription to AICAD,UNESCO and COUL paid	100	42,000,000	100	0.551	Subscription to research and international organisations was done.
Total		**7,629,400,001**		**98.2**	**Very good performance**

Source: IFMS; Q4 Progress Report; Field Findings

Table 6.30 shows that 98.2% of the planned recurrent targets were achieved by 30th June, 2017, which was good performance. Admission, teaching and training of students which makes up the core function of the university scored 100% as the planned students were admitted; 30 weeks of lectures were conducted and training of key staff took place. Outreach and school practice which helps students apply the acquired knowledge also scored 100%. Salaries which take up the largest proportion of the Vote funds were also paid.

Support to Kabale Infrastructure Development (Project 1418)

Background

The project's start date was 1st July, 2016 and its expected end date is 30th June, 2021. The intended objective is to develop facilities and infrastructure that meets students and staff needs. The expected outputs are; phase II works on general lecture hall block, Phase II of Engineering workshops, completion of a waterborne toilet and a VIP pit latrine.

Performance

The approved budget was Ug shs 0.60 billion of which 100% was released, and Ug shs 502,500,000 (83.75%) expended.

Table 6.31: Physical Performance of Support to Kabale Infrastructure Development Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs in billions)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Purchase of Motor Vehicles and Other Transport Equipment -Station wagon procured	1	70,000,000	1	11.667	The university revised the model of the vehicle to a van which costs about Ug shs 217,000,000 and the outstanding balance was budgeted for FY 2017/18.
Purchase of Office and ICT Equipment, including Software -10 Desktop Computers and their accessories procured	10	25,000,000	10	4.167	Bought 13 computers and all accessories.
Purchase of Specialised Machinery & Equipment - One Photocopier and a Safe (cash Box) procured	2	21,000,000	2	3.500	The photocopier and safe were purchased.
Purchase of Office and Residential Furniture and Fittings -100 Lecture chairs, office furniture	100	44,000,000	100	7.333	A total of 200 lecture chairs and 20 office chairs were procured.
Construction and rehabilitation of learning facilities (Universities) - Phase II works on General Lecture Hall, Institute of Engineering, Equipment for Engineering workshop, Assorted Library text books, Assorted science equipment, Nursing skills laboratory	100%	510,000,000	84	46.726	University is awaiting contract signing for the construction of phase II works on the general lecture hall; the workshop at the Institute of Engineering is complete and a 3-phase power line has been installed. The engineering equipment is not yet installed but is on order. The assorted science equipment was purchased; and the skills laboratory partially equipped.
Total		**600,000,000**		**73.4**	**Good Performance**

Source: IFMS; Q4 Progress Report; Field Findings

Project performance was good (73.4%). Construction and rehabilitation of learning facilities had good performance at 84%. The workshop at the Institute of Engineering was completed and the science equipment for the skills laboratory purchased. Construction of phase 2 awaits contract signing. A deposit was paid for the motor vehicle. Other outputs had excellent performance; for instance more computers and accessories were acquired; the photocopier and safe were purchased; double the number of lecture chairs than those initially planned and office chairs were acquired as shown in Table 6.31.

L-R: Assorted science equipment for the Nursing Skills Laboratory; Lecture chairs procured for Kabale University

Implementation Challenge

The budget for the development activities was inadequate and released late.

Conclusion

Overall, Vote 307: Kabale University performed well during FY2016/17 (average 85.8%), with better performance on the recurrent than development side.

6.3.7 Vote 139: Kyambogo University

The Vote mission is to advance and promote knowledge and development of skills in Science, Technology and Education; and in such other fields having regard to quality, equity, progress and transformation of society.

The approved budget for FY 2016/17 was Ug shs 96.115 billion of which Ug shs 44.83 billion is GoU funding and Ug shs 54.970 billion is AIA. By the end of the FY, Ug shs 44.572 billion (99.43%) had been released and Ug shs 37.407 billion (83.92%) spent. The Vote has one VF - Delivery of Tertiary Education.

Delivery of Tertiary Education (Vote Function 0751)

The Vote Function's services are teaching/training of students and staff; research, consultancy and publication; provision of outreach catering for students welfare; administration and support services and guild services. The VF has a recurrent programme; Headquarters and a development project; Development of Kyambogo University.

Programme 01: Headquarters

Background

The programme's objective is delivery of tertiary education and the expected outputs are; teaching and training, research and consultancy, outreach, students' welfare, general administration, and guild services.

Performance

The programme's revised budget for FY2016/17 was Ug shs 44.83billion, of which Ug shs 44.572 billion (99.43%) was released and Ug shs 37.407billion (83.92%) expended. Table 6.32 shows the detailed performance.

Table 6.32: Physical Performance of Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs bn)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Teaching and Training Admission teaching, training of students; establishment of collaborations, linkages, affiliation and partnerships.	100	32,346,951	100	43.613	Good performance noted. A total of 320 post graduate and 22,384 undergraduate students were trained and examined; while 22,900 students were examined at affiliate institutions.
Research, Consultancy and Publication Promotion of research, consultancy and knowledge generation done	100	50,040,000	100	0.112	17 academic staff were funded in various institutions on PhD programme within Uganda and abroad; 28 academic and non-teaching staff were facilitated to attend conferences. Non-teaching staff were facilitated in proposal writing.
Outreach Community activities including counselling and testing enhanced	100	84,360,001	100	0.188	HIV counselling and testing was done for 1,000 members of the community at Kyambogo Medical Centre in conjuction with Uganda Cares. 147 Safe male Circumcision was done; 200 community members were screened for Hepatitis B; 100 community members donated blood.
Students Welfare - accommodation, allowances and food provided	100	1,700,824,535	100	3.794	Provision of accommodation for 1,480 students, food for 2,574 students and living out allowance for 1,498 Government sponsored students was paid; 48 students with disability were assessed and supported; 16 interpreters and 27 guides were appointed and paid for helping disabled students; 33 students with severe disability supported; 40 needy students supported financially to complete their academic year.
Administration and Support Services Good learning environment provided, ICT strengthened, provision of medical services provided; University; legal requirements by the university adhered to.	100%	16,554,631,792	100	40.596	Procurement of assorted instruction provision of ICT and teaching materials, wireless and cable networking was done and a finance management tool was installed for the university; provided medical services for students.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs bn)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Guild Services -Guild sports, elections, cultural galla, Industrial/ school/ college training and exhibitions	100%	835,517,715	100	1.864	Inter hall university sports competition were conducted; industrial/school/college training done. Held successful guild elections
Arrears					Arrears were paid for non-teaching staff and domestic arrears were paid too.
Total		**44,830,328,372**		**88.3**	**Very Good Performance**

Source: IFMS; Q4 Progress Report; Field Findings

Physical performance of the recurrent programme was good at 88.3% as most of the planned output targets were achieved.

Development of Kyambogo University (Project 0369)

Background

The project's start date is 1st July, 2015 with an expected completion date of 30th June, 2020. The objectives are to: i) improve & expand space for teaching, learning, office accommodation; establish a directorate of ICT, ii) enhance ICT management, Quality assurance directorate to provide adequate learning and instructional materials, iii) enhance staff capacity building through funding research and training programmes; and iv) provide goods and services for students welfare.

The expected outputs are; i) construction of central lecture block, ii) renovation of buildings, iii) procurement of furniture, iv) setting up a good ICT infrastructural development network system and v) Development of Namasiga Nakagere project.

Performance

The approved budget was Ug shs 722,845,106 of which Ug shs 254,441,477 (35.2%) was released, and Ug shs 134,400,340 (52.82%) spent by the end of the FY. Table 6.33 shows detailed performance.

Table 6.33: Physical Performance of Development of Kyambogo University Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs in billions)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Government Buildings and Administrative Comprises construction, renovation and maintenance of non-residential buildings	100%	462,845,000	100	50.119	Construction of central lecture block ongoing and progress was at 45%.
Purchase of specialized machinery and equipmentIncludes procurement of office and IT equipment	100%	260,000,000	100	35.96	Procured 2 UPS for Warden Pearl Hall and Sports Science Department; two filling cabinets, one computer and a printer, a fridge were procured for the Food Processing Department; One hoover for the dean of students office was procured; Data centre for all ICT related items was put in place and installed with modern ICT equipment; 28 computers were procured and delivered to the various planning centers such as finance department, lands department laboratory, dean of students; Procured 200 CCTV cameras to be installed in a phased manner in the entire University to ensure security; Procured Internet protocol telephones.
Total		**722,845,106**		**86.1**	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

The release performance to the development programme was poor (35%), however, physical performance was good given that the core annual planned targets were achieved. However, that means that some certificates for ongoing contracts were not paid due to limited resources.

The Central Lecture Block

The project is funded by GoU and construction started in May 2016 with an expected completion date of 13th May, 2017. Works slowed down due to limited finances. An extension up to November 2017 was granted to the contractor

Ongoing construction works of the Central Lecture Block at 45%, progressing on schedule

Implementation Challenges

Limited and late release of funds leading to poor absorption of funds. Kyambogo University received only 35% of its development funds.

Conclusion

Overall, Vote 139 Kyambogo University performed well during FY 2016/17 (87.2%), with better performance on the recurrent than development side.

6.3.8 Vote 136 Makerere University

The Vote's mission is to provide innovative teaching, learning, research and services responsive to national and global needs.

Delivery of Tertiary Education Vote Function (0751)

The Vote Function's services are aimed at increasing the stock of human and social development through skills development based on the three key pillars of teaching, research and knowledge transfer partnerships. The VF has one recurrent programme and four development projects.

Programme 01: Headquarters

As an academic institution outputs are predominated by i) enrollment and graduations under teaching and learning ii) research output based on the national and the university research agenda. It also includes enrollment for students on post-graduate programmes iii) knowledge transfer partnership that link academia community and government agencies.

Performance

The revised budget was Ug shs 146,784,062,467 of which Ug shs 146,784,062,466 (100%) was released and Ug shs 122,105,193,428 (83.19%) spent by the close of the FY 2016/17. Table 6.34 details performance of the programme.

Table 6.34: Physical Performance of the Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs in billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training -Admission, teaching, operation, management of campuses done	100%	68,825,739,037	100%	94.746	A total of 37,324 students were admitted for undergraduate (34,756) and graduate (2,568) programmes in 10 colleges and one branch campus. 10,317 students graduated out of the planned 12,000 and 1,461 academic staff. 239 academic programs were developed. 16,800 students were admitted and 10,000 students were placed on internship- this particular activity is still ongoing.
Research, Consultancy and Publications -Research, consultancy and knowledge generation promoted	100%	24,057,578,672	94%	24.31	2,658 students admitted for the graduate programmes. 1,248 university academic staff participated in research, 91 professors and 130 associate professors continued with research.
Outreach -Engagement with civil society and short term courses conducted	100%	14,436,547,004	100%	11.81	A number of short courses and civil society engagements were undertaken.
Students Welfare -Food, accommodation, and transport to Students and, counselling services provided	100%	7,633,024,00	100%	13.35	2,648 resident, 1,950 non-resident and 3,950 government students were provided with food and accommodation. Staff salaries for 331 were paid.
Administration and Support Services -Staff salaries and utilities paid.	100%	17,504,318,583	100%	14.014	Salaries for 1,103 academic and support staff were paid. Utilities, Internet bandwidth, cleaning services staff salaries were paid.
Support to Infectious Diseases Institute -Financial support to enable Infectious Diseases Institute run its clinical services such as HIV counselling and testing, HIV/AIDS care and treatment and provision of other special clinics provided	100%	1,626,000,000	100%	1.28	The Infectious Diseases Institute was supported to run its clinical services.
Total		146,784,062,467		98.2	Excellent Performance

Source: IFMS; Q4 Progress Report; Field Findings

The performance for FY2016/17 was excellent as most of the planned targets were achieved.

Food Technology Incubations II (Project 1341)

Background

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

Performance

The project approved budget was Ug shs 4.5billion, of which Ug shs 1.5billion (33.49%) was released and Ug shs 0.940billion (62.42%) spent. Table 6.35 details the performance.

Table 6.35: Performance of Food Technology Incubations II Project by 30th June, 2017

Output	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs in bn)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
Teaching and Training Training of incubates done. 70 university students from College of Agricultural and Environmental Sciences trained	100	382,999,800	65.00	8.51	91 BSc. FST students received hands-on training on different aspects of product development and food processing and 22 2nd year Agricultural Engineering students received training in agro-processing facilities construction.
Research, Consultancy and Publications -5 incubatee food processing projects initiated. -4 new food products -3 appropriate agro-processing equipment prototypes develop.	100	500,000,000U	33	10.12	5 community level value-added food processing projects were initiated. However, no new food products were developed due to insufficient funding.
Outreach -At least 5 SMEs provided with business support At least 1 community level food processing project initiated.	100	117,000,000	50	2.60	Five SMEs were provided with business support Community level food processing project not done due to insufficient funds.
Administration and Support Services Management and operations personnel and structures in place Incubator activities and programmes disseminated Incubation Centre facilities and equipment optimized and maintained. Management and operations personnel	100	300,000,000	60	6.67	Management and operations personnel and structures were put in place. Incubator activities and programmes were disseminated. Incubation centre facilities and equipment were optimized and maintained.

Output	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs in bn)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
and structures in place Incubator activities and programmes disseminated Incubation Centre facilities and equipment optimized and maintained					
Purchase of Motor Vehicles and Other Transport Equipment -Service van procured	100	100,000,000	100	2.22	Service van was delivered
Purchase of Specialised Machinery & Equipment -Packaging, analytical and value addition capacity enhanced 1 flour packaging, 1 processing line & 1 protein analysis equipment. -1 service van	100	1,100,000,000	30	24.44	The Texture Analyser was procured and installed. Retort ordered in FY2015/16 was delivered but yet to be installed and commissioned. The Rapid Visco Analyser was delivered and awaits installation. The draft contract for the procurement of the PET Bottle Blower was completed.
Construction and rehabilitation of learning facilities (Universities) -Phase 1 of 2 processing units measuring 1,200m2 completed.	100	2,000,000,000	10	12.26	Civil works had not started. Reviews of the electro-mechanical designs completed. Procurement Construction Contractor was rolled over to Q1 FY2017/18.
Total		**4,500,000,000**		**66.8**	**Fair performance**

Source: IFMS; Q4 Progress Report; Field Findings

The table shows that project performance was fair (66.8%) despite limited release of funds. Few output targets were achieved.

Skills for Production, Employment and Development Project (SPEDA)

Background

The project started on 1st July, 2015 and its expected end date is 30th June 2020. The broad objective of the project is to promote skills and innovations for Production, Employment and Development through integrated Animal vale chains and Industry (SPEDA) among school & post-secondary school leavers/graduates.

The specific objectives for this project are to: i) Vocationalise Animal Sector Education Systems (VASES) so as to broaden and increase technological awareness and the capacity of the learner to engage in productive activities for becoming self–reliant through animal resources; ii) train and nurture post-secondary school leavers into entrepreneurs, technicians and community change agents in the animal industry; iii) equip school leavers with skills in processing and value addition in the animal industry sector and iv) develop appropriate infrastructure in support of VASES.

The expected outputs of the project are: i) newly constructed and rehabilitated structures at the Nakyesasa incubation center and the college that would pass out an average of 500 skilled and certified entrepreneurs and producers annually; ii) fully equipped Incubation Centre for Production, Employment and Development in the Animal Industry in Uganda.

Performance

The approved project budget was Ug shs 1,000,340,001 of which Ug shs 327,162,483 (32.71%) was released and Ug shs 209,999,369 (64.19%) spent. Table 6.36 shows the physical performance of this project.

Table 6.36: Physical Performance of SPEDA II Project by 30th June, 2027

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs in bn)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Teaching and Training -Mobilisation, enrolment and certification of school and post- secondary school leavers/ graduates with skills in product development and value addition, curriculum development, training, Internship of the SPEDA model carried out.	100	279,340,001	30	23.11	Admitted students and admission is expected to increase, possibly above 400. Graduation of Diploma and Certificate students training from main University was set for 29th September 2017 at Nakyesasa Incubation Centre.
Administration and Support Services Management and coordination of project and incubation centers.	100	111,000,000	20	6.12	-Improved & managed the cattle herd. Maintained & repaired paddocks/perimeter fences -Maintained water sources (water pump) cleaning, security & Electricity bills. media & advertisement -Facilitated staff (transport, lunch & communication) while in the field. -Facilitated staff at Nakyesasa (Groundsmen, tractor drivers)
Purchase of Specialised Machinery & Equipment -Laboratory and field equipment for specialised value chain skilling equipment in different value chain activities procured such as: (1) Hay &	100	142,000,000	40	14.20	Facility for hay & silage processing and storage was secured. Microscopes were secured. The poultry and fish feeds equipment was under procurement and is yet to be installed at Nakyesasa. Due to insufficient release, the Meat Value Chain processing equipment has not yet been secured.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs in bn)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Silage processing Meat value, (2) Poultry Processing Laboratory equipment for the lab value chain, (3) Miscroscopes.					
Construction and Rehabilitation of Accommodation Facilities -Construction and equipping of a 100 bed Hostel Block (For Student accommodation)	100	468,000,000	5	8.41	The bills of quantities were completed. Procurement process was temporarily suspended.
Total		1,000,340,001		51.8	Fair Performance

Source: IFMS; Q4 Progress Report; Field Findings

Project performance was fair (51.8%). Low performance was attributed to low releases in both quarters and closure of the University during the month of November 2016.

Implementation Challenge

Inadequate allocations continue for most activities and in some cases no allocation is made. This inadequacy has been recurring and has resulted into accumulated arrears, inadequate physical infrastructure maintenance, staff unrest and limitations in academic provision and research.

Conclusion

Overall, Vote 136 Makerere University performed well during FY2016/17 (72.2%), with better performance on the recurrent than development side.

Recommendation

The MoFPED should ensure that adequate funds are released to the institution.

6.3.9 Vote 138 Makerere University Business School

The Vote mandate is to enable the future of their clients through creation and provision of knowledge. The approved budget FY2016/17 is Ug shs 65.73billion. It comprised of Government Subvention, Internally Generated Funds (IGF) and ADB Funds. The Vote has one VF - delivery of Tertiary Education.

Delivery of Tertiary Education Vote Function (0751)

The VF's objective is to provide high quality programmes in volume and high value of Business and Management Education programmes at diploma, undergraduate and postgraduate levels in the country. The VF has one recurrent programme (Administration) and Support to MUBS Infrastructural Development.

Programme 01: Administration

Background

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

Performance

The recurrent (revised) budget for this programme for FY 2016/17 was Ug shs 24,805,880,274 of which Ug shs 24,805,880,272 (100%) was released, and Ug shs 21,303,488,446 (85%) spent. Table 6.37 shows the detailed performance.

Table 6.37: Physical Performance of Programme 01: Administration by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs bn)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Teaching and Training -Admission, registration, teaching and examination of students and training of staff done.	100	880,000,000	100	6.68	16,727 students were admitted to Bachelor programmes and 113 staff were funded on study programmes.
Students Welfare -Accommodation, allowances and food to students provided	100	1,520,130,000	80	6.01	Accommodated 280, fed 1,240 and paid living out allowances to 972 Government sponsored students.
Administration and Support Services Payment of staff remuneration, maintenance and facilitation of schools operational activities at faculties, department and regional campuses.	100	18,182,776,192	100	73.30	Remunerated 1,016 staff members to perform various functions for the school . Enhanced Academic staff salaries, and also effected the enhancement of Administrative staff. Maintained school assets through repairs and maintaining high levels of cleanliness for a conducive environment
Arrears	100.00	3,153,073,856	0.00	0.00	Domestic arrears were paid.
Total		24,805,880,274		86.0	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

The annual performance of the recurrent programme was good as 86% of the planned output targets were achieved.

Challenge

- Delay in release of salaries and inadequate funds to cater for arrears.

Support to MUBS Infrastructural Development Project

Background

The project started on 1st July 2015 with an expected completion date of 30th June 2020. The project objectives include; a) provide ideal facilities conducive for students to learn and staff to work matching world class standards and ensure continues improvement in cooperate governance b) increase demand of quality business and management education in the country, c) strengthen the business school as a business centre for learning; d) Provide adequate lecture space and a conducive environment for teachers and staff to do their work; e) increase the capacity in the existing lecture space structure by purchasing more and modern equipment to enhance ICT management

The expected outputs are; construction of lecture halls to expand lecture space; replacement of asbestos roofs; purchase of office and ICT equipment including software, purchase of specialised machinery and equipment; purchase of office and residential furniture and fittings. The new library complex is expected to be furnished with equipment and furniture in a phased manner.

Performance

The approved project budget was Ug shs 2,800,000,000 of which Ug shs 985,600,000 (35.2%) was released and Ug shs 448,258,057 (45.5%) spent by 30th June, 2017. Table 6.38 details the performance.

Table 6.38: Physical Performance of MUBS Infrastructure Development Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Government Buildings and Administrative Infrastructure Comprises building, maintenance, renovation and upgrading of infrastructure development at main and regional campuses.	100%	2,800,000,000	80%	100.0	Replacement of asbestos roofs was completed, detailed design report for construction of the main library short tower approved and detailed design report for the construction of Business Incubation centre was submitted to MoES. Construction of a metal grill fence around the library was completed. The modification of the middle block at Bugolobi Annex, and the construction of walkways for disability were completed, the asbestos roofs were removed and placed with IT4 G26 sheets and the refurbishment works at Jinja Campus commissioned.
Total		2,800,000,000		100	**Excellent performance**

Source: IFMS; Q4 Progress Report; Field Findings

Project performance was at 100% and this was despite the poor release of the development budget.

6.3.10 Mbarara University of Science and Technology -Vote 137

The Vote mission is to promote quality education for national integration and development through, among other things, improved teaching of science and technology and research at all levels.

Delivery of Tertiary Education (Vote Function 0751)

The Vote Function's services are provision of quality tertiary education for national integration and development through improved teaching and training of science and technology at all levels, research and innovations with a bias of community orientation. The VF has one recurrent programme; Headquarters and a development project.

Programme 01: Headquarters

Background

The programme's objectives are to; i) produce relevant human resource in applied sciences, technology and management Skills, ii) generate and disseminate knowledge and innovation and iii) provide services to the public in analyzing and solving development challenges. Expected outputs are: i) to promote quality education for 3,553 students, ii) 1 study trip for each of the following 3,553 students, iii) conduct 24 research studies and 1 research dissemination conference, iv) pay salaries for and retain 503 staff, conduct 8 weeks of community outreach, School practice and Industrial Training for 856 students and v) ensure welfare for 3,553 students.

Performance

The total budget for the programme was Ug shs Ug shs 29,750,749,070 of which Ug shs 27,924,036,261 (93.86%) was released, and Ug shs 24,074,984,171 (86.22%) spent. Table 6.39 details the performance.

Table 6.39: Physical Performance of Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
Teaching and Training Comprises admission, training of students, procurement of teaching materials, facilitation of study trips and payment of faculty allowances.	100	17,961,632,560	100	60.374	Students were enrolled and teaching, lectures and training were conducted. Trips were conducted but at different timings; graduation for all 1,180 students was done; quality assurance was done.
Research , Consultancy and Publications Comprises of research studies and public lectures	100	65,873,782	100	0.221	Conducted nine research studies and dissemination conference where 40 abstracts were presented; 4 public lectures were conducted. Continued conducting workshops.

Output	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
Outreach Comprises community placement for medical students, school practice, industrial training and participation in annual exhibitions	100	110,559,000	80	0.372	Outreach was carried out through community twinning programme for 135 students in 9 villages and visits for Nursing Dept. and survey for Industrial Training for Management Sciences. It is still ongoing and students are in the field. The university has not participated in the annual exhibition for Uganda National Council for Higher Education and National Council for Science and Technology.
Students Welfare Involves provision of food,accommodation, living out allowances, health care and recreation facilities for students	100	357,001,000	100	1.200	Fed and accommodated 346 students; Provided health care and recreation facilities for 3,553 students; paid out leaving allowance of Ug shs 818,000 to government students; They have provided a clinic and clinical services; have doctor who comes twice a week and as standby nurse.
Administration and Support services Comprises staff salaries, contribution to staff medicine/ health insurance, payment of utility bills and ICT software and maintenance.	100	9,287,589,804	100	31.218	Salaries were paid, routine maintenance of buildings, equipment and vehicles was carried out and council meetings were held.
Guild Services Comprises facilitation for Guild office supplies, workshops, meetings, seminars and recreation.	100	60,000,000	100	0.168	Facilitation for guild office supplies, workshops, meetings, seminars and recreation was done and transfer(s) to ITFC Bwindi.
Subscriptions to Research and International Organizations	100	30,000,000	100	0.101	Paid membership fees to three International and one local organization and paid subscription fees to journals.
Arrears	100	1,878,992,924	0	0.00	No performance reported
Total		**29,750,749,070**		**93.4**	**Very good performance**

Source: IFMS; Q4 Progress Report; Field Findings

Performance of the recurrent programme was very good as 93.4% of the annual output targets were achieved.

Project 0368: Development of Mbarara University

Background

The project started on 1st July, 2015 and its projected end date is 30th June, 2020. The overall objective is to increasing access to university education with particular emphasis on science and technology education and its application to rural development. Specifically, the project is aimed at: i) creating a spacious and well planned university campus for good teaching, research and learning environment, ii) establishment of a Faculty of Applied Sciences and Technology as a priority in the university mission, iii) creation of room for expansion of programmes offered to increase student intake in health, science, business and interdisciplinary studies at undergraduate and postgraduate levels for sustainability, iv) encouraging a public-private partnership in education provision and v) creating room for expansion of the School of Health Sciences at the Mbarara campus.

Expected outputs are: increased teaching infrastructure (lecture rooms, laboratories and libraries), office space and accommodation facilities to train relevant skilled human resources, ICT infrastructure developments in place and knowledge generation for natural development.

Performance

The revised approved project budget for FY 2016/17 was Ug shs 7.052billion of which Ug shs 1.68billion (23.83%) was released and absorbed only 14.56% indicating poor financial performance. The University also received a supplementary of Ug shs 3.254billion to cater for domestic arrears. Table 6.40 shows performance.

Table 6.40: Physical Performance of Project 0368: Development of Mbarara University by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
Government Buildings and Administrative Infrastructure Comprises of construction works at the Institute of Computer Science at Kihumuro and overhaul of sanitation facilities at Mbarara campus (Replacement of 300 lm of foul pipe drainage and Toilet facilities).	100	6,023,441,336	10	57.05	Construction works at Kihumuhoro were not done and the overhaul of sanitation facilities was not done. They are in the final stages of procurement.
Roads, Streets and Highways Comprises Phase1 construction of Road Network at Kihumuro (1km per year) and rehabilitation of Roads at Mbarara campus	100	377,000,000	10	0.80	Due to small release of funds, construction of the road network and rehabilitation of the road were not done.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity %	Physical performance Score (%)	Remark
Purchase of Motor Vehicles and other Transport Equipment Comprises procurement of one vehicle (station wagon) for second Deputy vice chancellor	100	300,000,000	100	4.25	The vehicle was procured.
Purchase of Office and ICT Equipment, including software Comprises procurement of Desktop computers,ICT equipment, Network equipment and expansion wireless access.	100	100,000,000	40	0.76	Networked 1st and ground floors of the science block and procured CISCO Network bundles for training students.
Purchase of specialized machinery and Equipment	100%	202,000,000	40	1.84	Procured a fridge, 3 printers, 1 desktop computer, 2 project screens, 4 laptops. 3 Projectors for FAST & fcis, 3 Desktops for Planning & FAST, 4 Printers, 4 Laptops and 3 UPSs. 2 Spectrophotometers for FoM. Due to limited funds some equipment was not procured.
Purchase of Office and Residential Furniture and Fittings	100%	50,000,000	40	0.57	Procured 14 office chairs, 4 book shelves, a sofa set, a coffee table, 6 office desks, 3 executive chairs, 2 filing cabinets, 7 visitors chairs, book shelves for FoS, 1 Sofa set for Personnel Office, 3 Filling cabinets for FIS and FAST, 1 Coffee set for US, 2 Desks and 2 Chairs for FAST.
Total		**7,052,441,336**		**65.3**	**Fair performance**

Source: IFMS; Q4 Progress Report; Field Findings

Project performance was fair as few of the planned annual output targets were achieved.

Implementation Challenges

- Delayed release of NTR funds from the Consolidated Fund coupled with the late release of invoices from respective service providers to clear payments for services offered.
- Very poor release of funds as the university only received 23.83% of its budget and this was late. This led to significant unspent balances to a tune of Ug shs 1.436 billion.

Conclusion

Overall, Vote 137 Mbarara University of Science and Technology performed well during FY2016/17 (79.35%), with better performance on the recurrent than development side.

6.4 Vote 132 Education Service Commission

The Vote mission is to provide an efficient, professional, accountable, transparent and motivated education service. The approved budget for FY 2016/17 is Ug shs 6,563,852,676 of which Ug shs 6,563,852,664 was released, and Ug shs 5,853,616,623 expended by 30th June, 2017. The Vote has one Vote Function; Education Personnel Policy and Management.

Education Personnel Policy and Management (Vote Function: 0752)

The Vote Function's services are; tendering advice to the President in relation to the education service; recruiting and appointing teaching and non-teaching personnel into the education service; appointing officers at the Ministry of Education and Sports (MoES) Headquarters; validating and confirming appointments of Education Service Personnel; developing, reviewing, monitoring and evaluating policies governing Education Service Personnel; and maintaining accurate employment records of Public Officers in the Education Service.

The VF has one recurrent programme; Headquarters and a development project; Support to Education Service Commission.

Programme 01: Headquarters

Background

The programme objectives are to; i) ensure quality and continuous education service delivery in the sector by making appropriate appointments; (ii) To enhance efficient and effective education service delivery through management and supervision of Education Service personnel; (iii) Tender advice to the President in relation to the Education Service; (iv) Developing, reviewing, monitoring and evaluating policies governing Education Service Personnel; and (v) Maintaining accurate employment records of Public Officers in the Education Service.

The expected outputs are: i) Programme Outputs Overview: Personnel appointed into service; Personnel validated, ii) Personnel regularized and confirmed into service; Personnel granted study leave and Personnel disciplined; District Service Commissions supervised; Policies developed; iii) Reports generated and Submitted to stake holders and Research conducted and Disseminated.

Performance

The approved budget was Ug shs 5,910,792,175 of which Ug shs 5,910,792,163 (100%) was released, and 5,200,610,012 (87.98%) spent. Table 6.41 shows detailed performance.

Table 6.41: Physical Performance of Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity (%)	Physical performance Score (%)	Remark
Management of Education Service Personnel Comprises of appointment, confirmation. Validation, regularization of teaching and non-teaching staff.	100	3,188,228,439	85	45.85	Good performance noted as 1,250 personnel were appointed, 2,194 staff confirmed, 7,532 staff validated, regularised 122 appointments, handled 117 study leave cases, 308 corrigenda cases; 18 retirement cases; and 13 disciplinary cases.
Policy Monitoring, Evaluation and Research Comprises preparation and submission of BFPS; MPS;, quarterly and annual performance reports	100	103,463,818	90	1.58	Reports were prepared and submitted to Parliament, Office of the Prime Minister, Ministry of Finance, Office of the President, MoPS and MoES.
Finance and Administration This involves preparation and submission of financial statements and reports to Ministry of Finance, payment of salaries and associated allowances.	100	2,405,027,916	100	40.69	Prepared and submitted final books of accounts for FY2015/16 to MFPED; reports and statements for FY 2015/16 to MFPED. Secured and paid salaries, wages and allowances. Conducted workshops, procured goods and services, carried out staff development and training, prepared and submitted payroll reports, prepared and maintained stores registers.
Internal Audit Comprises preparation and submission of audit reports and management letters	100	40,333,298	100	0.68	Prepared and submitted audit reports; non-wage audit reports, audit reports; management letters and quarterly reports.
Procurement Services This involves management of procurement and disposal of goods and services; preparation of procurement plans and reports; and participation in procurement activities	100	21,467,613	100	0.36	Managed procurement of goods and services; procurement plan prepared and submitted to MFPED; prepared and submitted monthly reports to PPDA and participated in workshops on procurement activities.
Information Science Involves maintenance of Electronic Database Management System (EDMS) for Education Service Personnel and management of ICT hard and software.	100	152,271,091	100	2.58	Maintained and repaired network connections, maintained and updated the electronic database management system.
Total		**5,910,792,175**		**91.7**	**Good performance**

Source: IFMS; Q4 Progress Report; Field Findings

Performance of the recurrent programme was very good as 91.7% of the planned targets were achieved.

Support to Education Service Commission (Project 1271)

Background

The project started on 1st July, 2013 with an objective of effective and efficient service delivery through optimal resource and asset allocation. Its expected end date is 30th June, 2018 and the expected outputs are; i) Motor Vehicles and transport equipment procured, (ii) Office furniture and fittings acquired, (iii) Office and ICT equipment procured, (iv) Acquisition of land for office space, (v) Design and architectural drawings for office space drawn and (vi) Offices constructed.

Performance

The approved development budget was Ug shs 653,060,501 of which Ug shs 653,060,501 (100%) was released, and Ug shs 653,006,611 (99%) spent by the end of the FY. Table 6.42 shows the details.

Table 6.42: Physical Performance of Support to Education Service Commission Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Motor Vehicles and Other Transport Equipment	3	594,660,501	100%	84.167	The 3 motor vehicles were procured.
Purchase of Office and ICT Equipment, including Software	43	103,400,000	8%5	13.458	The commission procured 10 desktops, 5 laptops and one UPS, 2 Printers, 10 UPS (APC 750Va), 3 External Backup Disks, 1 Heavy duty UPS and 5 UDO s.
Total		**653,060,501**		**97.6**	**Excellent performance**

Source: IFMS; Q4 Progress Report; Field Findings

Performance of the development project was excellent as 97.6% of the planned output targets were achieved.

Implementation Challenges

- The commission lacks space and no funds were availed to purchase land and construct a building.
- A number of head teachers/deputy head teachers in educational training institutions have been caretaking for more than the required time (six months). This has caused distress and demoralisation.
- High shortage of teachers in secondary schools. Currently there are 23,000 teachers leaving a gap of 24,000 that needs to be filled.
- Most of the recruitment exercises are done on replacement basis. There is need to review the staffing situation, to cater for the increasing need for Science and ICT teachers, a need that arose due to the introduction of compulsory Science and ICT subjects.
- A large number of Grade V teachers have upgraded to graduate level yet there has been little effort to promote them due to lack of funds. This has caused anxiety and distress among the teachers.

Recommendations

- The MFPED should provide funds for the roll out of the scheme of service to all sub-sectors and implementation of the scheme of service at primary level should be resumed.
- The MoES should implement the provisions of the Education Service Commissions Regulations, 2012 to solve the caretaker problem in schools.

- The MFPED should provide funds for recruitment of more teachers to close the gap of 24,000 teachers currently needed in schools to reduce the student/teacher ratio.

6.5 Presidential Pledges

From FY 2008/09 to date, government has continued to avail funds each FY to accommodate Presidential Pledges made under the Education Sector. The funds cater for a variety of activities that include but are not limited to; the construction of different structures such as classrooms, workshops, administration blocks, dormitory blocks, multipurpose halls, science laboratories, library blocks, and VIP latrines, the procurement of desks and the provision of transport to different education institutions as pledged by His Excellence, the President of Uganda.

The approved budget for FY2016/17 was Ug shs 4,538,673,093 and MoES planned to cover 24 pledges. Out of the 24, eleven were monitored and details are provided in Table 6.43.

Table 6.43: Physical Performance of the Presidential Pledges by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Toroma SS, Katakwi	100	150,000,000	0.00	0.00	The school had received only Ug shs 50 million by 30th June 2017. The bus was not procured.
Mandera Girls SS, Soroti (Construction of a dormitory)	100	148,680,000	60	1.80	The school received Ug shs 148,680,000 through Soroti DLG. M/s Qrtuka Phamaceuticals Ltd was contracted to construct the dormitory. By 30th June, civil works were at ring beam.
Mbulamuti St Pauls, Kamuli (Construction of a science laboratory)	100	128,000,000	65	1.68	The school received Ug shs 122,527,511. M/s Jofah Associates Ltd of Kamuli was contracted to construct a multipurpose science block at Ug shs 195,000,000 for 9 months. The agreement was signed on 23rd March 2017. By June 2017 the building was roofed, however works stopped at that level pending release of the balance.
Nakabugu Muslim Secondary school, Luuka (Construction of 1 block of 2 classrooms with desks and chairs.	100	96,430,780	100	1.95	Funds were received and construction was completed.
James Mbigiti Memorial Technical Institute, Iganga (Construction of an administration block, 2 classroom blocks, two workshops and dormitory)	100	150,000,000	100	3.03	The twin workshop, administration block, 2 classroom block, 2 blocks of VIP latrine 5 stances, and staff house were all completed. They are located at Makuutu Sub-county, Iganga district.
St Henry Kitovu College, Masaka (Construction of a Laboratory)	100	200,000,000	0	4.04	The laboratory was not constructed because they received part of the money and the college is requesting for more, awaiting approval from MoES.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Nakyanyi Secondary School, Lwengo. (Construction and renovation to standard of a government secondary school)	100	300,000,000	0	6.07	Due to the state of the buildings, the ministry decided to change the scope of works to construction from renovation. As a result, there has been a delay, they are still awaiting for clearance from the MoES.
Kamwenge Primary school, Kamwenge (Construction of a 3 classroom block, latrine and furniture.)	100	160,472,644	65	3.24	Construction was at roofing level. Construction delayed because the proposed units for construction were higher than the money allocated, therefore there was poor response during bidding. After consulting with the ministry, and a further delay awaiting BoQs, the contract was eventually awarded in April and is estimated to be completed in August.
Ntare School (construction of a physics, biology and chemistry block)	100	2,556,850,208	60	31.02	The three structures were at ring beam level and roofing was supposed to commence in July.
Hoima School of Nursing (construction of an administration block)	100	905,905,862	75	13.74	Structure is at 75% progress. There were delays caused by the contractor who was slow with implementation. A request for an extension to September 2017 was made.
Butakira Primary School (completion of staff houses)	100	150,000,000	100	3.03	Construction was completed.
Total		4,946,339,494		69.6	**Fair performance**

Source: IFMS; MoES Q2 Progress Report; Field Findings

Conclusion

As illustrated in Table 6.43, physical performance on the presidential pledges was mixed. All the monitored 11 beneficiary institutions under the Presidential Pledges received funds although one (Toroma S.S) received part of the budget. Only three institutions were able to complete the civil works by end of FY2016/17 (Nakabugu P/S, James Mbigiti T/I, and Butakira P/S). Civil works in the rest of the institutions progressed but were not completed by 30th June, 2017. In one case, (Nakyayi S.S. Lwengo) works did not start.

Key challenges that effected the implementation included, late release of funds, inadequate funds and districts delaying to transfer the release to the beneficiary institutions as the funds were disbursed as SFG.

6.6 Vote 303: National Curriculum Development Center (NCDC)

The Vote mission is to develop and provide curricula and instructional materials for quality education through continuous manpower development, research and stakeholder consultation.

The Vote has one VF; Curriculum and Instructional Materials Development, Orientation and Research. The VF has one recurrent programme; Headquarters and a development project; support to NCDC Infrastructure Development.

Programme 01: Headquarters

Background

The program's objective is to develop and provide curricula and instructional materials for quality education through continuous man power development, innovation, and research and stakeholder consultation. The expected outputs are; Syllabus revision and curriculum reform, Development of teaching schemes, textbooks, teachers' manual, examination syllabus, teaching aid and instructional materials, Conducting in service courses for acquisition of knowledge and skills by persons required to teach new syllabuses, and Carry out research on matters concerning curriculum.

Performance

The total programme budget was Ug shs 8,536,000,000 of which Ug shs 6,908,461,709 (80.93%), was released and Ug shs 6,004,677,302 (86.92%) spent by the end of the FY. Table 6.44 shows the details.

Table 6.44: Physical Performance of Programme 01: Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Pre-Primary and Primary Curriculum Training of 135 ToTs for orientation, Orientation of 6300 teachers in 25 least performing districts, Development of a manual, Digitized content for primary four mathematics syllabus and teachers guide, Translation of Primary four curriculums into Braille materials for P4.	100	1,095,431,000	42.00	8.17	135 ToTs were trained, 748 teachers oriented and 140 copies of SST (70) and CAPEs (70) of Primary four curriculum were converted into braile. Some activities such as the development of a manual to guide making of play materials for ECD and the digitizing of content for primary four syllabus and teachers guide were not done due to budget cuts. Few teachers were also trained for the same reason.
Secondary Education Curriculum Development and printing of 13,600 copies of the Training manual framework, Training of 400 master trainers training of teachers, Printing of 15,300 copies of Learning Area syllabuses	100	975,132,500	31	9.93	Generic and specific training manuals for 11 learning areas were developed. 108 master trainers were trained. Printing of 13,600 copies of the syllabus was not done.
Production of Instructional Materials Development of the NCDC house style manual	100	12,700,000	60	0.10	The manual was developed and approved by Academic Steering Board but not the Council.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
BTVET Curriculum Completion of 6 technical and Vocational national Certificate developing assessment guides, Orientation of 237instructors on the 6 technical and Vocational national Certificate programme, Development of 2 Diploma programmes.	100	837,057,000	10	2.06	Six technical and Vocational national Certificate developing assessment guides were completed. Orientation of 237 instructors on the 6 technical and vocational certificate programmes and Development of two Diploma programmes of Purchasing and Logistics Management, Clearing and Forwarding were not done due to budget cuts.
Research, Evaluation, Consultancy and Publications Monitoring implementation of Sub ICT and Sub Math in secondary schools	100	245,603,000	80	2.88	A draft copy of the monitoring report was submitted and is in place.
Administration and Support Services Salaries for 87 staff paid, A consultant to guide the development of the NCDC master plan hired, NCDC strategic plan 2017- 2022ment of the NCDC strategic plan 2017-2022 developed Council meetings, committees and departmental meetings facilitated. Public relations conducted Utilities (Water, Electricity, teleph one) paid.	100	5,370,076,500	67	42.88	Salaries were paid, the NCDC strategic plan developed, utilities paid and some office equipment procured. The consultant was not hired due to budget cuts.
Total		8,536,000,000		66.0	Fair performance

Source: Field Findings

Programme performance was fair as fewer number of output targets were achieved by close of the financial year. Due to budget cuts, a number of key outputs were not achieved.

Implementation Challenges

- Budget cuts affected performance. Out of the expected Ug shs 8.5billion, Ug shs 6.9billion was released. A number of activities which are critical to the institution were not implemented.
- Delays in release of funds ultimately leads to increased costs due to the changing market prices

6.7 Transfers to Local Government

Background

Performance of the Votes 501- 580: Transfers to Local Government

This Vote constitutes the biggest percentage of funds in the Education Sector. The Vote comprises of two recurrent programmes (UPE and USE Capitation and Inspection) and two development Programs (Consolidated

Development Grant and Secondary School Development/ Transitional Development Grant).

The annual monitoring focused on both the recurrent and development grants in the districts of; Kampala, Lira, Kapchorwa, Mbale, Wakiso, Kabale, Ntungamo, Kiruhura, Mbarara, Ibanda, Isingiro, Rakai, Kabarole, Kamwenge, Bushenyi, Rubirizi, Kigumba, Masindi, Nakaseke, Luwero, Lwengo, Masaka, Butambala, Hoima, Wakiso, Moyo, Yumbe, Arua, Nebbi, Apac, Agago, Kitgum, Pader, Gulu, Katakwi, Soroti, Adjumani, Tororo, Mityana, Kamuli, Kaliro, Kisoro, Pader, Kayunga, Kyenjojo, and Bukedea.

Performance

The approved budget for wage for Education Sector was Ug shs 1,160,104,724,519 all of which was released (100%) and spent (100%) to pay all the teachers in the 112 LGs. The budget for non-wage (UPE and USE Capitation and Inspection) was Ug shs 231,376,014,486 all of which was released (100%) and spent (100%). On the other hand the budget for the development grant was Ug shs 46,927,442,381, which was all released (100%) and spent. The District Education Grants therefore performed excellently both in terms of release and absorption.

UPE Capitation

The districts monitored reported that schools in their respective jurisdiction received UPE funds. Schools had also submitted their expenditures to the district Internal Audit Departments for verification before accessing the grants for the next term.

Challenges

Districts hosting refugees have seen a dramatic rise in enrollment numbers. In Kamwenge district, Rwamaja P/S has a total population of 1,541 refugees whereas Ugandans are only 197; Mahani P/S has 639 refugees whereas Ugandans are 457. The capitation sent to these schools is therefore too meagre compared to the overwhelming population in the schools.

USE Capitation

All districts monitored reported that all schools in their respective jurisdiction received USE funds by end of FY. Schools had also submitted their expenditures to the Commissioner Secondary Education in MoES for verification before accessing grants for the next term.

The Inspection Grant

Overall districts received 97% of the inspection grant by the end of the FY. This grant includes the DEO's facilitation for monitoring and inspection and funds for the Inspectorate Function. The DEOs in the districts received the grant for the four quarters.

General challenges facing the Inspectorate Function include;

- Inspection is not effectively conducted in some districts. This is evidenced by the inspection reports which are an exact replica of the previous ones.
- The Inspection grant is based on the number of government grant aided primary schools. Yet the department is mandated to inspect all primary schools including the private ones. As a result, private schools in most districts are not inspected because the allocation does not cater for them.
- Some head teachers are not up to the task of monitoring and supervising the teaching/learning environments in their respective schools. Many are not exposed, lack refresher courses, some were irregularly appointed by their respective District Service Commissions, while others have questionable qualifications from fake education institutions.
- Late release of the Inspection Grant, in addition to the shortfall of 3% in Q4 to most districts.
- The District Education Departments are understaffed with only 2 or 3 staff (DEO, DIS and one Education Officer).
- Many districts still lack transport for the education departments.

Recommendations

- There is need for intensive training for all head teachers to be able to monitor the teaching and learning process in schools including sanitation, and teacher abseentism.
- The MFPED, with guidance from MoES should enhance funding to the Inspectorate function based on the number of schools in the districts.
- Transport for the inspectors and their field staff should be provided.
- There is need to review the wage bill to give room for recruitment of more staff.

School Facilities Grant

In FY 2016/17, the planned outputs across districts included; purchase of the DEO's vehicle for districts that did not have a vehicle for the District Education Office. District education departments last received vehicles around 1998 many of which have long been disposed off. This therefore necessitated the prioritization of procurement of a vehicle for the DEO's office to improve service delivery. During FY2016/17, the MoES allowed the districts to use the Consolidated Development grant to procure vehicles for the departments after clearance from their district councils. Districts that procured vehicles included Kamwenge, Masaka, Bushenyi, Hoima, Wakiso, Kamuli, Arua, Iganga etc…

The DEO of Kamuli showing the car bought using funds for the Consolidated Development Grant

ii. Construction Works

Districts across the country planned to construct classroom blocks and supply furniture, construct 5 stance lined pit latrines, pay retention for previous FYs construction projects, and in some cases, construct teachers' houses. By 30th June, 2017, construction works were completed in a number of districts which included;

- Adjumani - constructed 5 stances of VIP latrines in 4 primary schools (Biyaya P/S, Mijale P/S, Oyuwi P/S, Esiya P/S).
- Arua - 3 classroom blocks and 5 stance VIP pit latrines constructed in 2 schools (Tumvea P/S and Ogoko P/S).
- Kapchorwa - procured 234 desks for 6 primary schools and constructed five stance VIP pit latrines in 2 schools.
- Iganga - renovated classroom blocks in Nabitende P/S and Kiringa P/S respectively, constructed 2 classrooms at Bubenge P/S and paid retention for works for FY 2015/16.
- Namutumba - constructed 4 stance lined VIP latrines in 8 schools and paid retention for FY 2015/1).
- Kibuku - paid retention for FY 2015/16 and rehabilitated classroom blocks in 2 schools of Kadama and

Buseeta, constructed a teachers' house in Bugweri P/S and emptied VIP latrines in 10 primary schools.

Overall Performance of the Education Sector

The overall annual performance of the education sector was good at 74.4% as shown in Table 6.45. Performance was, however, lower across development projects compared to recurrent projects as the latter were largely constrained by low releases and procurement delays which led to low absorption across the sector. Sector performance was largely affected by; i) delays in the initiation of the procurement processes and receipt of counterpart funding, ii) delayed and inadequate release of funds partly leading to poor absorption.

Table 6.45: Overall Performance of the Education Sector by 30th June, 2017

Vote	% Physical Performance
Ministry of Education and Sport	67.7
Education Service Commission	94.7
Makerere University	72.2
Mbarara University	79.3
Makerere University Business school	93
Kyambogo University	87.2
Gulu University	65.5
Busitema University	78.1
Muni University	70.6
Lira University	55.1
National Curriculum Development Centre (NDCD)	66.0
Soroti university	56.1
Kabale University	85.8
Presidential pledges	69.6
Average Sector Score	**74.4**

CHAPTER 7: ENERGY

7.1 Introduction

Sector outcomes and priorities

The Energy and Minerals Sector contributes to the second objective of the National Development Plan II (NDP II); to Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.[26] The contribution of the sector to the NDP II objective is done through the pursuance of the sector outcomes. These are[27];

a) Increased access to affordable and efficient sources of energy

b) Sustainable management of minerals resources for development

c) Sustainable management of the country's oil and gas resources

Sector priorities

In the medium term FY2015/16 - FY2019/20, the sector continues to focus on the key priority areas; these are[28]:

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

Overall Sector Financial Performance

The sector release performance was poor at 58.3% of the total sector budget. There was a low disbursement on most of the donor funded projects which was at 49.7%. The Government of Uganda (GoU) development budget performance however was very good at 91.2% as at 30th June 2017. Absorption of released funds was 99.6% of the released funds. The sector had two supplementary budgets; Ug shs 2,549,635,000 for operations under PAU and UNOC, Ug shs 12,000,000,000 for the Lira-Gulu-Agago transmission project.

A summary of financial performance is presented in Table 7.1.

26 National Planning Authority Second National Development Plan (NDPII) 2015/16 – 2019/20 :101
27 MFPED, National Budget Framework Paper FY2016/17(Kampala 2016)
28 Ministry of Energy and Mineral Development *FY 2016/17Ministerial Policy Statement (*Kampala 2016)

Table 7.1: Energy and Minerals Sector 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	4.063	3.684	100	90.7
	Non-wage	3.326	2.484	2.047	74.7	82.4
Development budget	GoU	446.901	407.809	405.937	91.3	99.5
	Donor	1,922.94	956.496	983.083	49.7	102.8
	Arrears	0.095	0.095	0.048	100	51.1
Taxes & Arrears	Taxes	0	0	0	0	0
A.I.A Total		40.8	40.77	32.621	99.9	80
Totals	Grand total	2,418.13	1,411.72	1,427.42	58.4	101.1
Excluding Taxes and Arrears		**2,418.03**	**1,411.62**	**1,427.37**	**58.4**	**101.1**

Source: MEMD and REA, Q4 Performance Reports

Scope

The chapter presents annual financial and physical performance of selected energy and minerals projects in FY 2016/17 selected basing on:

- Large budget allocations
- Projects previously monitored but having major implementation issues
- Regional geographical representativeness
- Projects with objectively verifiable outputs on ground

The monitoring focused on 16 out of the 23 projects implemented by the Ministry of Energy and Mineral Development (MEMD) and 3 out of the 4 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 Q4 FY 2016/17

Project code and Name	Location/ Areas visited
Vote 017: Ministry of Energy and Mineral Development	
Vote Function (VF) 0301: Energy Planning, Management and Infrastructure Development	
Electricity Sector Development (Project 1212)	**Wakiso, Mpigi, Masaka, Mbarara**
Karuma Interconnection Project (Project 1025)	**Luwero, Nakasongola, Kiryandongo, Lira, Nwoya**
Electrification of Industrial Parks	**Iganga, Mukono, Namanve, Luzira**
Mbarara- Nkenda/Tororo-Lira (Project: 1137)	**Mbarara, Kasese, Tororo, Lira**
Mputa Interconnection- Hoima-Nkenda (Project. 1026)	**Kasese, Fort Portal, Hoima**
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP):Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)	**Jinja, Tororo, Mbarara, Ntungamo**
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP): Bujagali Interconnection Project/Bujagali Switchyard Upgrade (Project 1024)	**Jinja**
Vote Function 0302: Large Hydropower Infrastructure	
Isimba Hydropower Plant (Project 1143)	**Kayunga**
Karuma Hydropower Plant (Project 1183)	**Kiryandongo**
Nyagak III Hydro power Plant(Project 1351)	**Zombo**
Vote Function 0303: Petroleum Exploration, Development Production (PEDP)	
Midstream Petroleum Infrastructure Development (Project:1352)	**Entebbe[2]**
Strengthening the Development and Production Phases of Oil and Gas sector (Project: 1335)	**Entebbe**

Project code and Name	Location/ Areas visited
Skills for Oil and Gas Africa (Project 1410)	Entebbe
Vote Function 03 04: Petroleum Supply, Infrastructure and Regulation programme	
Downstream Petroleum Infrastructure(Project 1258)	Entebbe
Vote Function 0305: Mineral Exploration, Development and Production	
Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	Entebbe
Mineral Wealth and Mining Infrastructure Development (Project: 1353)	Entebbe
Vote 123: Rural Electrification Agency	
Vote function 0351: Rural Electrification	
Rural Electrification (Project:1262)	Apac, Oyam, Otuke, Pader, Ntungamo; Rukungiri; Kanungu; Kisoro, Kabale, Hoima; Zombo; Arua; Wakiso; Mayuge, Namayingo, Tororo, , Kapchorwa, Bukwo, Butaleja, Mbale, Budaka, Bududa, Manafwa, Tororo, Masindi, Kiryandongo, Kibaale, Kabaraole, Kasese,Sironko.

Source: Authors' Compilation

Vote 017: Ministry of Energy and Mineral Development

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to "*Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development*"[29]

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 57.8 % of the vote budget. This can partly be attributed to low disbursement on the externally funded projects. The disbursement of GoU component performed well with 90.9% of the development budget released with a utilization of 99.5% by 30th June, 2017(Table 7.3).

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	4.063	3.684	100	90.7
	Non-wage	3.326	2.484	2.047	74.7	82.4
Development budget	GoU	389.925	354.252	352.518	90.9	99.5
	Donor	1,710.76	857.47	884.057	50.1	103.1
	Arrears	0.095	0.095	0.048	100	51.1
T&A	Taxes	0	0	0	0	0
A.I.A Total		0	0	0	0	0
Totals	Grand total	2,108.16	1,218.36	1,242.36	57.8	102
Excluding Taxes and Arrears		**2,108.07**	**1,218.27**	**1,242.31**	**57.8**	**102**

Source: MEMD Performance Report Q4 FY2016/17

29 MEMD *Ministerial Policy Statement 2016/17* Pg. 1

7.2. Ministry of Energy and Mineral Development-Vote 017

Vote Function 03 01: Energy Planning, Management and Infrastructure Development Programme

The programme is responsible for promoting; increased investment in power generation, renewable energy development, rural electrification, improved energy access, energy efficient technologies, and private sector participation in the energy sector.[30] The programme took up 22.4% of the energy sector budget for FY2016/17. The programme contributes to the first sector outcome of *"increased access to affordable and efficient sources of energy"*.

7.2.2 Transmission Line Projects

Background

There are many power transmission line projects with their associated sub-stations under implementation in various parts of the country in line with the country's plans to increase electricity generation, transmission capacity and energy access. The GoU and development partners are jointly funding projects in this sector.

Performance of the transmission line projects

The overall performance of the transmission lines was fair at 54.4% of the annual target. The highlights of this performance were the completion of the Bujagali Switchyard Upgrade and the completion of Kawanda 220kV Substation works. The performance of the transmission sector has been negatively affected by the poor performance of the NELSAP project, Lira-Tororo/Nkenda-Mbarara, and the Karuma Interconnection project. Summary of performance for the selected transmission lines is presented in Table 7.4.

Table 7.4: Performance for the Selected Transmission Lines by 30th June, 2017

Key projects outputs	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Bujagali Switch Yard Upgrade	100	27.927	95	1.8	The project was completed in December 2016
Electricity Sector Development Project	100	16.544	72.3	0.8	Kawanda 220kV substation was completed. The contractor is finalizing works on Masaka substation with 90% of the works complete. The works on the transmission line are lagging behind due to compensation challenges.
Mputa Interconnection (Hoima-Nkenda Transmission Line)	100	91.45	7065.4	3.8	The contractor has improved on the pace of works on the substation works in Hoima and Nkenda. Substation works so far are 85% complete for both substations. The transmission works are at stringing and so progress so far at 87% of total works on line have been completed. The project is experiencing delays due to RoW issues because of compensation.

30 MEMD *Ministerial Policy Statement 2016/17* (Kampala 2016) Pg. 26

Key projects outputs	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Karuma Interconnection Project	80	1,028.90	50.8	33.1	The project is lagging behind. Physical works on the line have not yet started. Compensation is still a challenge. Modifying the line voltage from 132kV to 400kV meant that a wider corridor has to be acquired which is further delaying the project. Failure to complete the project in time is going to be a risk to the hydropower project.
Tororo-Lira/ Mbarara- Nkenda Transmission Line and Associated substations	100	287.132	54.5	9.9	The extension works in the substations of Lira, Tororo, Nkenda and Opuyo were completed. The contractor for the transmission line has suspended work on the Tororo-Lira transmission line since January 2017 due to lack of line section to work on. There are several court injunctions which have affected the compensation process.
NELSAP(Uganda-Kenya ; and Uganda-Rwanda) Transmission Line with associated substations	100	36.55	48.5	1.1	There was very little work done during the FY 2016/17. The project suffered due to financial bankruptcy of ISOLUX, the contractor for the substations. The contract has since been terminated by the Uganda Electricity Transmission Company Limited (UETCL) due to non-performance of the contractor. The contractor for the transmission line (JYOTI) is also struggling financially because he has not been paid for 6 months and has since given UETCL notice to suspend works from April 2017.
Electrification of Industrial parks	100	91.34	58.4	3.4	The site was handed over to the contractor in March 2017, and works have commenced.
Total		1,579.84			
Overall average performance				**53.9**	**This is poor physical performance**

Source: IFMS Data; Project Documents; Field Findings

Detailed performance of the monitored transmission projects

I. Bujagali Switchyard Upgrade (Project 1024)

Background

This project was financed using savings from the Bujagali Interconnection Project was funded by Japan International Cooperation Agency (JICA) and African Development Bank (AfDB). The donor funding was US$ 6,821,291, Euro 1,251,169 and Ug shs 345,075,361.

The scope of this project involved upgrade of the Bujagali Hydro Power Switchyard from 132kV to 220kV. The last disbursement for this project was September 2015.

Project Performance

The project performance was good at 95%. UETCL is still monitoring the performance of installed equipment during the defects liability period to identify any snags. This project-experienced time overruns and the final payments were made using the liquidated damages incurred by the contractor. The 220kV section of the substation will be fully commissioned when the 220kV section of Kawanda substation is completed.

Fig. 1: Completed 132/220kV switch yard at Bujagali substation

II. Electricity Sector Development Project-ESDP (Project 1212)

Background

The project is financed by a loan from The World Bank through the International Development Association (IDA) and its development objective is to improve the reliability of, and increase access to electricity supply in the southwest region of Uganda. It is implemented by the MEMD and UETCL. The main component of this project is the construction of the 220kV Kawanda-Masaka Transmission line.

Project Performance

Construction works

Overall, physical performance was good at 72.1%. The UETCL components are fairly advanced and completion is expected by the end of 2017. There was improvement in the pace of work by the contractor undertaking the substation works. The components under the MEMD are lagging behind, especially the construction of grid extensions in selected areas along the transmission line. The project was not able to be completed within the loan period where the last disbursement date was 28th February, therefore an extension was granted by the World Bank. A summary of performance is presented in Table 7.5.

Table 7.5: Progress of the Electricity Sector Development Project

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction of Kawanda-Masaka 220kV Transmission line under UETCL	100	6,540,000,000	90.00	13.87	345 out of the 352 tower foundations have been completed. Of the pending foundations, 5 have no encumbrances, but 2 are facing RoW challenges. 331 towers have been erected out of the 352. Work on 11 tower locations is on-going and 10 are delayed due to RoW. 254km of conductor stringing has been completed out of 137.5km, and 39.1km of Optical Ground Wire have also been done. Overall progress of transmission line works is at 90%.
Kawanda Substation Works under UETCL	100	6,540,000,000	100.00	15.41	The 2 power transformers have been installed and all pre-commissioning tests were completed The reactor was installed and all tests on it undertaken. The plant house was completed and all switch gear installed. All secondary equipment has been installed and tested. Earthing grid was completed and tested. Protection and communication panels were installed and configured. The substation is awaiting final commissioning and overall progress stands at 100%.
Implementation of RAP by UETCL	100	13,537,000,000	5.00	15.95	The number of PAPs increased by 137 due to the diversion of the line at Masaka Barracks affecting Lwera, Gombe and Kasengejje Villages.
Masaka and Mbarara Substation Works under UETCL	100	6,540,000,000	94.00	14.48	Civil works: Overall progress is at 80%. Work on cable trenches (90%), slope protection (85%), stone pitching (85%), equipment foundations are mostly done except 20 small ones, levelling (40%). Drainage works at 80% and the cable trenches are at 90%. Works on the substation fencing are at 70%. Work on the access roads has not yet begun. Electrical works: Progress of works is at 98% in the 220kV section (zone 4) but 6 surge arrestors were not installed due to faulty foundations. The 2 power transformers and reactors were installed and tested in zone 3, electrical works in zone 1 and 2 are complete except the foundations for the 132kV busbar supports.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
					The earth grid installation is 80% complete. All control panels and switchgear have been delivered and installation is complete. Installation of the 2 reactors at Mbarara substation is complete, and works on the control room is being finalized. Overall progress of Masaka substation works at 94%.
Masaka Street and Market lighting under MEMD	100	1,635,000,000	100.00	3.85	The project was completed with all 450 metallic light posts installed in the municipality. Pre-commissioning tests were completed in April 2017 and technical commissioning was completed in May 2017. The project is pending handover to the Municipality for operation. Overall progress is at 100%.
Peri-Urban grid extensions and consumer connections along line corridor	100	3,007,135,137	50.00	2.13	Survey drawings were approved by MEMD and equipment specifications and manufacturers have also been approved. The contractor for grid extensions had only done pegging, and the work was behind schedule Connections of new customers by UMEME are at 1,397 compared to a target of 3,000. Overall progress is at 30% and is behind schedule.
Implementation of a power sector information centre	100	3,007,135,137	50.00	3.54	Equipment specifications were approved and procurement of equipment was on-going. Civil works on the room to house the centre had not yet commenced. Overall progress at 50% and behind schedule.
Review of the Power Sector Reforms	100	1,635,000,000	80.00	3.08	A draft report was presented to MEMD, and also shared with development partners for their input until mid-January 2017. The contract was extended to August 2017 to enable the consultant complete the exercise. Overall progress is at 90%
		42,441,270,273			
Total				**72.31**	**This is the physical performance**

Source: UETCL, MEMD; and Field Findings

Resettlement Action Plan

By 30th June, 2017, 34 resettlement houses had been completed and handed over to the respective vulnerable Project Affected Persons (PAPs), 8 houses were still under construction, three new sites were identified and procurement process was ongoing, while one site was at identification stage. The number of PAPs increased by 137 due to the diversion of the line at Masaka Barracks affecting Lwera, Gombe and Kasengejje Villages. The progress of the cash compensations to the PAPs on the Kawanda –Masaka line is in Table 7.6.

Table 7.6: Status of cash compensations for the Project Affected Persons

Item	Coverage	Percentage
Total Transactions	2,644	100
Disclosures	2437	92
Agreements	2408	91
Disputes	29	1
Payments	2192	83
Outstanding disclosures	207	8

Source: UETCL; Field Findings


Newly installed control panels at the completed Kawanda Substation Plant house; On-going works in the zone 3 of Masaka substation


L-R: On-going stringing works on the Kawanda-Masaka Transmission Line; Completed street lighting in Masaka town under the Electricity Sector Development Project

Project challenges

- Right of Way (RoW) issues. The contractor is at a critical stage of embarking on stringing of the transmission line and the pending RoW issues will negatively impact on these works.
- UETCL has no funds left for RAP activities and this will constrain the pending compensation activities.

III. Karuma Interconnection Project (Project 1025)

Background

The project is funded by a loan from the Export and Import (EXIM) Bank of China towards the implementation of Karuma Hydropower Plant and Interconnection Project. The objective of the project is to evacuate power produced from Karuma Hydropower Plant in Northern Uganda to load centres, which include Lira and Olwiyo in Northern Uganda and Kawanda in Central Uganda.

Project performance

The project performance was poor at 50.8%. The project progress is slow with the planned completion date being May 2018. Substantial construction works have not commenced. Failure to complete this project in time will be a risk to commissioning of Karuma Hydropower Plant. The summary status is presented in table 7.7.

Table 7.7: Physical Performance of the Karuma Interconnection Project as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
The construction of 248km double circuit 400kV Karuma-Kawanda transmission line	100.00	39,680,776,987	50.00	12.27	• Work on this line was subcontracted to Kalpataru Power Transmission Ltd • Route alignment survey completed • Bush clearing and ground levelling on-going and 100km out of 250m km have been covered. The rest of the line corridor is being affected by RoW challenges. • All tower spots were identified and soil investigation done. • 98% completion of check survey/tower spotting (632 No. out of 639 No. locations). Remaining 5 No. locations are in the diversion of the transmission line near the Karuma substation are facing RoW issues. • 80% of the line conductors and earth wire were delivered. Materials for the lattice structure will be delivered in July 2017.
The construction of 78km double circuit 132kV Karuma-Lira transmission line	100.00	39,680,776,987	50.00	12.27	• Approval of the transmission line plan and profile after detailed survey on ground. • 100% completion of the check survey/tower spotting.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
The construction of 55km double circuit 400kV Karuma-Olwiyo transmission line (initially operated at 132kV)	100.00	39,680,776,987	50.00	12.27	● Line route survey including approval is on-going. ● UETCL is finalising Karuma-Olwiyo 400kV line coordinates .- delay is due to changing of line voltage (from 132 to 400kV hence necessitating a wider corridor) but SinoHydro survey works continue. ● Procurement is on-going for a consultant to update the BioDiversity Assessment and offset Valuation Report in Murchison Falls National Park due to change in transmission voltage. ● Widening of corridor outside park commenced by RESCO surveyors
Construction of substations at Karuma, Olwiyo and Kawanda 400kV substations	100.00	38,702,346,870	50.00	11.96	**Karuma substation:** Detailed design is ongoing and is 18% complete * Bush clearing completed. ● Approval of test report for backfilling soil on-going. **Kawanda substation:** * Submission of basic design (concept layout and Single Line Diagram) for the substation. * Detailed survey of substation completed * Engagement of sub-contractor for soil investigation for the substation * Bush clearing completed. * Removal of the wet soil in the swampy area within the substation completed. * Approval of test report for backfilling soil on-going. * Review of drainage design for swampy area in progress. Review of the substation retaining wall in progress **Olwiyo substation:** Submission of basic design (concept layout and Single Line Diagram) for the substation. * Detailed survey of substation complete * Engagement of Subcontractor for soil investigation for the substation * No physical works on site due to lack of access to the site because of non- compensation. **Lira substation:** * Submission of basic design (concept layout and Single Line Diagram) for the substation. * Detailed survey of substation completed * Engagement of a subcontractor for soil investigation for the substation

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
RAP implementation of Karuma-Kawand, Karuma-Olwiyo and Karuma-Lira transmission lines	70.00	4,000,000,000	50.00	2.12	Compensation for the Karuma-Lira-Olwiyo leg is at 68% and that of the Kawanda-Karuma leg is at 51%.
		161,744,677,833			
Total				**50.88**	**This is the phyiscal performance**

Source: Field Findings

Resettlement Action Plan (RAP)

The UETCL completed procurement of Mituland to implement RAP activities on Karuma-Kawanda 400kV transmission line and RESCO Property Consultant Surveyors to implement RAP activities on the Karuma-Lira 132kV and Karuma-Olwiyo 400kV transmission lines. The RAP process is being affected by lack of funds. The status of implementation is summarised in Table 7.8.

Table 7.8: Status of RAP for Karuma Interconnection as at 30th June, 2017

ITEM	Karuma-Lira-Olwiyo Segment		Karuma-Kawanda Segment	
	Coverage	Percentage	Coverage	Percentage
Total Transactions	1,129	100	3,005	100
Disclosures	902	80	2,337	78
Agreements	836	74	2,143	71
Disputes	66	6	194	6
Payments	771	68	1,544	51
Outstanding disclosures	227	20	668	22

Source: UETCL; Field Findings

L-R: Delivered conductor drums for the Karuma-Interconnection project; Some of the idle equipment parked at the sub-contractor campsite for Karuma Interconnection project

Project challenges

- Slow implementation of the RAP. This due to PAPs who are tenants with absentee landlords, while some lack of letters of administration. There are also cases of PAPs who resale land after compensation.
- UETCL has no funds for compensating PAPs and for facilitating field activities. If adequate funds are not released for this project, the implementation of the RAP process is going to stall and lead to delays in the EPC works.
- The contractor lacks access to full project site leading to time loss and idleness. Currently the contractor has demobilized his equipment and is planning to invoice UETCL for idle time.
- There is delay by Uganda Wildlife Authority (UWA) to give the necessary permits to enable the EPC contractors begin work in Murchison Falls National Park areas. UWA has requested UETCL to undertake a revised Bio-Diversity study. This is slowing down the contractor.
- Activities in the line corridor such as brickmaking will make it difficult undertake construction works on marked tower spots in future. The contractor has also reported cases of uncoordinated infrastructure development in the line corridor such as the construction of new distribution lines in the line route.

IV. Mbarara- Nkenda/Tororo-Lira Transmission line (Project 1137)

Background

The African Development Bank and GoU jointly fund the project and its objective is to strengthen the national transmission grid in Western and Eastern Uganda.

Project Performance

Overall performance was at 54.5% of the target. Substation works (Nkenda, Opuyo, Lira, Mbarara, Tororo were at 100% and FortPortal at 96%) were completed and contractors had left site. Pending works is the commissioning of the FortPortal substation which awaits the completion of the Hoima-Nkenda substation. The line works have suffered delays due to RoW issues and the line had to be diverted in 3 areas (Ojele, Kumi and Lira). 5 towers near Soroti Flying School had to be dismantled because Civil Aviation Authority objected to the height of the original towers. 17 towers at Ojele in Kaberamaido have been diverted because UETCL failed to obtain RoW for the new line. Also at Angwet Angwet 3km before the Lira substation are to be diverted because of RoW issues. UETCL is planning to use the line corridor of the existing line at this location. The contractor, Kalpataru has suspended Lot 1 work (Lira-Tororo transmission line) since January 2017. The performance of the project is summarized in Table 7.9

Table 7.9: Physical Performance Mbarara-Nkenda/Tororo-Lira Transmission line by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Bn Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Extension of Opuyo and Lira 132kV substations. Construction of FortPortal substation	100	0.793	100.00	7.58	Works have been completed. Commissioning of the FortPortal substation is awaiting the completion of the FortPortal- Nkenda transmission line.
Construction of Tororo-Lira transmission line	50	0.793	30.00	2.27	Total tower foundations completed: 578 out of 715 (80.8%) Total tower erection completed: 529 out of 715 (74%) Stringing of Conductor and Earth wire: 72.47km Optical Ground Wire (OPGW) strung: 61.13km Soil investigation works for pending 44 tower spots resumed
Construction of Mbarara Nkenda transmission line	50	0.793	30.00	2.27	• Total tower foundation completed: 284 out of 317 towers (89.6%) • Total tower erection completed: 282 out of 317 towers (88.9%) • Monopole foundation completed: 136 out of 136 locations (100%) • Monopoles erected: 129 out of 136 locations (95%) • Stringing of Conductor and Earth wire: 61.8km • Optical Ground wire (OPGW) strung: 54.07 km
Acquisition of land for the transmission lines	50	8.88	5.00	42.42	Tororo-Lira: The construction of resettlement houses for PAPs was completed; all the 50 houses were handed over to the PAPs. Mbarara-Nkenda:The construction of resettlement houses for PAPs is on-going; 45 houses were completed out of 50, and 3 are under construction. Payment of PAPs who opted for cash is still on-going amid a lot of challenges.
		11.259			
Total				**54.5**	**This is the physical performance**

Resettlement Action plan

The summary of the cash payments to the PAPs is given in Table 7.10.

Table 7.10: Performance of Cash Compensations

	Tororo-Lira		Mbarara-Nkenda	
Item	**Total Number**	**Percentage**	**Total Number**	**Percentage**
Total Number of Project Affected Households	4,696	100	1,899	100
Number Disclosed to	4,486	96	1,737	91
Agreements	4,246	90	1,678	88
Number of households paid	4,082	87	1,579	83
Compensation Disputes	240	5	59	3

Source: UETCL; Field Findings

L-R: Section of Lira-Opuyo transmission line at Angwet Angwet, 3km from Lira substation where the old line is being relocated to make way for the new line due to failure to obtain RoW; Towers near Soroti Flying School that have to be dismantled due to objection by CAA because of safety concerns

L-R: Completed towers at Awoja swamp on the Lira-Opuyo-Tororo Transmission line

Project Challenges

- Lack of full project site because the PAPs rejected the compensation packages, perceiving them as low. The contractor to issued notice of suspension of works on 9th December, 2016, after being idle since August 2016. The works on the Lira-Tororo line is still suspended for the last 6 months.
- The contractor has had to undertake a number of diversions because of RoW challenges. There has been a lot of resistance to the project from the locals.

V. Mputa Interconnection- Hoima-Nkenda Transmission Line (Project 1026)

Background

The project is jointly financed by Government of Norway (transmission line works and 70% of the supervision consultancy costs), the French Agency for Development (substation works and 30% of the supervision consultancy costs), and the GoU (counterpart funding) for resettlement of PAPs.

The main project objective is to extend the electricity transmission grid to Western Uganda and also to evacuate electricity from the proposed Kabaale Thermal Powerplant, and mini-hydros in the project area.

Project Performance

Project performance was good at 80% due to improvement in the pace of work in the second half of the FY. The project completion date was initially extended to June 2017 and again further extended to 23rd September, 2017. The RoW issues have resulted in lack of a continuous line section for the stringing works on the transmission line. Detailed performance is presented in Table 7.11.

Table 7.11: Physical Performance of the Mputa Interconnection Project as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction of Hoima and Nkenda substation and Hoima-Nkenda Transmission Line	100	89,950	65.00	63.93	Hoima substation: All designs were completed and all major equipment delivered and installed. ● 70% of the civil works are complete and pending works include the internal roads, gravelling and drainage in the substation. ● All equipment foundations are complete. ● The plant house and communication building are almost complete, pending installation of roofing and doors, windows. Overall progress is at 80% Nkenda substation: Electromechanical works were completed and all electrical equipment installed. ● Civil works are on-going with work on the slope protection and gravelling. Work on the access road has not begun. ● The control building was fully erected and finishing works are on-going. Overall progress is at 80%. Hoima-Nkenda-Transmission Line: 574 foundations were completed. 27 foundations cannot be completed because of ROW issues. ● 535 towers were erected of the total 634 structures.
Acquisition of land for the transmission lines	100	1,500	89.80	1.47	
Total		**91,450**		**65.4**	**This is the physical performance**

Source: UETCL, and Field Findings

Resettlement Action Plan

As at 30th June, 2017 the construction of houses for the Physically Displaced and Vulnerable Persons were completed, while the cash compensations were ongoing. The progress of cash payments is summarized in Table 7.12.

Table 7.12: Physical Performance of RAP implementation as at 30th June, 2017

Component	Achievement
Construction of resettlement houses	**All houses were completed**
Compensation of PAPs	Total transactions: 2,067 (100%), Disclosures: 2020 (98.01%), Agreements: 1,976 (95.88%), Paid: 1,851 (89.81%), Disputes:44 (2.13%)

Source: UETCL and Field Findings

L-R: Ongoing final civil works at Nkenda substation; Completed sections of Hoima-Nkenda Transmission line at Buseruka, Hoima

Project Challenges

- The project is facing a funding short fall of US$7.6 million due to currency fluctuation loss, and Government needs to bridge this funding gap since the works are in the final stages.
- Delayed compensation occasioned by the delay by the Office of the Chief Government Valuer (CGV) to approve valuation reports.
- Inability to carry out stringing works due to the lack of continuous line section due to ROW issues. The lack of access was notable in Hoima district which is delaying the stringing works and UETCL risks incurring idle charges.

VI. Nile Equatorial Lakes Subsidiary Action Program-(NELSAP): Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo (Project 1140)

Background

The African Development Bank (AfDB) and Japan International Cooperation Agency (JICA) jointly finance the Nile Equatorial Lakes Subsidiary Action Plan Programme (NELSAP) project. The objective of the project is to improve access to electricity in Nile Basin Initiative (NBI) countries through increased cross border sharing of energy and power. The project comprises:

- Construction of 220kV double circuit transmission line from Bujagali via Tororo substation to the Uganda/ Kenya border, over a distance of 131.25km.
- Construction of 220kV double circuit transmission line from Mbarara North substation in Uganda to the Rwanda border over a distance of 65.55km.

- Extension of a substation at Tororo.
- New 220/132/33kV substations at Mbarara and Mirama.

Project progress

Overall performance was poor at 46.5%, and currently there is minimal work ongoing. The project has been affected by many challenges and there is risk that it will be further delayed. Time was lost when the contractor for the substations suspended work in May 2016. Works on the Tororo substation resumed in December 2016, and those in Mirama and Mbarara resumed in May 2017. The contractor for the substations was eventually terminated on 26th May, 2017 because the firm had filed for bankruptcy. However no official hand over of the site was undertaken by the contractor, ISOLUX.

The contractor for the transmission line gave UETCL notice to suspend works in April 2017 and by July 2017 had not been paid for 9 months. This, coupled with existing RoW challenges has affected the ability of the contractor to undertake the works. Lot B funding was fully exhausted and the loan signature or the supplementary loan has not been fully signed. A detailed performance is presented in Table 7.13.

Table 7.13: Physical Performance of NELSAP as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (million Ug shs)	Physical performance Score (%)	Remarks
Lot A: Construction of Tororo-Bujagali transmission line	100.00	6406	7.01	• Foundation works 85.6% (344 of estimated 402 no) • Tower erection 78% (315 of estimated 402 no) • Stinging 22.7% (29.7 out of 131.25km) • Supply of line materials (conductor, OPGW, insulators, hardware fittings, etc.) 100% • Overall progress is at 80% but there was very little progress in the works during FY2016/17.
Lot B:Construction of Mbarara-Mirama transmission line	100.00	6406	7.01	• 205 out of 2,011 foundations were completed. 4 of these are pile foundations and 2 are special foundations. • Erection of 204 towers was completed. • Stringing of Conductor: 40km out of 65.4km. • Overall progress is at 85% but there was very little progress during FY2016/17.
Lot C: Construction of New Mbarara substation, Tororo substation and Mirama substation. Extension works at Bujagali substation.	100.00	6406	8.76	New Mbarara substation: Civil works are almost completed (98%). • Equipment erection completed. • Control room building completed. Overall progress: 94.5% . New Tororo substation: Manufacture of equipment and materials 95%; • Supply of equipment and materials 90%; • Equipment foundations 91%; • Equipment erection 70%; • Control building 70%; • Overall progress: 89.5%. Mirama substation: Supply of equipment and materials 80% and power transformers not yet delivered to site. • Civil works on-going and are at 90% completion. • Equipment foundations construction completed.

Output	Annual Planned Quantity or Target	Annual Output Budget (million Ug shs)	Physical performance Score (%)	Remarks
				● Equipment erection 10%; ● Overall progress: 75%. Bujagali substation: Manufacture of equipment and materials 95%; ● Supply of equipment and materials 90%; ● Equipment foundations 100%; ● Equipment erection 35%; ● Overall progress: 72.5% The contract for ISOLUX, the Lot C contractor was terminated on 26th May, 2017 due to bankruptcy.
Resettlement Action Plan(RAP)	100.00	17337	23.71	The implementation of RAP has been very slow due to ongoing court cases. So far, 95% and 93% compensation has been undertaken on the Tororo-Lira and Mbarara-Mirama transmission lines respectively.
		36,557		
Total			**46.49**	**This is the physical performance**

Source: UETCL; Field Findings

Resettlement Action Plan

All 44 resettlement houses were completed and handed over to the beneficiaries. The cash compensation was in advanced stages and a summary as at 30th June 2017 is presented in Table 7.14.

Table 7.14: Compensation on Mbarara-Mirama-Birembo/Tororo-Bujagali-Lessos Transmission lines as at 30th June, 2017

	Mbarara-Mirama-Birembo		Tororo- Bujagali-Lessos	
	Total Number	Percentage	Total Number	Percentage
Total Number of Project Affected Households	1,460	100	3,153	100
Number Disclosed to	1,445	99	3,089	98
Contracts signed	1,400	96	3,044	97
Number of households paid	1,393	95	2,940	93
Compensation Disputes	45	3	45	1

Source: UETCL and Field Findings

Challenges

- Works on both transmission lines (Lot and B) have delayed by 28 months and the project is still being constrained by ROW issues and court injunctions that are negatively affecting the RAP Implementation process.
- The contract for the contractor for Lot C (ISOLUX) was terminated in 26th May, 2017 due to poor performance and the contractor did not do proper project site hand over. There is a risk these projects will further delay, causing a project overrun.
- Slow implementation of RAP – by January 2017, 63 tower locations had not yet been handed over to the contractor for Bujagali-Tororo line and, two tower locations on the Mbarara-Mirama line.
- Delay in payment of the EPC Contractor for Mbarara-Mirama transmission line (Jyoti Structures Limited) affected their cash flows. The contractor has not been paid for 6 months and has not paid his workers for the past 9 months. The contractor, with an outstanding bill of US$132,000, idling charges of Ug shs 650,000million and a claim of Ug shs 39billion for prolongation of the contract period due to ROW

delays in both Lot A and B, gave UETCL notice to suspend works in April, 2017. The contractor also failed to clear taxes for the stringing equipment since April 2017.

- Lot B funding was fully exhausted, and negotiations with the financiers (AfDB and JICA) for a supplementary loan were completed in November 2017, but loan signature by the GoU has delayed.

- The project lacks a supervising consultant after the contract for the previous supervising consultant (AECOM) expired. Project supervision is being undertaken by only UETCL engineers who are not on site full time.

L-R: Abandoned works at Mirama Hills substation; Completed sections of the Mbarara-Mirama transmission line in Ntungamo District

VII: Electrification of Industrial Parks

The GoU established industrial parks in an effort to support industrial development in the country. The industrial parks need reliable power supply and thus the identified projects to electrify these parks. The project is being funded by a loan from the EXIM Bank of China totaling up to US$99,975,885.34.

The objective of the project is provision of adequate transmission capacity to cater for the projected demand from within the industrial areas. The project comprises;

- Construction of Luzira Industrial Park 132/33kV Substation and transmission Line Project (15km)
- Construction of Mukono Industrial Park 132/33kV Substation and Transmission Line Project (5km)
- Construction of Iganga Industrial Park 132/33kV Substation and Transmission Line Projects (10km)
- Construction of Namanve Industrial Park 132/33kV Substation and Transmission Line Project (5km)

Project progress

The project performance was fair at 58.4% because the contractor is still mobilizing and setting up camp. The contractor, CAMCE commenced work in March 2017 and the project is scheduled to be completed in April 2019. The project is facing land acquisition challenges and the contractor does not have an access road to Iganga substation site and part of the line corridor connecting the proposed Namanve South to Luzira has not been acquired. Table 7.15 shows the project progress.

Table 7.15: Physical Performance of Electrification of Industrial Parks by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction of Iganga, Mukono, Namanve and Luzira Substations	15	68,505	10	46.88	Mukono substation: Levelling of the substation site is ongoing and at 29% completion. Excavation of foundations will begin in August 2017.Overall progress is at 20% Namanve South substation: Backfilling and compaction on the site is ongoing. Erection of campsite for the workers and the stores was completed. Overall progress is at 30%. Work was yet to begin at Luzira substation and Iganga substation.
Construction of T-offs to Iganga and Mukono substations, transmission line connecting Namanve south to Namanve North substations, and connecting Namanve South to Luzira substations	15	22,835,000,000	5	7.81	● Namanve South-Luzira - 0% ● Namanve North-Namanve South - 0% The line survey of the Namanve transmission line was completed ● Mukono T-off - 10% ● Iganga T-off - 10% .The line survey of the transmission line and soil investigation were complete.
Acquisition of land for the transmission lines	100	6,088,000,000	30	3.75	The transmission line corridor has not been fully acquired.
Total		**97,428,000,000**		**58.4**	**This is the physical performance**

Status of RAP implementation as at 30th June, 2017

Land for the substations was acquired and handed over to the contractor, although for Iganga substation, UETCL is negotiating for an access road to the project site. The summary for the RAP Implementation for the PAPs in the transmission line corridor is summarized in Table 7.16.

Table 7.16: Summary of RAP progress for Electrification of Industrial Parks

	Total Number	Percentage
Total Number of Project Affected Households	649	100
Number Disclosed to	268	41
Agreements	268	41
Number of households paid	198	31
Compensation Disputes	0	0

L-R: Ongoing civil works at substation in Namanve South; On-going civil works at substation at Mukono substation in Mbalala

Challenges faced by the project

- Luzira Industrial park transmission line corridor has a court injunction issued by the High Court Land Division in support of the wetland titleholders, thus stopping UETCL from implementing construction works of the transmission line.
- Mukono Industrial park transmission line corridor, there have been delays in the revision and submission of the updated valuation report to the CGV's by the RAP consultant.
- Namanve South Industrial park transmission line corridor, UIA has failed to handover a clean corridor to UETCL for the project implementation yet they claim to have acquired a 30m corridor fully through a compensation process.
- There is also a RAP funding gap of Ug shs 39.59 billion.

Overall programme performance

Overall programme performance was fair at 54.4%. The performance was negatively affected by the Karuma Interconnection Project, NELSAP projects and Lira-Tororo/Nkenda-Mbarara projects. All the projects are generally behind schedule. The challenges faced by UETCL in the acquisition of way leaves are a major project implementation hindrance which cannot be handled by the company alone.

Recommendations

- The MFPED should address the funding gaps for the RAP activities. Projects like the Karuma Interconnection Project and the Lira-Tororo/Mbarara-Nkenda transmission projects have been affected because UETCL cannot promptly pay compensation due lack of funds.
- The GoU through the MoLHUD should fast track the amendment of the Land Act to enable compulsory acquisition of land for infrastructure projects.
- The planning of projects should ensure that by the time project funds are secured and contractor procured, most of the land for the projects has been compensated for. This will avoid the scenario like that of the NELSAP transmission lines which have delayed by over 28 months mainly due to failure to acquire the line corridor. The delay leads to increase in project cost, and causing funding gaps for among others the Hoima-Nkenda project and the NELSAP projects.

Vote Function 03 02: Large Hydro Power Infrastructure

The programme is intended to support development of large hydropower generation facilities in the country. Projects monitored for the half year FY 2016/17 are Isimba Hydropower Plant, Karuma Hydropower Plant and Nyagak III Hydropower plant. The total budget allocation of this Vote Function is 66.9% of the total vote budget. The programme contributes to the sector outcome of "*increased access to affordable and efficient sources of energy*".

7.2.3 Isimba Hydroelectricity Power (Project: 1143)

Background

The project is an 183MW hydropower plant funded by a loan from China EXIM Bank. The EPC contractor for the hydropower plant (HPP) and the Isimba-Bujagali interconnection line is China International Water and Electric Corporation (CWE). The contract was signed in September 2013 and the contract sum for the project is US$ 567.7 million for a period of 40 months.

Project Performance

Project performance was good at 80.9%. Invoices totaling up to 46% of the project contract price have been certified for payment to date. The physical progress of concrete works is at 94% and is on schedule.

Works on the embankment dams which had stalled since 14th October, 2016 had resumed. The project is still being plagued by quality issues especially in regards to the defects in the concrete and unauthorized material specification changes. The specifications of over 1,000 tonnes of materials (pistons, gate wheels) were changed from stainless steel to carbon steel which is prone to corrosion, and this is still a contractual issue that is being sorted out between UEGCL and CWE. A summary of performance is presented in Table 7.17.

Table 7.17: Physical Performance of Isimba Hydropower Project by 30th June, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction works on Isimba HPP	90	478,110	80	76.24	Civil works: Physical progress of the concrete work is at 94% and on schedule (concrete works are on-going in the powerhouse, lower and upper spillways, gravity dams, and erection bays). Work on the left and right hand embankment dams which were suspended due to design and quality concerns resumed. This work is on the critical path but is currently behind schedule. Electromechnical works: Manufacturing and design of electromechanical equipment is at 85%. One power transformer was manufactured and 4 transformers are pending. The generating units were manufactured, with the turbines already delivered to site and 5% of the electromechanical installations were completed. All cranes were installed and tested except the powerhouse crane.

Output	Annual Planned Quantity or Target	Annual Output Budget (million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Supervision of works on Isimba HPP	100	11,759	70	1.64	Project supervision has continued led by UEGCL and the project steering committee.
Resettlement action plan for project affected persons	100	11,810	70	1.65	The dam structure compensation is at 99.35%, the reservoir is at 94.53% and the transmission line 80%. There were delays in getting approval from CGV for the supplementary report but approval was finally obtained.
Total		**501,679**		**79.5**	**This is the physical performance**

Source: Field Findings

Ongoing works at the tail race end of Isimba HPP showing newly installed overhead crane gantries

L-R: Installation of rebar in the generator foundations in the power house of Isimba HPP; civil works at the spillway of Isimba HPP

Progress of the Bujagali-Isimba Interconnection

The Interconnection Project Design is 80% complete; Factory Acceptance Tests (FATs) for Hive Voltage Switchgear (CBs, VTs, DS and CTs) and Tests of two (DS, DT2) out of five tower types were completed; Foundation works commenced and to date, 36 out of 145 (25%) tower foundations have been completed; Design of Control & Protection system at Bujagali and Isimba is on-going with documents under review. The tower erection on the transmission lines are at 120 towers completed contributing to 82.7% and132 towers were casted (91%). At Isimba switchyard, 90% of the leveling works were completed, while 8 foundations were excavated.

Resettlement Action Plan (RAP)

The resettlement action plan (RAP) activities for the dam site, reservoir area and transmission line are being concluded by the Ministry of Energy and Mineral Development. The summary of the RAP progress by project area is presented in Table 7.18.

Table 7.18: Summary of RAP implementation

Project Area	Total no. of PAPs	No. of PAPs Compensated	% Compensated
Dam	810	792	97.8
Reservoir	1,831	1,667	91.0
Transmission Line	1,089	93,585.9	85.9

Source: MEMD; Field Findings

Project challenges

- The project has a weak Owners Engineer (Supervising Consultant) who has deployed an inadequate number of staff, some of whom are inexperienced.
- Concrete work repairs are ongoing and some critical areas completed before river are diverted.
- The contractor has expressed concerns due to delays in payments for work done.
- The working relationship between the implementing agency and the contractor has improved, although the contractor is still reluctant to take up instructions.

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 power supply in the country, and possibly in the East African region.

Project Performance

Project performance was fair at 64.4% of the annual target. Construction works at Karuma power plant cumulatively achieved 62%. A key milestone of this progress during the FY2016/17 included completion of all excavation works in the tunnels, underground caverns and Shafts in January 2017.

Concreting works resumed in December 2016 and concrete work is ongoing in the dam intake, powerhouse, transformer cavern, surge chambers and tail race. Hydro-mechanical works had begun with installation of the penstock steel linings in head race tunnels 1-6 and progress is at 36%. Installation of the Electric Overhead Travelling Crane was also completed to assist during the works. Manufacturing of the gates, hoists, generators and their auxiliaries is on-going in China. Switchyard ground clearance, soil tests and foundation works have begun at Karuma.

The suspension of concreting works at the spillway and power intake in April 2016 led to time loss and the project is currently 4 months behind schedule. So far, payment certificates totaling to US$ 571,354,940 were approved which is 41% of the contract price**.** This is lower than the planned figure of 71% and reasons for this are:

- Some payments have been withheld due to defective works.
- Some milestones are incomplete.
- Some payments are outstanding against manufactured equipment yet to be delivered to site.

A summary of performance is presented in Table 7.18.

Table 7.18: Performance of Karuma Hydropower Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs	Cum. Achieved Quantity	Physical performance (%)	Remarks
Construction of Karuma Hydropower plant	70	827.954	48.00	61.65	1. Civil works: 65% of the civil works were completed. All excavation works for the Main Access Tunnel, emergency/Ventilation Tunnels, ADITS, Main Transformer Exhaust Tunnels, Underground Caverns and shafts were completed in FY2016/17. Concrete works resumed in the dam (73.3%), power intake (49.8%), powerhouse, transformer cavern (34.01%), surge chamber and tail race (26.9%). Concreting in draft tubes for all the 6 units was completed. Methodology of monitoring the cracks with the new procured instruments in the dam blocks was submitted and monitoring will start in July 2017.
					2. Electro mechanical and Hydro mechanical works: Manufacturing is ongoing for the Gates, Hoists, Generator and Auxiliaries. Grounding of powerhouse and intake area is on-going. Installation of draft tube cones was completed on all 6 units. Installation of penstock steel liners in head race tunnels 1-6. Factory Acceptance Testing for the hydro mechanical equipment was undertaken by team from UEGCL, MEMD and Owner's Engineer was undertaken in June 2017. The delivery of electromechanical equipment to the site is generally behind schedule.
Supervision of works on Karuma HPP	100	29.675	100	2.72	Project supervision has continued led by Energy Infratek, UEGCL and the project steering committee appointed in August 2016.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs	Cum. Achieved Quantity	Physical performance (%)	Remarks
Resettlement action plan for project affected persons including construction of new mosque and church in Karuma	100	15.255	70	1.22	1. All land required for the dam works was acquired. 2. The procurement of land for the construction of resettlement house was not completed and is at Expression of Interest. 3. There was delay in the commencement of the CDAP due to lack of clarity on who was responsible. This has since been sorted out and UEGCL has planned to start CDAP activities in July 2017 after review and approval of the budget. 4. The overall progress of the construction of the new church is at 80%. The super structure was completed, windows fitted and plastering and ceiling works are on-going. 5. Overall progress of the construction of the mosque is 65%. The roofing was completed and finishing works are being undertaken.
Total		**872.885**		**64.4**	**This is the physical performance**

Source: Field Findings

L-R: Civil works ongoing at the power intake; Ongoing civil works at the spillway of Karuma HPP


L-R: On-going works at the new Karuma Church; Roofing works on the Mosque in Karuma. Both projects are part of compensation as a result of displacement due to the dam works

Project Challenges

- There is still an issue with the capacity of the Owners Engineer to adequately supervise works on the project. Although the firm has made an effort to strengthen its team, some key positions are not yet filled and this is negatively affecting the capacity of the firm to ensure quality of the works.
- The project is behind schedule from delays arising out of the suspension of the concrete work due to the defects and cracks. Cracks and other defects however are still occurring in the concrete works despite the increased vigilance in project supervision.
- The project is facing an issue of with how to make price adjustments mainly due to inflation because the Indices that are supposed to be used in the contract are not produced by Uganda Bureau of Statistics (UBOS).
- Poor management of health, safety and environmental aspects under the project by the contractor, so far the project has recorded nine fatalities.

7.2.5 Nyagak III HydroPower (Project 1351)

Background

Nyagak III is one of the projects being supported under the programme "*Efficient and Sustainable Energy Supply in Uganda*" developed by the GoU through the Ministry of Energy and Mineral Development (MEMD) with the support of the German Government.

The project is being developed as a Public Private Partnership (PPP) by a Special Purpose Vehicle (Genmax Nyagak Limited) formed between UEGCL and the procured Private Sector Partner, a consortium of Hydromax Limited and Dott Services Limited.

The project scope involves;

- Construction of 2x2.75MW Nyagak III small hydropower plant.
- Constructed of 5km of 33kV interconnection line terminating at Nyagak I switch yard.

Project performance

Project performance was poor at 27.2% of the annual target. Works were at a very slow pace, a year after signing of the contract for the PPP. Despite the conclusion of the procurement of the supervising consultant for the project, the consultant, Intec GOPA is yet to report to site. Summary of performance is presented in Table 7.19.

Table 7.19: Performance of Nyagak III Hydro Power Plant by 30st June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction works on Nyagak III Supervision of works on Nyagak III	20	3,910	10	24.72	Civil works on the dam structure, power intake, penstock, and power house were planned to begin in April 2017 but had not begun by July 2017. The camp site for the workers was completed. 1.7km out of 1.8 km of the dam access road was completed. Pipe conduit excavation is ongoing and is 40% complete. The optimization study for a 6.6MW was submitted to UEGCL in May 2017 and UEGCL is yet to respond. UECGL has procured German firm, Intec GOPA to supervise works on the project. The consultant is not yet on site.
Land acquisition for Nyagak III dam and evacuation line.	100	4,000	4.75	2.53	There has been delay in compensation of the additional land for the access road to the fore bay and dam. Compensation for the evacuation line is 50% complete.
Total		**7,910**		**27.2**	**This is the physical performance**

Source: Field Findings

L-R: Works on the dam site access road to Nyagak III HPP; Completed contractor campsite and living quarters at Nyagak III in Zombo

Challenges

- Inadequate financial capacity of the private partners, as by 30th June, 2017 they had not attained financial closure.
- Although the contractor has full access to the entire project site, compensation has not been completed which is causing the contractor difficulty in undertaking work on access roads.
- The project has undergone various design changes and this has delayed the approval of the final designs.

Overall performance of large hydros programme

Performance of the large power hydro programmes was good at 70.9% of the annual target. The most dismal performance was that of Nyagak III where none of the core works had commenced. Isimba HPP works are back on course while the Karuma HPP works are still slightly behind schedule. There is need to maintain keen supervision of the works to ensure the technical specifications in the contracts are followed and the quality is ensured so that the defective work is minimized.

Recommendations

- The Government through the sector agencies should build local capacity to manage large infrastructure projects such as Karuma and Isimba HPP.
- Although Government should continue engaging private partners in the power sector, there should be a more thorough and thorough process of selection to avoid unserious private partners like for the Nyagak III HPP.

Vote Function 03 03: Petroleum Exploration, Development and Production programme

The Vote Function effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The Directorate of Petroleum (DP) in the MEMD is responsible for promoting and regulating the petroleum upstream (exploration, development and production) sub-sector in the country. The directorate is also handling 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 8.2% of the total sector budget for FY2016/17. The programme contributes to the third sector outcome of "*sustainable management of the country's oil and gas resources.*"

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

Background

The purpose of the project is to put in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and Health Safety Environmental(HSE) management in the oil and gas sector in Uganda in order to contribute to the achievement of the objectives of the National Oil and Gas Policy (NOGP).

Performance of Project

The strengthening the development and production phases of the oil and gas sector sub-programme performed fairly at 74.8% of the annual target. The highlights of FY2016/17 include conclusion of negotiations with successful bidders for the 1st round of licensing (representing 99% progress) and new explorations licenses were expected to be issued out in August 2017. Eight (8) production licenses where issued by government; Five (5) Petroleum Production Licenses were granted to Tullow Uganda Operations Pty Limited (Tullow), the operator for EA2, while three (3) Petroleum Production Licences were granted to Total E&P Uganda B.V. (TOTAL) the operator of EA1.

The joint venture (JV) partners TULLOW, TOTAL and CNOOC launched the Front End Engineering Design (FEED) studies for the upstream petroleum development and production projects in February 2017.

Phase 3 constructions of the offices for the petroleum directorate in Entebbe was concluded and construction works are under way. Summary of performance is presented in Table 7.23.

Table 7.23: Physical Performance of Strengthening the Development and Production Phases of Oil and Gas Sector by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030301 Promotion of the Country's Petroleum Potential and Licensing 200 line km of geophysical data and geochemical mapping of 50 sq. km. Basin analysis studies and resource assessment of the Albertine Graben	100	1,000	60	2.00	Acquisition of geological and geophysical data in Kadam-Moroto commenced but was halted due to hostility from the locals but will continue in FY2017/18. Terms of Reference for contractor to undertake Strategy Environment Assessment (SEA) for new basins. Basin Analysis for Lake Edward-George basin concluded and while two (2) basins, Kaiso-Tonya and Pakwach basins had their modelling completed; representing 70% of the targeted work. Negotiations with the four successful bidders for the 1st Licensing Round continued. Due diligence was carried out and the corresponding Production Sharing Agreements would be signed after successful negotiations.
					The negotiations were concluded (representing 99% progress) and new explorations licenses were expected to be issued out in August 2017. Eight (8) production licenses where issued by government; Five (5) Petroleum Production Licences were granted to Tullow Uganda Operations Pty Limited (Tullow), the operator for EA2, while three (3) Petroleum Production Licences were granted to Total E&P Uganda B.V. (TOTAL) the operator of EA1. The joint venture (JV) partners TULLOW, TOTAL and CNOOC launched the Front End Engineering Design (FEED) studies for the upstream petroleum development and production projects in February 2017.
030302 Initiate and Formulate Petroleum Policy and Legislation Guidelines for upstream regulations M&E database for the National Oil and Gas policy operationalized. National Oil and Gas Policy for Uganda revised and a new Petroleum Sector Policy and Investment Plan developed	100	160	80	0.41	Formulation of the Guidelines for the Upstream regulations was postponed, pending harmonization of some issues in the Upstream Petroleum Regulations with those of the Upstream Law. The M&E database project was accomplished and the system is in place on the PEPD Server.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
					The Consultant also trained 13 Ministry staff on the use of the M&E system and produced the Final Report on the contract. All this represents 100% of the M&E assignment. The ToR for a consultant to develop a revised petroleum policy for Uganda were developed.
030303 Capacity Building for the Oil and Gas Sector Capacity building undertaken and technical staff retained; Two (2) staff trained at M.Sc. Level; Four (4) short-term trainings; Two (2) training workshops.	100	3,840	100	11.64	Retention allowance for 50 professional staff was paid; Three (3) staff members commenced Masters degree programmes in Petroleum Geophysics, Energy Economics and Pipeline Engineering respectively; Four (4) staff members continued to undertake under-graduate courses in Uganda.
030306 Participate in Regional Initiatives Regional Sectorial Committee meetings attended; Ministrys participation in EAPCE17	100	1,000	100	3.03	One staff member attended a meeting for the Ordinary Council of Ministers meeting held in Arusha; One Regional Sectorial meeting on oil and gas matters with South Sudan was held in Kampala. In-house preparations, materials and presentations for the East African Petroleum Conference and Exhibition (EAPCE17) were made. The EAPCE 17 was successfully held in June, 2017 in Bujumbura, Burundi, with more than 200 delegates mainly from the EAC Partner States participated in the conference. The Ministry made 13 technical presentations and ran a promotional booth at the conference.
030351 Transfer for Petroleum Refining(Midstream Unit) Support to PAU and UNOC operations	100	12,699	100	38.50	The ministry continued to support Uganda National Oil Company Ltd. (UNOC) and Petroleum Authority of Uganda (PAU) through secondment of staff and information sharing. The recruitment process for the positions in UNOC and PAU continued.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
030372 Government Buildings and Administrative Infrastructure Phase-3 construction of Data Centre, Labs and Office Building at Entebbe. Maintenance of existing buildings and related infrastructure undertaken.	100	11,880	25	14.62	Access Road to the new Building at PEDPD Entebbe was completed; The contract for Phase-3 construction works for the Petroleum Data Repository, Laboratory and Offices was awarded to M/s China National Aero-Technology International Engineering Corporation Ltd and the contractors have since commenced work. Progress of work on Phase-3 construction was estimated at 28%; Repairs on the Gate-House were completed (100%).
030375 Purchase of motor vehicle and other transport equipment Contribution to the procurement of a 62-seater staff bus. Procurement of 2 Hard tops station wagons.	100	770	50	1.76	One (1) staff bus was procured. Procurement of two Hard Tops station wagons was postponed due to lack of enough funds. This represents 50% achievement.
030376 Purchase of official and ICT equipment including software ICT Equipment and maintenance licenses for specialized software packages procured	100	900	50	2.05	Ten (10) computers, Two (2) Laptops and 12 UPSs were procured. Procurement of maintenance licenses for specialized software packages was postponed due to lack of enough funds. All this represent about 50% achievement.
030377 Purchase of specialized machinery and equipment Procure assorted Laboratory equipment and chemicals; Maintenance of assorted Laboratory equipment undertaken; Two (2) Differential GPS Sets procured.	100	540	0	0.00	Procurement of Laboratory equipment and chemicals was postponed to FY2017/18 due to lack of enough funds. Procurement of GPS sets was postponed to FY 2017/18 due to lack of enough funds.
030378 Purchase of office and residential furniture and fittings Office furniture and fixtures.	100	200	0	0.00	Procurement of furniture was postponed to FY 2017/18 due to lack of enough funds.
TOTAL		**32,989**		**74.01**	**This is physical performance**

Source: Field Findings

Ongoing works on the new offices for the Petroleum Directorate in Entebbe

7.2.9 Skills for Oil and Gas Africa (Project 1410)

Background

The main objective of the sub-programme is to improve access to jobs and economic opportunities for Ugandans around the country's oil and gas sector. It is expected that the number of the Ugandan population in sustainable jobs associated with oil and gas investments will increase by 8,000 (in total 32,000 for all four countries). Out of the 8,000 people, 35% should be women and 40% young people between the age 15 and 24. In addition, the programme will raise the incomes of 60,000 people by 10% (including indirect and induced income increments; in total 240,000 for all four countries).

Project performance

Project performance was at 65% of the annual target which was fair. Putting in place the National Content Policy delayed due to a new requirement of a Regulatory Impact Assessment which has since been put in place. Accreditation of Uganda Petroleum Institute Kigumba (UPIK) for Offshore Petroleum Industry Training Institute (OPITO) certification delayed due to a management gap. This has since been addressed. A summary of performance is presented in Table 7.24.

Table 7.24: Physical Performance of Skills for Oil and Gas Africa (SOGA) Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Capacity Building for the Oil & Gas sector (Implementation of the National Content Policy Strategy and Plan commenced and well-coordinated)	100.00	700	65.00	70.00	1.The Regulatory Impact Assessment for the Draft National Content Policy was resubmitted to Cabinet for approval. 2. Two (2) officers attended an EPC suppliers workshop organized by CNOOC Uganda Limited. 3. Three (3) officers attended a meeting on opportunities in the Uganda⃞s Oil and Gas Sector with BR Energy Sun Maker Energy Services Ltd.
					4. Three (3) officers attended the Steering Committee Meeting of the E4D/SOGA Uganda project at Kampala, 31st May, 2017. 5. SOGA programme and E360 supported 30 local suppliers in the oil and gas industry to upgrading their HSE standards. 6. SOGA and Living Earth⃞s Uganda Jobs and Oil Projects increased employability of communities in the Albertine region through business development and practical skills training. Over 320 beneficiaries trained in FY 2016/17. 7. SOGA and Safeway-Rightway (SWRW) trained 12 instructors during this FY, as part of capacity development for 8 Heavy Goods Vehicles (HGV) and Passenger Service Vehicles (PSV) drivers. 9. Three (3) officers participated in two (2) National Talent Register consultative workshops. One officer attended the 2017 Getenergy Global event and 10th Annual Getenergy Awards.
Total		**700**		**70.0**	**This is the physical performance**

Source: Field Findings and MEMD Q4 report

Overall Performance

Petroleum Exploration, Development and Production programme exhibited good performance at 72% of the annual target. Highlights of this performance was the award of the three (8) Petroleum Production Licences to Total E&P Uganda B.V. (TOTAL), TULLOW and CNOOC. The joint venture (JV) partners (TULLOW, TOTAL and CNOOC) launched the Front End Engineering Design (FEED) studies for the upstream petroleum development and production projects in February 2017. Although the programme has experienced a lag in the process of commencement of petroleum refining, the Government is in the final stages of negotiations with a potential lead investor for the Oil Refinery Project which will be concluded in FY 2017/18.

Recommendations

- The negotiations for a lead investor for the oil refinery should be concluded to enable the FEED studies are concluded.

- The infrastructure projects in the Albertine region meant to support the oil production process such the power transmission projects, the airport and road projects should be fast tracked by the implementing agencies (UETCL, CAA and UNRA) respectively.

Vote Function: 03 04 Petroleum Supply, Infrastructure and Regulation programme

This Vote Function inspects and monitors the operations of private oil companies with respect to volumes, prices, product quality, and 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 VF took up 0.49% of the sector budget for FY2016/17.

7.2.10 Downstream Petroleum Infrastructure (Project 1258)

Background

Uganda is not yet an oil producing country, although 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

The project performed fairly at 67.7% of the annual target. Some activities planned for the year such as establishment of a petroleum policy were suspended due to the need to formulate a universal policy for the entire petroleum sub-sector. The contract for the current operating partner for the strategic reserves was terminated. The management of the Jinja Storage Reserve tanks was handed over to the Uganda National Oil Company (UNOC).

The procurement of a consultancy service to develop the master plan for the oil products terminal at Buloba has been finalized and Technology Consults was engaged for this assignment. A summary of performance is presented in Table 7.25.

Table 7.25: Physical Performance of the Downstream Petroleum Infrastructure Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of land by government (Development of 120,000 CM refined products storage terminal at Buloba promoted, Use of Barges transport on lake Victoria promoted.)	100.00	5,190	70.00	29.064	Final Report on Buloba Master Plan submitted. Consultancy Study for Evaluation of Lake Transport was at evaluation stage of request for proposal Buloba land title transferred to Uganda Land Commission. Insufficient funding delayed full compensation for Buloba Multi-User Terminal land.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of other Capital Assets (Jinja Storage Tanks Strategic Reserves Restocked, Equipment acquired for quality monitoring of products at strategic reserves.)	100.00	70	60.00	0.336	The NPIS upgrade is ongoing and the first two deliverables were submitted and one of them approved. -NPIS system maintained and operational. -Upgrade process is estimated to be completed by the end of calendar year 2017.
Purchase of Office and ICT Equipment, including Software (NPIS Upgraded and maintained. Technical regulations and standards acquired)	100.00	930	40.00	2.976	Inception and Interim Reports for LPG baseline study submitted. The study was delayed due to inadequate funding.
Purchase of Specialized Machinery & Equipment (Downstream Petroleum policy put in place, Use of Liquefied petroleum gas promoted, LPG supply regulations made)	100.00	6,310	70.00	35.336	Jinja Storage Tanks (JST) restocking process monitored. -Evaluation of Lake Transport Study procurement process at evaluation of request for proposal. -Atmospheric Distillation Apparatus installed at Border points for quality checks. - 05 oil marketing companies had their imports rejected at the border due to adulteration. -The management of the Jinja strategic oil reserves was handed over to the UNOC effective May 2017.
Total		**12,500**		**67.7**	**This was fair physical Performance**

Source: MEMD Q4 report, Field Findings

Overall performance

The programme performed fairly at 67.7%. Some activities planned for the year such as establishment of petroleum policy were suspended due to the need to formulate a universal policy for the entire petroleum sub-sector and the procurement of consultants to undertake some of the studies were not completed during FY2016/17. The project has handed over the operation of the Jinja storage tanks to the Uganda National Oil Company.

Recommendation

- The programme should improve on its performance in procurement since most activities have to be undertaken by consultancy firms whose services have to be procured.

Vote Function 03 05: Mineral Exploration, Development & Production

The Vote Function is responsible for the functions under the mineral sector, which involves Mineral Exploration and Investment Promotion. To achieve this objective, the sub-sector undertakes collecting, collating, processing, analyzing, archiving and disseminating 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. This VF took up 0.74% of the total vote budget.

7.2.11 Design, Construction and Installation of National Infrasound Network (Project 1392)

Background

An infrasound network consists of sensors that measure micropressure changes in the atmosphere which are generated by the propagation of infrasonic waves created as a result of events such as nuclear explosion, storms, earthquakes, exploding volcanoes and meteors. The technology therefore has considerable potential for disaster prevention and mitigation through early warning.

The objectives of the project are to Design, Construct and Install Infrasound Network (DCIIN) in Uganda; establish Infrasound Network Infrastructure in line with the Uganda Vision 2040; build human resources' capacity in infrasound research for social economic development and population's security. Enable vulnerable communities install corrective measure against lightning strikes; advise government on a comprehensive national strategy for adaptation and mitigation systems.

Project performance

The performance of the project was good at 77.5%. The project has finalized the review of the legal framework to initiate a national strategy on infrasound technologies for adaption and mitigation of geo-hazard risk in Uganda. The procurement of a contractor to design and install the infrasound system in Entebbe is ongoing and is currently at tendering stage. Summary of performance is presented in Table 7.26.

Table 7.26: Physical Performance of Design, Construction and Installation of Uganda National Infrasound Network (DCIIN) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
030501 Policy Formulation Regulation Desk Studies to review existing legal frame work on infrasound technology Identify gaps in existing infrasound technologies and amendments proposed.	100.00	100	75.00	4.01	Gaps were identified and proposed a research section be included in the new Mining and Mineral Policy being drafted. Trained 2 staff and carried out two Market surveys in Kampala on lightning mitigation technology. The project finalized review of the legal framework to initiate a national strategy on Infrasound technologies for adaptation and mitigation geo-hazard risk in Uganda. A consultant will be procured to assist the project in development of the national strategy.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
030502 Institutional capacity for the mineral sector Human resource and well trained and a pool of experts for the country produced Training programme for Human resource in infrasound technologies	100.00	100	80.00	4.28	Developed a sixty one (61) units training course for in-house use and trained 2 trainers. The key staff (four 4) were trained in infrasound data analysis. Trained project stakeholders in application of infrasound data to study animal behaviour at the Wildlife Education Centre. Commenced on-job training of two (2) staff in infrasound data analysis. Carried out reconnaissance and desk studies and packaging of project awareness massages. Generated adaptation and mitigation technologies checklist for good conductors to support the training of communities vulnerable to lightning.
030503 Mineral Exploration, development, production and value-addition promoted Field reconnaissance and desk studies undertaken Suitable site for infrasound station in forested areas and land owners identified	100.00	200	80.00	8.87	Three (3) technical staff travelled to Kenya to benchmark Infrasound technology and policy on infrasound technologies and research. Field investigations on lightning strikes were carried out in Mbale, Iganga and Jinja districts. Nine (9) infrasound array sites for Entebbe station were mapped. Awareness was created in different schools and communities. Lightning and geo-hazards vulnerability and inspection was carried out in parts of Kiryandongo district.
030504 Health safety and Social Awareness for Miners Infrasound safety standards developed and impact assessment carried out	100.00	200	80.00	8.83	Public awareness on Lightening and geo-hazards vulnerability and inspection was carried out in parts of central and Western Uganda. The project carried out a vulnerability survey and geo-hazard impact assessment study to generate a situation analysis base map for Uganda. The studies will continue on geo-hazard impact assessment and until the national coverage is achieved in the project life. Initiated compilation of districts facts on infrasound & lightning. Lightning flares base map generated Carried out geo-hazards vulnerability surveys in Mubende, Mbale, Jinja and Iganga and parts of central and Western Uganda.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
					Developed infrasound station equipment configuration layout for Entebbe reference station.
030505 Licencing and inspection Field Inspections on Infrasound network and lightening affected and vulnerable communities carried out	100.00	100	80.00	4.50	The project carried out ground geophysical measurements in affected communities and inspections on existing installations in public schools and evaluated suitable infrasound array of five (05) stations. Carried out inspection of Communities Vulnerable to Geohazards in Central and western Uganda and found that communities needed more sensitization and awareness on dangers of lightning and safety measures on adaptation and mitigation technologies.
030551Contribution to international organisation(SEAMIC) Annual subscriptions to CTBTO and WMO for global infrasound database and membership	100.00	100	85.00	5.00	The project paid annual subscriptions to CTBTO and geoscience Centre in Tanzania for global infrasound database and membership. Key staff participated in international training activities. Undertook monitoring to check on the operation and performance of the infrasound array sites at Nairobi Infrasound station in Kenya for comparison to sites to be installed with infrasound arrays in Uganda. The project undertook a collaborative research with PennState University USA in which 9 seismic stations were sited and installed in districts of Gulu, Kitgum, Agago, Lira, Kotido, Kumi, Kaabong,Napak and Amudat for temporary study of seismicity of North and North Eastern Uganda. Made a follow up on the initiated collaborative research with the University of Nairobi and an MoU is expected to be concluded by 1st July 2017.
030571 Acquisition of Land by Government Land acquisition framework established Owners of Land identified Land for Planned five (5) infrasound array stations established	100.00	100	50.00	3.47	The project identified suitable site for the infrasound stations in Uganda and owners of land identified The negotiation for land for the planned for one (1) was completed.

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
030572 Government Buildings and Service Delivery Infrastructure Infrasound Network for Uganda designed and infrastructure and equipment layout configuration defined A consultant to design the infrasound Network procured and tender document prepared	100.00	1,100	100.00	38.50	The project initiated the procurement of a consultant to design the infrasound network and prepare a tender document. The project developed and designed the Infrasound network infrastructure of Uganda and equipment layout configuration. Tender documents for procurement of equipment and construction of the Network were prepared. The procurement of a contractor for the construction of 5 research stations for the management of seismic geohazards is on-going. The procurement of a contractor to design and construct an infrasound station in Entebbe is on-going.
Total		**2,000**		**77.5**	**This was good physical performance**

Source: Field Findings

7.2.12 Mineral Wealth and Mining Infrastructure Development (Project 1353)

Background

After restructuring Ministry of Energy and Mineral Development in FY2012/13, mineral sub-sector is now a Directorate of Geological Surveys and Mines that is composed of three (3) departments as follows: Geological Surveys, Mines, and Geothermal Resources. Thus the mineral sub-sector must deliver socio-economic transformation with inclusive economic growth in the development process. Since 2011-2014 at least 26.5% of the population was employed directly and indirectly in the mineral sub-sector more especially as Artisanal and Small Scale Miners (ASM) and quarrying industrial minerals, such as salt, clay, sand, aggregates stones and slates (UBOS 2011, NDP-1).

Project Performance

Performance of the Mineral Wealth and Mining Infrastructure Development was good at 74.0% of the annual target. By the end of FY2016/17, the draft Mineral Policy was ready and submitted to Cabinet and the certificate of financial implication of the new law also prepared. Sector wide consultation on the new law was also undertaken at regional workshops in Gulu, Mbale, FortPortal and Entebbe.

In the first half of the year, six mineral targets were appraised namely: (i) Gold, base metals and Platinum Group Minerals (PGM) at Amuru; (ii) Follow up on Uranium at Ndale volcanic field; (iii) Uranium at Buhweju, Sembabule and Kiboga (iv) Rutenga Iron Ore and (v) Granite Evaluation at Karuma (vi) Bentonite at Kaiso Tonya and (vii) Sand at Diimu and Lwera in Masaka and Mpigi districts. These targets were re-defined. The studies undertaken also confirmed Gold, base metals and PGM at Amuru. A summary of performance is presented in Table 7.27.

Table 7.27: Physical Performance of Mineral Wealth and Mining Infrastructure Development Project by 30st June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Millions Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policy Formulation Regulation (A new legal, fiscal and Regulatory framework developed)	100.00	652	75.00	6.44	● The draft Mineral Policy (Green Paper) is in place and a National Stakeholders workshop was held on 29th September 2016. ● 12 monthly inter-ministerial committee meetings on the Mineral Policy and Mining Regulations; ● 4 consultative workshops held: for Mineral Policy and principles to be embodied in the Mining Act Amendment; ● The final draft of Mineral Policy Paper submitted to MEMD Top Management for further review and before submission to Cabinet.
Institutional capacity for the mineral sector (Technical staff trained at postgraduate level, certificate diploma to enable value addition on minerals and mineral analysis using XRF AAS and ICIP and other advanced technologies for development of Hi Tech I	100.00	530	100.00	6.97	The DGSM has subscribed and successfully installed a National Backbone Infrastructure (NBI). Analysis of hardware and software requirements for the data recovery disaster management system conducted and procurement to be initiated (To be handled under the MEMD) Undertook 12 mining operation audits in Isingiro, Ntungamo, Kabale and Kisoro districts. Youth involved in mining, where youth were trained in best mining practices.
Mineral Exploration, development, production and value-addition promoted (One carbonatite complex explored for Rare Earth Elements (REE) to enable the development of hi-technology industries. Iron ore)	100.00	770	75.00	7.60	Ten mineral targets were appraised namely: (i) Gold, base metals and PGM at Amuru (ii) Follow up on Uranium at Ndale volcanic field, (iii) Uranium at Buhweju, Sembabule and Kiboga (iv) Rutenga Iron Ore and (v) Granite Evaluation at Karuma (vi) Bentonite at Kaiso Tonya and (vii) Sand at Diimu and Lwera in Masaka and Mpigi (viii) Bukusu REE and other elements. These targets were re-defined. The studies confirmed Gold, base metals and PGM at Amuru, Bentonite at Kaiso Tonya in Hoima.

Output	Annual Planned Quantity or Target	Annual Output Budget (Millions Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Health safety and Social Awareness for Miners (one report on the Environmental study of the effect of heavy metals in mining areas of gold rushes conducted, Use of chemicals such as mercury in gold processing by artisanal and small scale miners monitored.)	100.00	400	50.00	2.63	• Terms of reference were prepared for a consultant to undertake registration of ASM • Over 3,000 ASMs in Namayingo, 10,000 in Mubende, 3,000 in Buhweju, 3,000 in Amudat and Nakapiripirt, 200 sand miners in Masaka were trained on Health and Safety issues in mining • Issues of use of chemicals such as mercury identified in workings in Mubende, Namayingo, Bude, Busia. The operators were sensitized on best mining practices. • Information on metal prices, and over 50 copies of Mining Act2003 and Regulation disseminated to districts; • No. of associations registered has increased from 4 to over 20. • Conducted four regional sensitization workshops in Entebbe, Tororo, Gulu, and Fort Portal with on environment, Community, Health and Safety targeting Artisanal and Small Scale Miners in Low Value Minerals (sand, granites, salt, clay and other industrial minerals). • Conducted a gender awareness on health and safety issues at two ASM sites (Mubende and Namayingo).
Licensing and inspection (Mining and exploration activities effectively monitored and regulated for sustainable development of mines)	100.00	864	80.00	9.10	• The Ministry strengthened inspections and monitoring of the ministry activities country wide. • Mining areas in different parts of the country were inspected and monitored. The project supported over forty (40) inspections per quarter throughout the entire country. • 30 ASM mining operations inspected in Busia, Bude and Kirwa were sensitized on the mining legislation and regulatory framework that governs the mineral sector as well as issues of illegal trade in minerals.

Output	Annual Planned Quantity or Target	Annual Output Budget (Millions Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
					• Designed an inspection template and data collection template. • Undertook eight mining operation audits for metallurgical accounting and appraisal for mineral value addition of selected mining operations for capacity to undertake value addition on respective commodity mineral and metal processing value chain. This is also deemed to build capacity of technical staff in assessing mineral beneficiation and processing plants for value addition studies. • 4 regional sensitization about the mineral policy and mining legislation were undertaken
Contribution to international organisation (SEAMIC)-(Contributions to SEAMIC, Geological Society of Africa (GSAf) and Organization of the African Geological Surveys (OAGS) paid)	100.00	120	100.00	1.58	The contribution was paid
Acquisition of land by government (Land for seismological stations acquired and surveyed, Two plots of Land for Ntungamo and Fort Portal regional offices and beneficiation centre acquired and surveyed)	100.00	130	75.00	1.28	Initiated procurement for land of seismological Station had stalled awaiting input from Uganda Land Commission. Land for benefication centre in Ntungamo was allocated by the District Council In Rwengoma. The contract to fence land for centers in Mbarara and Fort Portal was awarded. Undertaken topographic survey for land in Ntungamo district.
Government Buildings and Service Delivery Infrastructure (Earthquake research and monitoring facilities designed, Design and construct four mineral beneficiation	100.00	1,453	80.00	15.30	Procurement of a contractor for construction of Karamoja regional office and mineral beneficiation centre in Moroto concluded. The contract was signed on 29th November 2016 and site handover was on 21st December 2016. The contract is under implementation (Roofing level).

Output	Annual Planned Quantity or Target	Annual Output Budget (Millions Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
centres in Fort-Portal, Ntungamo, Moroto and Tororo, Modification of design and refurbishment of laboratories at Directorate of Geological Surveys and Mines(DGSM) to accommodate newly acquired equipment and or incorporation of environment protection and safety measures undertaken)					Procurement of consultant to design Earthquake Research Facility in Entebbe is at RFP stage awaiting input from the Ministry of Works and Transport to enable the issuance of advertisement for call of Technical and Financial Proposals.
Major bridges (Installation of weigh bridges Promoted)	100.00	50	80.00	0.53	Use of weighbridges was promoted
Purchase of Motor Vehicles and other Transport Equipment (Six (6) field motor vehicles Procured)	100.00	1,200	40.00	6.32	Procurement of six (6) Motor Vehicles to facilitate inspections and field work has been initiated. Procurement at Contract stage; due to limitation in finances only 2 pickups and one Bus will be procured.; Under implementation of 2 pickups and a Bus.
Purchase of Office and ICT Equipment, including Software (Data display systems, screens, Security cameras, Software packages procured and maintained)	100.00	630	80.00	6.63	Supply, installation, and testing of x-top multi-screen desktop display and multiple monitor pc system for seismology unit. Differed for 2017/18 Supply and Installation of battery cartridges for smart UPS RT 10KV at DGSM-Entebbe.
Purchase of Specialised Machinery & Equipment (Specialised equipment for earthquake monitoring purchased)	100.00	500	100.00	6.58	Procurement for supply, installation, testing, and commissioning of accelerometers, seismometers, data acquisition system (DAS), global positioning system (GPS) for geotectonic investigations and passive seismic network (PSN). differed for 2017/18 Repair works on the DGSMs power factor control unit and reconfiguration of the uninterrupted power supply installations.

Output	Annual Planned Quantity or Target	Annual Output Budget (Millions Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Office and Residential Furniture and Fittings (Office tables, chairs and shelves purchased)	100.00	100	80.00	1.05	Supply and Installation of battery cartridges for smart UPS RT 10KV at DGSM-Entebbe was undertaken.
Acquisition of other capital Assets (Updated the Mining Cadaster assets and geo-information system i.e. Libero, Unpublished Document Information system(UDIS), Labarotory Information Management System(LIMS) and e-governance, Mineral certification infrastructure in place)	100.00	200	75.00	1.97	Procurement initiated and evaluation was undertaken; contract stage; no funds released.
Total		**7,599**		**74.0**	**This was good physical performance**

Source: Field Findings

Challenges faced

- Delays in the procurement process because ofthe need to undertake consultations and approvals forTerms of Reference for consultants. There was delay for example in the approval of designs by the Ministry of Works and Transport.
- Delay in release of funds to the project and inadequate funding to achieve the outputs
- Land encumbrance for seismological facilities and regional offices have delayed the compilation of design and construction.
- Inspections of mineral exploration and mining activities requires robust motor vehicles to support field operations which at the moment are lacking. There was a planned procurement of new vehicles but not all the money was released.
- Staffing levels are inadequate; most times staff is shared among the 3 departments in the Directorate of Geological Surveys causing delays in execution of work.

7.3 Rural Energy Electrification Agency (REA) - Vote 123

Background

The REA was established as a semi-autonomous agency by the MEMD through Statutory Instrument 2001 no. 75. It seeks to operationalize Government's rural electrification function under a public-private partnership.

Mandate and Mission

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

Overall Performance

The Vote took up 12.8% of the sector budget. The total vote release performance by 30th June, 2017 was good at 94% for GoU and only 46.7% for the externally funded component. Expenditure performance was similarly good at 99.7% of the total released funds (Table 7.28).

Table 7.28: Financial Performance of the Vote by 30th June, 2017

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	56.976	53.557	53.419	94	99.7
	Donor	212.188	99.026	99.026	46.7	100
	Arrears	0	0	0	0	0
T&A	Taxes	0	0	0	0	0
A.I.A Total		40.8	40.77	32.621	99.9	80
	Grand total	309.964	193.354	185.067	62.4	95.7
Total Vote Budget Excluding Taxes and Arrears		**309.964**	**193.354**	**185.067**	**62.4**	**95.7**

Source: REA Annual Performance Report Q4 FY2016/17

Rural Electrification Project (1262)

The main project objective is in line with the Rural Electrification Strategy and Plan II RESP II). The RESP II (2013-2022) will provide funding for undertaking rural electrification projects with the overall objective of achieving rural electrification access of 26% by June 2022. The Rural Electrification Project is jointly funded by GoU and Development partners who include Islamic Development Bank (IDB), The World Bank (IDA), and Arab Bank for Economic in Africa (BADEA) and Africa Development Bank (ADB).

Project performance

Performance of projects under rural electrification was good at 80.0% as shown in Table 7.31. A number of projects were completed during the FY2016/17 in Northern, Eastern Western Uganda. The quality of works on the rural electrification schemes generally has improved and only a few snags were identified during the monitoring. However the rate of connections on these newly built lines and on the existing lines remains low due to the issue of affordability.

Table 7.31: Performance of the Rural Electrification Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Million Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Construction of Rural Electrification schemes	100.00	262,424	80.00	80.00	895Kms of Low voltage (240V), and 935Kms of Medium Voltage (33kV or 11kV) were constructed. Lot 5 GoU funded projects in Mbale, Tororo, Bukwo, Budaka were completed and commissioned. Most GoU Lot 8 schemes in Ntungamo, Rukungiri, Kanungu, Kisoro, and Kabale were completed. The scheme to Mghahinga National Gorilla Park which had lagged behind is almost complete. Other schemes under Lot 4 in Kasese, Kabarole, and Kibaale are at pole erection.
Total		262,424		80.0	**This was good physical performance**

Source: Field Findings

The status of the rural electrification schemes monitored at the end of FY2016/17 is summarised in Table 32.

Table 32: Status of monitored Rural Electrification Projects by 30th June, 2017

Project	Status
GOU funded schemes	
Andruvu community-Mvra Sudan-Oluko, Alengo, Oganyi and Ociba community In Arua	Transformer installations were completed and all schemes were precommisioned. Awaiting commissioning and handover to West Nile Rural Electrification Company (WENRECO).
Lot 5: Manafwa/Mbale/ Tororo/Sironko/Butaleja/ Budaka/Bulambuli/ Bududa	Panangasi-Pasawiro-Nawaire, Aukot, Atiri-Kajawaro in Tororo are completed, commissioned and handed over to UMEME. Completed and handed over lines included; Obama, Kachonga, Buhasango, and Bugona in Butaleja, Kireka, Ecofarm, Waninda, Zabayanya, Olimai in Kumi and Muyembe in Bulambuli. Completed and commisioned included; Iki-Iki, and Kakule Nasulete, Bugusege in Sironko and Buwabuwala, Bumwango, Masase in Manafwa. These were handed over to UMEME Bukiga, Bunaporo, Buchibopolo, Kenya in Bududa are completed and commissioned.
Lot 8: Ntugamo/Rukungiri/ Kabale/Kanungu/Kisoro and special schemes for UWA (Mgahinga and Tangaza)	• Scheme to Kahengye and Kizaara in Ntungamo was commissioned and handed over in April 2016. • The Kabingo Parish scheme in Rukungiri District has low voltage stringing complete, medium voltage pole erection and dressing complete and awaiting installation of the four 50KVA transformers. • The Kagogo/Kyatoko/Ruruk scheme in Rukungiri was commissioned and handed over. • The Katojo scheme near Kambuga in Kanungu was completed and handed over to Ferdsult in December 2016. • Kyabugorwa trading center and village in Kanungu District was completed and handed over to Ferduslt in December 2016. Nyakinoni-Nyamirama-Kyakarimira in Kanungu District was completed and is awaiting commissioning.
Schemes Under French Development (AFD) Funding	
Lot 1	

Masindi Kisanja, Kiyingi, Kihanguza, Kijumbura, Nyakanyika to Kichubanyombo park gate	Pole erection ongoing for Kisanja, Kiyingi, Kihanguza, Kijumbura, Nyakanyika to Kichubanyombo areas. 75% of poles are erected and dressing is done. Stringing yet to be done. A total of 33 transformers are to be installed. However due to anticipated road works along Masindi-Kigumba, a resurvey is going to be done. Scheme progress being hindered by material shortage especially the poles.
Bujenje to Kihara and Bwijanga to Kikungure and Ntooma along Masindi Kigumba road.	Works for Bujenje to Kihara, Bwijanga to Kikungure, Ntooma along Masindi Kigumba road, Kinuma trading center and Miirya sub-county areas have not started.
Kinuma Trading Centers on Kigumba road - Miirya subcounty	Pole erection is ongoing for Kinuma,Miirya sub-county, Kizibu, Kididima, Nyakabaale, Mboire and Nyakayata to Apondorwa trading centers.
Kiryandongo 1 .Kizibu and Kididima Trading Centres along Kigumba -Masindi road 2. Nyakabaale, Mboire, Nyakayata to Apondorwa Trading Centres	Pole erection and excavation are ongoing for Kizibu, Kididima, Nyakabaale, Mboire and Nyakayata to Apondorwa trading centers
Hoima Buseruka, Kabwooya and Kyangwali sub- counties.	Pole erection ongoing. LV pole erection at 80% while HV Pole erection is at 90%. HV Conductor stringing at 62% (28kms out of 45Kms) The scheme includes villages of Rwengambi, Hohwa, Nyairongo, Kyarusheesha, Karokarungi, Kololo, Kasoga, Mukarodi, Tontema, Kyangwali Town, Kyangwali Hospital, Kina Kyetaka, Kagoma, Burara, Mukasenye, Kaseeta, Kabwooya with a total of 13 loading centers. However, it is proposed that the line be diverted to tap power from Kyangwali line and not Kaseeta to avoid passing a power line within the refinery land.
Lot 2	
Ntungamo Ntungamo Municipality Schemes	Pole erection for Omurisatu, Kabagyenda and Kabahambi villages ongoing. Four transformers to be installed for these villages. Pole erection for other schemes also ongoing. Villages to benefit from these schemes include Kyamate, Nyakashozi, Kabingo, Nyakihanga, Kabahami, Akachwampare TC, Nyakasa, Nyakaina and Rukindo.
Grid Extensions in Ruhaama in Ntungamo	Pole erection both MV and LV ongoing. Stringing of conductors not yet done. Scheme includes villages of Kisense, Muriisa, Butare TC, Ngoma TC, , Nyakagando Parish - Igurwa TC, Nyakahika TC, Rwemiriro Village, Nyakihanga Village, Kyamate Nyakashozi Kabingo - Rukindo TC& PS, Kiyora - Kataraka - Kashoro Nyakihanga among others.
Lot 3	
Kiryangoma, Bunyere and Ndegeya 1 Trading Centres in Masaka. Nakalembe, Kamuli, Kibengo, Lusalira, Kyabakaga Trading Centres in Sembabule.	Pit excavation ongoing for Kiryangoma, Bunyere, Ndegeya-1 trading centers, Nakalembe, Kamuli, Kibengo, Lusalira and Kyabakaga Trading centers. The expected total HV and LV length for the schemes is 42.33kms and 21.83kms respectively
Nkunyu, Buzinga, Lwabuwoko and Kyangwe Trading Centres in Masaka	Works in Nkunyu, Buzinga, Lwabuwoko and Kyangwe Trading centers had not started.
Kigwera, Kyakabadima, Hamuji, Kyabasaale, Kashangari to Kamuyanga in Buyaga west in Kibaale	Pole erection and stringing ongoing for Kigwera. However, project is facing a way leave issue of 0.8kms which has affected stringing and pole erection. For Kyakabadima, pole erection is complete. Hv stringing is left with 4.5kms. LV pole erections is at 80%.

	For Hamuji, both pole erection and stringing are complete. Pole erection and stringing for Kyabasaale, Kashangari to Kamuyanga still ongoing. A total of 24kms HV length and 17kms LV length will be constructed and 11 transformers installed.
Nyakarongo-Nyaruziba and Extension to Kasasa and Rubona in Buyaga west in Kibaale	Pole erection and stringing for Nyakarongo-Nyaruziba areas and the extension to Kasasa and Rubona lines is complete, awaiting installation of four transformers.
Mpeefu and Kyaterekera Subcounties in Kibaale	HV and LV Pole erection for Mpeefu and Kyaterekera Subcounties is at 100%. HV and LV conductor stringing is ongoing. 70kms of HV are to be strung. A total of 31 transformers will be installed.
Lot 4	
1. Bukwika, Mujunjo, Kanyegaramire and Karoro. 2. Villages in Kabarole Rubona and Kabate Villages in Kabarole in Kabarole.	Works for Bukwika, Mujunjo, Kanyegaramire, Karoro, Rubona and Kabate villages in Kabarole district had not yet started.
Mwaro, Kabukokero, Kinyayobyo, Kivengenyi and Karusandara TC in Kasese	Pole erection is ongoing for all these areas in Kasese and Kabarole districts. HV Pole erection is ongoing for Mwaro, Kabukokero, Kinyayobyo, Kivengenyi and Karusandara trading centers in Kasese. 8kms out of 11kms of HV pole erection was done. A total of 6 transformers will be installed. LV pole erection had not yet started.
Ahapida, Kagoro, Kakinga, Buyingo and Nyabwiyi in Kabarole	Both HV and LV pole erection ongoing for Ahapida, Kagoro, Kakinga, Buyingo and Nyabwiyi in Kabarole. A total of 6 transformers will be installed.
Buheesi Village, Kaigereka, Nyamiseke, Rwensenene and Kiyombya in Kabarole	For Buheesi, Kaigereka, Nyamiseke, Rwensenene and Kiyombya areas in Kabarole, HV pole erection was complete. LV Pole erection ongoing and 11 transformers will be installed.
Schemes Under BADEA/SFD Funding	
Lot 3:	
Mayuge-Bwondha landing site in Mayuge.	All the line works were completed and project commissioned in November 2016 and handed over to UEDCL for operation.
Lugasa-Galiraya-Kawongo Landing site Lusenke trading center and environs Kyerina-Nkokonjeru-Bukomba	Works not yet started. No funds were released to the contractor.
Schemes Under BADEA/OFID II Funding	
1. Kikondo-Tongolo Resort Beach 2. Kikanya-Buwoya Golomolo,Kasubi-Kikona-Luwoya farm	Works not yet started. No funds were released to the contractor.
Schemes Under OPEC Funding	
Lot 2: Ikwera-Nambieso-Abongomola, Alenga-Kwibale, Aduku-Cawente, Aduku-Nambieso, Anduku-Inomo, Lira-Bala; Aloi-Omoro; Dogapio-Atura	Works on scheme were completed and pre-commissioning tests were done. Awaiting commissioning and handover to network operator.

Source: Field Findings


L-R: Completed rural electrification schemes at Alekolol Primary School in Apac District; Completed rural electrification scheme at Binze in Arua District


L-R: Completed rural electrification scheme supplying Mgahinga Gorilla National Park facilities in Kisoro; Pole erection ongoing on the Kisanja-Kiyingi-Kihanguza rural electrification scheme in Masindi District

A homestead, newly connected to the completed GoU funded electrification scheme in Sironko District

Overall performance of Rural Electrification

The overall performance of rural electrification was good, although the connections did not perform very well since the Output Based Aid Project has come to an end. A major concern under the Energy for Rural Transformation III (ERT III) is the delay in the procurement of contractors for the different schemes.

Challenges

- Some of the projects were experiencing difficulties in obtaining wayleaves for the construction of lines leading to delay in erection of poles.

- The rate of connection on the newly commissioned lines and most of the previously constructed lines is still very low. The main reason for this is the high connection charge coupled with the high cost of wiring premises. This means that the greater population is not benefiting from the completed grid extensions.

Recommendations

- To encourage connections by consumers, Government should make more initiatives that focus on the last mile connection in all service territories. Also the cost of wiring for domestic users can be reduced by lowering taxes on the materials required, and also promotion of Ready Boards.

Conclusion

The overall sector performance was fair at 67.7% of the annual targets (Table 7.33). The good performing projects were Isimba Hydropower Project (79.5%), Design, Construction and Installation of Uganda National Infrasound Network (77.5%), Rural Electrification Project (80%), Mineral Wealth and Mining Infrastructure Development (74.0%). Projects that performed fairly included Karuma Hydropower Project (64.4%), Mputa Interconnection (65.4%) and Downstream Petroleum Infrastructure (67.7%).

The key constraints in the achievement of sector outcomes for most of the programmes were; delayed acquisition of ROW for the power transmission projects, and inadequate funds for compensation on projects, manpower capacity constraints, and finally cost of affordability of electricity also continues to negatively affect access to electricity especially in the rural areas. The performance of the key sector projects monitored is tabulated in Table 7.33.

Table 7.33: Overall Performance of the Energy Sector

	Project	Overall performance (%)
1	Power transmission projects	53.9
2	Isimba Hydropower Plant (Project 1143)	79.5
3	Karuma Hydropower Plant (Project 1183)	64.4
4	Nyagak III Hydro power Plant(Project 1351)	27.2
5	Strengthening the Development and Production Phases of Oil and Gas Sector (Project: 1335)	74.0
6	Skills for Oil and Gas Africa, SOGA (Project 1410)	70
7	Downstream Petroleum Infrastructure (Project 1258)	67.7
8	Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	77.5
9	Mineral Wealth and Mining Infrastructure Development (Project: 1353)	74.0
10	Rural Electrification (Project:1262)	80.0
	Average Overall Sector Performance	**66.8**

CHAPTER 8: HEALTH

8.1 Introduction

Health is identified as a key priority in the medium term of the second National Development Plan (NDPII) and contributes to the third objective of the plan *'to enhance human capital development'.* The sector's main goal is to reduce morbidity and mortality as a contribution to poverty reduction, and economic development through increased access to quality health services.

Sector Outcomes and Priorities

The sector focused on three key outcomes in FY2016/17 namely[31]:1) Increased deliveries in health facilities; ii) Children under one year old protected against life threatening diseases; iii) adequate stocks of Essential Medicines and Health Supplies (EMHS) received by various health facilities.

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

- 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

8.1.2 Sector Votes

The health sector is comprised of the following Votes; The Ministry of Health (Vote 014); National Medical Stores (Vote 116); 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); Uganda Virus Research Institute (Vote 304). Others are; Mulago and Butabika National Referral Hospitals (Votes 161 to 162 respectively); Fourteen Regional Referral Hospitals (Votes 163 – 176)[32] and all local governments (Vote 501-850).

8.1.3 Overall Sector Financial Performance

Financial Performance

The sector was allocated Ug shs 1827.26billion inclusive of donor funding but excluding arrears, taxes, and Appropriation in Aid in FY2016/17. This was 8% of the total National Budget. The sector budget was shared as follows: The MoH (55.14%), LGs (18.47%), National Medical Stores (13.02 %), Regional referral hospitals (4.87%); National Referral Hospitals (4.03%) and 4.46% to other spending agencies.

31 MFPED, National Budget Framework Paper FY2016/17 (Kampala 2016)

32 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

The GoU funded 52% of the budget while development partners funded 48%. The GoU released 95% of the budget (Ug shs 917billion) and spent 98% (Ug shs 897billion) leaving Ug shs 19.5billion unspent by 30th June, 2017[33].

8.1.4 Scope

The chapter presents annual financial and physical performance of selected sector programs and projects of 21 out 26 central government votes (80%); 23 out 25 (92%) LGs that benefited from the PHC transitional grant in FY2016/17. The annual monitoring covered 91% of the development and 41% of the nonwage-recurrent sector budget. Overall sector budget coverage was 61%. Summary of entities monitored and budget coverage is indicated in Table 8. 1 and 8.2 respectively.

Table 8.1: Percentage coverage of the Annual Health Sector Budget FY2016/17

Grant	Budget (Ug shs)	Budget Monitored	Percentage Monitored
Wage	378,810,000,000	0	0
Non-Wage	402,270,000,000	164,517,186,000	41
Development	1,046,080,000,000	953,548,713,716	91
Total	**1,827,160,000,000**	**1,118,065,899,716**	**61**

Source: Author's Compilation

Table 8.2: Votes, Vote Functions, programs, projects and outputs selected for annual monitoring FY 2016/17

Program/Project/Output	Institution visited/location
Vote: 014 Ministry of Health (MoH)	
Vote Function: 0802: Health systems Development	
Construction and Equipping of the International Special	Entebbe
Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital (Project 1315)	Mulago Hospital
District Infrastructure Support Programmes (Project 0216)	Tororo General Hospital, Mukuju HCIV, Kapchorwa General hospital, Bugembe HC IV and Walukuba HC IV
Health Systems Strengthening (Project 1123)	MoH headquarters, Oyam (Aboke HC IV)Apac (Aduku HC IV), Amuru (Atyak HC IV), Bugiri (Nankoma, Muterera HC IV), Iganga (Bugono HC IV), Ntungamo (Rubare HCIV), Mubende (Kasanda, Kiganda), Moyo Hospital, Moyo (Obongi HC IV), Iganga Hospital, Mityana Hospital, Kyantungo, Mwera, Kikamulo,
Institutional Support to MoH	MoH headquarters
Italian Support to HSSP and PRDP (Project 1135)	Abim, Kotido, Moroto, Nakapiripiti, Kabong,Napak, MoH Headquarters,
Regional Hospital for Pediatric Surgery (Project:1394)	MoH Headquarters
Renovation and Equipping Kayunga and Yumbe General Hospitals (Project:1344)	Kayunga, Yumbe, Kampala
Support to Mulago Hospital Rehabilitation (Project 1187)	Mulago, Kawempe, and Kiruddu Hospitals
Vote Function 0805: Pharmaceutical and other Supplies	
Global Alliance for Vaccines Initiative (GAVI)	Bugiri, Buikwe, Bundibugyo, Buhweju, Kanungu, Ntoroko, Kibaale, Kisoro, Lyantonde, Lwengo, Nakapiripiriti, Sheema, and Wakiso, Palisa
Global Fund for AIDs, TB and Malaria (Project 0220)	MoH headquarters, NMS various RRH and 20 general hospitals
Vote function 0804: Clinical and Public Health	
Programme 7: Clinical services	Arua, Maracha, Tororo , Adjumani, Gulu, Oyam, Lira and Apac MoH headquarters various RRH and local governments
Programme 8: National Disease Control	Arua, Maracha, Tororo , Adjumani, Gulu, Oyam, Lira and Apac MoH headquarters various RRH and various local governments

33 Donor Information was not readily available by 30th June 2017

Program/Project/Output	Institution visited/location
Programme 9: Shared National Services	Arua, Maracha, Tororo , Adjumani, Gulu, Oyam, Lira, Masaka and Apac, MoH headquarters various RRH and local governments
East Africa Public Health Laboratory Network Project Phase II	Butabika, Arua, Butabiika, Fort Portal, Mbarara, Moroto
Vote: 134 Health Service Commission	
Vote Function: 0852: Human Resource Management for Health	
Health Workers Recruitment and Human Resource for Health Management Services	Kampala, Health Service Commission (HSC), MoH, National and Regional Referral Hospitals
Project 0365: Health Service Commission	Health Service Commission(HSC), and RRHs
151-Uganda Blood Transfusion Service (UBTS)	
Vote Function: 0853 Safe Blood Provision	
(Programme 02): Regional Blood Banks	Nakasero, Arua, Mbale, Fort Portal
Project 0242: Uganda Blood Transfusion Service	Arua, Mbale, Kampala, Gulu, Mbale, Mbarara, Fort Portal, Lyantonde, Nakasero Jinja, Soroti, Lira, Hoima, Rukungiri and Kabale.
Vote: 114-Uganda Cancer Institute	
Vote Function 0857: Cancer Services	
ADB Support to UCI (Project 1345)	Mulago
Uganda Cancer Institute (Project 1120)	Mulago
Vote: 115-Uganda Heart Institute	
Vote Function 0858: Heart services	
Uganda Heart Institute (Project 1121)	Mulago
Vote.161: Mulago National Referral	
Vote Function: 0854 National Referral Hospital Services	
Mulago Hospital Complex (Project 0392)	Mulago headquarters
Support to Mulago Hospital Rehabilitation (Project:1187)	Mulago National Referral Hospital, Kiruddu and Kawempe GHs
Vote: 162 Butabika National Referral Hospital	
Vote Function 0855: Provision of Specialized Mental Health Services	
Butabika and health centre remodelling/ construction (Project 0911)	Butabika Hospital
Vote: 163 - 176 Regional Referral Hospitals	
Vote Function 0856: Regional Referral Hospital Services	
14 Regional Referral Hospitals (Project 1004)	Arua, Mbale, Moroto, Lira, Soroti, Jinja, Gulu, FortPortal, Hoima, Kabale, Masaka, Mbarara, Mubende, Naguru
Vote 501-850	
Rehabilitation of General Hospitals(Project 1243) using PHC Development - Transitional-Adhoc Grant	Abim, Adjumani, Apac, Buhweju, Bundibugyo, Gombe, Kamwenge, Katakwi, Kagadi, Kamwenge, Kanungu, Kiboga, Kitgum, Kumi, Masindi, Maracha, Masindi, and Ntungamo

Source: Author's Compilation

8.2 Ministry of Health (Vote 014)

The Vote is in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services like emergency preparedness, health research, monitoring and evaluation of the overall health sector performance. Performance of three out six Vote Functions of the MoH was assessed. These were: Health System Development: Clinical and Public Health: Pharmaceutical and other Supplies. The following was established:

8.2.1 Health System Development (Vote Function 0802)

The vote function took up 24% of the MoH budget. All the 10 development projects were monitores[34]. The following was established;

8.2.1.1 Construction and Equipping of the International Specialized Hospital of Uganda (Project 1393)

Background

The main project objective is to reduce the morbidity and mortality attributable to Non- communicable Diseases through appropriate specialised interventions targeting the entire population of Uganda and the neighbouring states.

It is also expected to promote medical tourism through provision of specialized medical care like open-heart surgery, brain surgery, and kidney transplant among others. It is implemented through a Public-Private Partnerships (PPP) and M/S Finasi/Roko SPV was identified to borrow finance, construct, equip and operate the 240-bed hospital for 10 years. It is located in Lubowa on Entebbe Road. Project commenced on 7th July, 2016 and expected to be completed within five years (June 2021).

Performance

The project fairly achieved the annual set targets at 66% against 100% financial performance. During FY2016/17, the project was allocated Ug shs 900million, of which Ug shs 700million was released and 100% spent. Engineering designs were completed, commencement of works was awaiting finalisation of financing agreements between the developer and a consortium of banks. Table 8.4 indicates detailed project performance by 30th June, 2017.

Table 8.4: Physical Performance of Construction and Equipping of the International Specialized Hospital Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Engineering Design Studies and Plans completed	100%	600	100%	66.67	Designs done and Environmental Impact Assessment completed.
Engineering, Procurement and construction works commenced	100%	300	0	0.00	A contract worth US$ 240 was signed with M/s Roko Limited. The developer (M/s Finnasi) was finalising the financing arrangement with a consortium of banks including East African Development and Preferential Trade Area Bank (PTA) among others. Works are expected to commence in October 2017.
Total		**900**		**66.67**	**Fair physical performance**

Source: Field Findings

Challenge

- Delays in commencement of civil works.

Recommendation

- The project developer (Ms Finnasi) together with MFPED should fast rack finalization of financing agreements for timely commencement and completion of construction works.

34 Table 8.2

8.2.1.2 Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital (Project 1315)

Background

This project commenced in February 2014 and is expected to end in February 2019. It is funded by both GoU and Islamic Development Bank (IDB) at a cost of US$30.72 million. The project objectives are to: Improve Maternal and Child healthcare services delivery at Mulago National Referral Hospital (MNRH); Decongest the MNRH by focusing on provision of tertiary, specialized maternal and child healthcare services in obstetrics/ gynaecology.

The construction works were undertaken by M/s Arab Contractors and works started on 15th May, 2015 at a sum of US$ 24,460,004.99 (VAT Inclusive). The works were supervised by M/s Joadah Engineering Services Limited at a sum of US$ 440,350 (VAT exclusive).

Performance

Physical performance was good at 84.3%. The construction works were at substantial completion, however, procurement of equipment and training of staff were not finalised. The project was allocated Ug shs 28billion, of which Ug shs 15billion was GoU counterpart funding. The GoU released 47% of the annual budget and 100% was spent.[35] Table 8.5 indicates detailed project performance.

Table 8.5: Physical Performance of Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
Maternal and Neonatal Hospital construction undertaken	100%	20,012	90%	70.20	Achieved 90% and behind schedule partly due to variations in the scope of works such as construction of a retainer wall, window designs for mosquito nets as directed by the President. Works were observed to be of good quality. The contractor had been paid 59% of the contract sum. Staff training was achieved at 56% with 70 staff yet to be trained.
Monitoring and supervision of civil works	100%	4,457	90%	14.09	Works supervised by Joadah Engineering Services Limited. A total of US$ 308,245 (70%) of the contract was paid to the consultant.
Specialised machinery and equipment procured	100%	4,000	0	0.00	No equipment was delivered during the period under review. The activity was behind schedule with some contracts like Lot 4 not signed by June 2017.
Total		**28,470**		**84.3**	**Good physical performance**

Source: Field Findings

35 Information of donor financing was not readily available by 30th June 2017

L-R: Exterior and interior view of the Maternal and Neonatal Unit at Mulago Hospital

Challenges

- Low disbursement rate; although the loan became effective on 4th February 2013, the disbursement rate remained low (60%) by July 2017. This was attributed to delays in project implementation with civil works, procurement of equipment and staff training behind schedule.
- Budget cuts led to accumulation of tax arrears; The MFPED released only Ug shs 7billion (48%) out of Ug shs 15billon approved budget. This contributed to accumulation of Value Added Tax (VAT) arrears up to US$2.2million.
- Project variations due to design changes for example window designs were changed to include mosquito nets as directed by the President. Construction of a retainer wall as part of the additional works was estimated to cost about US$300,000.
- Poor planning for the training programmes as key staff were trained in 2014. These will require refresher training upon operationalization of the facility in FY2017/18.
- Unfavorable donor conditions that required staff to be trained in Islamic countries within specific timelines partially contributed to the above challenge.

Recommendations

- The MoH and Project Monitoring Unit (PMU) should fast track completion of civil works, procurement and delivery of medical equipment to improve the loan disbursement rate as well as optimum utilisation of the investment upon completion.
- The MoH should prioritise payment of outstanding VAT arrears in accordance to the VAT Amendment Act of 2016 and 2017. The MFPED should honour its obligations to release counterpart funding to facilitate payment of outstanding VAT arrears.
- The MoH should ensure improved planning through better project implementation strategies to allow maximum gain on loaned funds in stipulated timelines.

8.2.1.3 District Infrastructure Support Programme (DISP) -Project 0216

Background

The core objective of the project is to; improve infrastructure of the health system through purchase and maintenance of essential equipment and also undertake rehabilitation of regional and district health facilities.

Project Performance

Performance was poor, only 40% of the annual physical outputs were achieved. The project budget was Ug shs 9.4billion, of which Ug shs 9.1billion was released and 99.9% spent. Procurement delays and issues of contract management occasioned the poor performance. The contractor for the Kapchorwa staff house abandoned site due to non-payment for work done. The NMS received the uniforms in June 2017, however they were not distributed to intended beneficiaries by 8th August 2017. Funds for the six X-rays machines were released and spent, however no deliveries were made by end of the FY. Below is a summary of performance (Table 8.6).

Table 8.6: Performance of DISP as at 30th June, 2017

Output Category and Name	Annual planned or Target	Annual Output Budget (Ug shs Million)	Cum. Achieved Quantity (%)	Weighted Physical performance (%)	Remarks
HMIS forms procured	100	1,000	30	3.16	The Local Purchase Order to the suppliers was issued in August 2017 and NMS was awaiting delivery. Delays in the redesigning and modification of the HMIS forms by the MoH were noted. Target not achieved.
Health workers Uniforms procured	100	3,000	100	31.62	Southern Range Nyanza Limited (Nytil) was contracted to deliver uniforms for health workers at Ug shs 3billion. A total of 21,226 uniforms for both male and female nurses in RRHs were delivered at NMS in June 2017. These include dresses, shirts, trousers, and belts, however, they were yet to be distributed to the health workers.
Travel inland and abroad, Carriage, Haulage expensed cleared and transport hired	100	298	10	3.12	Poor performance. Carriage, haulage, transport hire services was not done, partly due to non-release of funds. Approximately 10% of the budget was released.
Equipment in health facilities maintained	100	200	70	1.47	Equipment maintenance performed at 70% of the monitored facilities. This improved functionality and use of equipment. However, some facilities like Mukujju HCIV in Tororo, Bugembe HCIV and Walukuba HCIV in Jinja Municipality had not put the repaired equipment to use due to absence of personnel to operate it.
Staff house at Kapchorwa hospital completed and retention for Buyiga HC paid	100	200	30	0.63	The two-storey block stalled in March 2017 and the contractor had abandoned site. Physical progress was estimated at 30%. Only Ug shs 200million was paid as advance payment, and by 31st March 2017, certified works totaling to Ug shs 206,168,184 had not been paid. The retention for Buyiga HCIII was not paid due to unavailability of funds.
Six X-ray machines procured	100	4,791	0	0.00	There was a shift of the procurement control from MoH to a delegated procurement unit at United Nations Office for Project Services (UNOPS) to manage the procurement of equipment. By 30th 2017, the equipment had not been delivered. However, all funds were spent.
Total		**9,489**		**40.3**	**Poor physical performance**

Source: Field Findings

Stalled staff house at Kapchorwa Hospital

Implementation challenges

- Delayed payments to the contractor led to the abandonment of site at Kapchorwa Hospital. Project ended on 30th June 2017 and exited the Pubic Investment Plan (PIP) however, it had a number of outstanding obligations including completion of works at Kapchorwa, retention at Buyiga HCIII and procurement of x-rays.
- Poor project planning characterized by procurement delays, incomplete procurements and late deliveries or distribution of items like uniforms. Procurement and delivery of uniforms was not followed by a detailed distribution list including names, sizes and location of beneficiary nurses. The delivered uniforms were occupying a lot of space at the NMS stores.
- Limited involvement of stakeholders in servicing and maintenance of equipment. Mityana Hospital administrators and operators did not know the scope of works or level of maintenance done by contracted service providers.
- Omission of some health facilities that had Phillips Imaging Equipment servicing and maintenance list of contracted service providers like Dash Technologies. These included Kapchorwa Hospital equipment which was last serviced in 2015.
- Lack of personnel to operate imaging equipment like the x-ray in Kitgum and Kabongo hospitals; and ultra sound scanners at Mukuju HCIV in Tororo, Bugembe and Walukuba HCIVs in Jinja among others.
- Unclear Language; the language used by engineers and technicians on job cards regarding actual work done remained unclear to most hospital administrators and machine operators. Verification of amount of work done or space parts replaced was therefore difficult.

Recommendations

- The MoH should prioritize completion of staff houses at Kapchorwa Hospital to avoid loss of funds paid on the investment.
- The MoH Accounting Officer should reprimand project officers that fail to initiate procurement processes in due time.
- The MoH should ensure that radiologists and sonographers are recruited; transfers quickly followed with replacements to avoid redundancy of equipment for lack of operators.
- The MoH should explore options related to use of leased equipment; the GoU could procure reagents and optimally gain on low-cost maintenance or replacement deals that come along with such equipment.

8.2.1.4 Health Systems Strengthening Project (HSSP)- Project 1123

Background

The HSSP was funded by both the World Bank and Government of Uganda (GoU). It commenced on 25th May, 2010 and was expected to end on 31st July, 2015, however, it was extended to June 2017 to enable completion of construction works in various health facilities.

Project objectives included reduction of infant and maternal mortality; Human resource management and development: improved leadership and management of the health sector through training, performance, contracting, and client charters among others.

The scope of construction works involved renovation works at various health facilities. These were: one regional referral hospital (Moroto RRH); eight general hospitals and 26 HCIVs. General hospitals were; Anaka, Iganga, Entebbe, Nakaseke, Mityana, Nebbi, Moyo, and Kiryandongo. The 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. The HC IVs either benefitted from the construction of maternity wards *(inclusive of placenta pits, latrines, and a water source),* or an operating theatre.

Physical Performance

The project achieved 84% of the planned outputs. Cumulatively, the total project cost was US$ 130million, of which US$ 125million was disbursed and US$122million spent (97%). Under the GoU-FY 2016/17 counterpart financing, the project was allocated Ug shs 399Million, of which 100% was released and 100% spent.

Civil works were at substantial completion while mobile workshop vehicles were delivered at the MoH headquarters. Rectification of defects at Moroto RRH, Mityana GH, and Budondo HC IV among others were completed while rectification works were ongoing in Iganga GH and Kabuyanda HCIV by 18th July, 2017. The project had registered a number of outcomes including improvement in access to maternal and child health services, and better working environment for handling casualties in the emergency departments in various hospitals like Mityana Hospital.

Beneficiary health facilities had improved the number and access to services for example deliveries increased from 50 in March 2017 to over 84 in June 2017 at Bwijanga HCIV, Masindi District. Services offered included family planning, immunization and antenatal among others.

Although, the project had registered a number of benefits, they are likely to be compromised by limited maintenance budgets, congestion, and lack of medical supplies among others. Poor civil works were observed at Padibe, Atiak, and Packwach HCIVs all of which were contracted to Amugoli Enterprises Ltd. Some doors had broken hinges and the splash aprons had cracks at Padibe HCIV and Bwijanga HCIV in Lamwo and Masindi districts respectively.

The terrazzo in the new outpatient department at Iganga GH had failed and rectification works were ongoing. The terrazzo in the operating theatre had also failed after two months of use. Other floor sections of the hospital were losing color and the contractor attributed it to use of Jik while cleaning and disinfecting the floors. This is unavoidable in a hospital setting.

In Atiak HCIV, Amuru District, sockets, and switches were not installed while the theater lights were not properly installed to allow effective use. Procurement of furniture was concluded while replacement of rejected equipment was not done by end of July 2017. Detailed project performance is indicated in Table 8.7.

Table 8.7: Performance of the HSSP by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Mobile workshop vehicles for Masaka and Jinja RRHs procured.	100%	1,500	90%	1.80	These were procured and delivered at MoH headquarters. However, they had not been delivered to Masaka and Jinja RRH.
Human Resource Management Information System (HRMIS) rolled out. Electronic Job Bureau for the Health Service Commission finalised and rolled out.	100%	2,500	80%	2.74	The HRMIS was rolled out to various entities, however, not yet functionalised in health facilities like Mbarara RRH. The HSC Job Bureau was not commissioned and handed over to the Health Service Commission for use.
Medical equipment procured and installed. Replacement of withdrawn equipment done	100%	11,830	80%	12.96	Much of the equipment including dental and laundry machines was delivered and installed in various beneficiary hospitals monitored except Apac and Masindi hospitals where the washing machine, and drier, were not installed. Replacement of withdrawn equipment was not done.
Office furniture for renovated health facilities procured	100%	5,780	0	0.00	Furniture was not delivered as earlier planned. Letters of Credit that had been opened were closed due to World Bank objection to project extension. Funds were reallocated to procurement of vehicles for the new Uganda Reproductive, Maternal and Child Health Services Improvement Project under the World Bank. The project will in turn clear outstanding obligations for equipment and furniture under HSSP. Contracts worth US$ 2.6million were signed between MoH, Dash-S Technologies Incorporation Ltd, Rima East Africa Limited, and Joh. Achelis &Sohne GmbH.
Renovation of the nine hospitals and 26 HCIVs finalised	100%	40,000	95%	52.05	Works at HCIVs were at substantial completion while the nine hospitals were under defects liability period. Defects in various health facilities were noted while solar power installed in various maternity wards was inefficient to support lighting for more than six hours.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Works supervised by supervision consultants, clerks of works and UHSSP staff	100%	11,399	95%	14.83	Works were supervised, some defects were rectified while others were not. These were Bwijanga, Padibe, Atyaka and Packwach HCIVs.
Total		**73,009**		**84.4**	**Good physical performance**

Source: Field Findings

Implementation Challenges

- Failure to fully utilize the entire loan amount. The GoU utilized US$125million out of US$130million allocated by the World Bank.
- Poor planning leading to failure to complete construction works and procurement of furniture and equipment within the project life cycle, most of the constructions were under defects liability period, yet funding to the project had ended on 30th June, 2017.
- Delays in replacement of medical equipment withdrawn from health facilities in FY2014/15.
- High maintenance and operation of newly renovated hospitals due to increased access and improved services provided by beneficiary health facilities. The funding for operational costs and staffing levels did not increase substantially.
- Poor quality control in some health facilities leading to poor works. There was no supervising consultant to oversee rectification of defects at Iganga General Hospital, this could result in poor works and delayed completion of rectification works. The hospital management noted that the contractor had diverted from the instructions given by the MoH engineers to remove the terrazzo and was instead grinding the defective terrazo. Under the renovation of HCIVs, Atyak, Padibe and Packwach had many defects, which made the beneficiaries reject the facilities. There were cracks in some newly completed floors and veranda of Bwijanga HCIV maternity ward in Masindi District, the sluce room was not in use at the same facility due to leakages and rusting.
- Underutilization of newly constructed facilities due to absenteeism of key staff. Kyantungo HCIV in Mityana District was allocated two medical doctors, however due their absenteeism, most caesarean cases were reffered to Mityana Hospital. The facility had undertaken only two caesarean sections in two years (FY2015/16-2016/17). Non-utilization of equipment delivered under the UHSSP due to limited skills and lack of power among others (highlighted in Box 1). Other facilities like Kyantungo lacked water and could not effectively use the facilities.
- Drug stockouts for maternal health in various health facilities like Kasanda, Mwera, and Kyantugo. These include; Ferrous Sulphate and Artesunate for complicated malaria among pregnant mothers. Other supplies included; gloves, mama kits, liquid soap, and Jik.This constrained service delivery at various facilities.
- Inadequate capacity of solar systems in health facilities to light for more than six hours. This was noted in Kyantungo HCV, Mityana; Mwera HCIV, Kasese district, and Bwijanga HCIV in Masindi District The health workers continued to deliver babies using torches and phone lights in the health facilities. The facilities also suffered inadequate nonwage budgets to pay for prepaid electricity commonly known as "*Yaka*".
- Non-accountability and receipt of funds collected from private rooms. Kasanda HCIV in Mubende charged 30,000 per patient for use of private room facilities, the funds were not receipted to allow tracking and accountability.
- Inadequate designs in relation to growing population and health facility based needs. Facilities were

designed to house only eight beds yet most health facilities handled more than eight maternal cases a day. This led to limited space in the newly constructed maternity wards; "*the ward is too small, we deliver more than 8 mothers daily and are forced to discharge them as soon as possible to create space for other mothers,*" Medical Officer-Kiganda HCIV, Mubende district.

Recommendations

- The MoH should ensure proper planning, forecasting and clear implementation strategies to avoid delays in undertaking scheduled activities within stipulated timelines.
- The MFPED should apprehend accounting officers that fail to utilise loaned funds from development partners and deny beneficiaries of services related to such investments.
- The MoH should embrace consolidation of newly acquired infrastructure through prioritising funding for maintenance and staffing of beneficiary health facilities. This would improve functionality of the newly renovated facilities.
- The MoH should invest in technologies that track absenteeism and staff performance at all health facilities to avoid unnecessary referrals and congestion of RRHs.
- The MoH should ensure that works are well supervised and contractors attend to all defects within the stipulated timelines.
- The MoH and DHOs office should ensure refresher training to the health worker on the operation and maintenance of the delivered equipment for improved service delivery.
- The MoH should focus more on the preventive aspect of health care, this will reduce the country's disease burden, allocations to medical care and the related drug budget.

Clockwise: broken door Padibe HCIV maternity ward, Dental unit in Palisa hospital; Defective terrazzo Iganga GH OPD, Auto clave Kitgum Hospital un-installed washing machine Apac GH and Installed solar

Box 1: Use of equipment procured and delivered by the UHSSP

Selected general hospitals received Emergency Obstetric and Neonatal Care equipment, a washing, drying and roller ironing machine, manifold for oxygen cylinders, three solar powered blood refrigerators, an electric boiling pan, an auto clave, dental set and dental x-ray, and a general X-ray machine among others. HCIVs visited received Emergency Obstetric and Neonatal Care.

The equipment had greatly improved service delivery and contributed to reduced neonatal deaths in health facilities across the country. However, it was not operational and effectively utilized by some health facilities for example; the equipment was not functional in Kiganda HCIV in Mubende District while other health facilities like Kyantungo in Mityana District could not use it for limited budgets to facilitate constant powering using prepaid meters. The solar power provided was limited to lighting, it could not power any equipment.

Laundry machines delivered to Masindi Hospital could not be installed and tested due to outstanding electricity arrears (Ug shs 120million), wiring and power connection challenges. Boiling pans and autoclaves at Apac Hospital were not in use due to lack of water. Many hospitals received electric boilers, however, a number of them had stopped preparing meals and water for patients and therefore un-utilized.

The Atomic Energy Council closed about 70% of dental and radiology x-ray equipment due to either lack of radiographer, lead shields and aprons, radiation monitors, failure to make annual subscriptions and or inappropriateness of the rooms harboring the equipment. Affected health facilities included; Lyantonde, Paliisa and Kitgum.

Other hospitals like Bugiri and Mororo were not using the x-ray equipment effectively due to lack of x-ray films and doctors read radiography results from the computer in the x-ray room or relied on written results from the radiographers.

Limited skills to operate equipment like phototherapy units, and incubators in some HCIVs of Kiyunga in Luuka, and Aduku in Apac. The health workers did not have the requisite skills to use the equipment and they continue to refer mothers who needed such services to Iganga General Hospital, Jinja or Lira RRH.

Source: Field Findings

8.2.1.5 Institutional Support to Ministry of Health (MoH) - Project 1027

Background

The current phase of the project commenced on 1st July, 2015 and is expected to end on 30th July, 2020. This project aims to; rehabilitate, retool the MoH headquarters, associated health councils offices, and to improve the capacity to raise Non-Tax Revenue (NTR). It intends to address the need to develop and install network systems, procurement of transport equipment, and facilitate the development of strategic plans for health institutions.

Physical Performance

The project registered good performance at 77%. The project was allocated Ug shs 2.4billion, of which Ug shs 1.9billion was released and 97% spent by 30th June, 2017. Most of the outputs achieved were recurrent aimed at retooling of the MoH. Some of the critical project outputs like construction of the staff canteen were not undertaken. Table 8.8 shows the physical performance of the Institutional Support Project by 30th June, 2017.

Table 8.8: Performance of Institutional Support to MoH Project by June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
Ministry of health headquarters renovated and a staff canteen constructed	2.00	100	0.00	0.00	Activity not done, however the MoH renovated the former police station into a drivers shade.
Double cabins and one salon car procured.	3	628	2	17.24	Two double cabins were procured, however part of the funds (Ug shs 10million) were spent on procurement of a bull bar for a station wagon.
Office and ICT equipment procured (demand driven)	100%	50	100%	2.06	Procured furniture for the top managers and furnished the 4th and 3rd floorboard rooms.
Taxes on specialised and other equipment and donations paid	100%	1,200	50%	43.30	Half of the budget was released and spent.
Office and residential Furniture and fittings procured (demand driven)	100%	50	100%	2.06	Executive chairs were bought, payments for walkthrough metal detectors were also made. Refunds for repair of sofa chairs were made.
Contract staff paid	100%	50	0%	0.00	No payments made
Allowances paid	100%	50	100%	2.06	Some allowances not related to the core objectives of the project were paid. These included lunch and transport allowances to various officers, and office imprest.
Health systems monitored, supervised and evaluated	100%	100	100%	4.12	Supervision activities undertaken by various MoH officials including top management in various parts of Uganda.
Short term consultancy services procured	100%	100	49%	4.04	Funds were mainly spent on support supervision in various parts of Uganda.
Selected vehicles maintained	100%	100	35%	2.17	Some vehicles were repaired, others serviced, tyres, batteries, flags procured among others.
Total		**2,428**		**77.0**	**Good physical performance**

Source: Field Findings

Challenges

- Discrepancies between project objectives and annualised workplan. The expected project outputs were mainly capital while implemented outputs were recurrent or retooling outputs in nature. This created a mismatch between resources allocated, works and results on ground.
- Lack of clear targets on utilization of allocated funds. A number of outputs including renovations, staff canteen construction as well as procurement of ICT equipment did not have clear targets to facilitate tracking and budget monitoring.
- Poor planning characterised by budgeting for non-existent staff. For example the project budgeted Ug shs 50million for contract staff yet none were employed. The MFPED released 100% for the activity budget, although it was returned to Consolidated Fund.
- Failure to undertake some project outputs indicated in the MoH's policy documents over the years. This included establishment of a fully equipped and staffed institutional clinic.

Recommendations

- The project coordinator should ensure that project objectives are in tandem with the annualised work plan. Development of clear and measurable targets, proper planning and budgeting for stipulated targets or outputs to facilitate effective monitoring and project implementation.
- The MoH should separate all recurrent from development outputs as recommended by the Development Committee of MFPED. This will facilitate timely and effective project implementation.

8.2.1.6 Italian Support to Health Sector Development Plan (HSDP) and Peace Recovery and Development Plan (PRDP) - Project 1185

Background

The GoU, through the Ministry of Health secured funds from the Italian Development Agency towards the cost of Karamoja Region Staff Housing Project (KRSHP) for the construction of 68 staff houses for selected public, and private-not-for-profit health facilities in Abim, Amudat, Kaabong, Kotido, Moroto, Nakapiripirit and Napak districts. The contract for construction work was awarded to M/s Zhonghao Overseas Construction Engineering Company on 8th February, 2016 at a sum of Ug shs US$ 5,592,885.18 (VAT Inclusive) supervised by M/S Joadah Consult Ltd for a period of 18 months.

Performance

Physical performance was poor at 48.7%, as the contractor abandoned sites in March 2017. By then, progress of works was at various levels; Alerek HCIII, and Nyakwae HC IIIs in Abim District, Lokitelaebu HCIII in Kotido, Lokilia HCIII and Kapalata HCIII in Kabong District, were at roofing level. In Napak District the progress of works at Lokopo HCIII was at Linten level, Kangole HCIII was at slab level, while Lotome HCIII was at foundation level. At Nadunget HCIV in Moroto District, the east block was at roofing stage while the west block was at slab level. In Nakapiripiriti District, works had stalled at plinth wall level at both Nakapiripiriti HCIII and Namalu HCIII.

The works had stalled and the contractor had abandoned site in March 2017 due to non-payment for the certified works. The non-payment of certified work was caused by the expiry of financing agreement between the GoU and the Italian Development Agency.

The annual approved budget was Ug shs 5.9billion of which Ug shs 1.5billion (27%) was released and 100% spent. The consultant certified works worth US$2,242,117.54 while payment of US$ 1,534,461.91 (68%) was made. The negotiations were ongoing to renew the financing agreement with the new Italian government. Table 8.9 summarises the physical performance of the project by 30th June, 2017.

Table 8.9: Performance of Italian Support to PRDP and HSDP by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance	Remarks
Construction of staff houses	67	5,970	34%	45.7%	The overall physical progress of the civil works was rated at 33.5% against the time progress of 55.5%. Performance was at different levels in various districts: Abim 64.3%, Kotido 41.3%, Kabongo 63%; Napak 22.17%, Moroto 16.5%, Amudat 6% Nakapiripiti 10.3%. The works were of fair quality with some cases of structural cracks at facilities like Alerek HCIII. At Lokitelaebu, the tank base needs to be redone while the foundation at Lotome HCIII, had submerged in storm waters. This is likely to compromise its strength and life span.
Total		**5,970**	**50%**	**45.7%**	**Poor performance**

Source: Field Findings


L-R: Abondened foundation at Lotome HCIII, Napak District; Tank base to be re-constructed in Lokiteleabeu HCII in Kotido District


L-R: Staff house at Lokilia HCIII, Kabongo District; Staff house at foundation level at Kangole HCIII, Napak District

Challenge

- Expiry of the financing agreements affected disbursement of funds leading to abandonment of the civil works in March 2017.

Recommendation

- The MFPED and MoH should expedite negotiations to renew the financing agreement to allow the contractor resume construction works.

8.2.1.7 Regional Hospital for Paediatric Surgery (Project 1394)

Background

The overall objective of the project is to contribute to development of health systems in Africa through the establishment of a hospital for paediatric surgery in Uganda.

The project is expected to create a free of charge tertiary level facility that can become the referral centre for Paediatric surgery at a regional level. It will guarantee specialized paediatric surgical healthcare within a catchment area including Uganda and neighbouring countries, and to ensure capacity building of national medical staff. The project commenced on 7th July, 2016 and expected to be completed within five years (June 2021). Total project cost is US$ 28,704,000.

Performance

The project achieved 15.7% of its annual set targets. The annual approved budget (FY2016/17) was Ug shs 1.7billion, of which Ug shs 583million was released and 99% spent. Civil works had not started by 30th June, 2017. Table 8.10 shows the physical progress of the project.

Table 8.10: Physical Performance of Construction of Regional and Paediatric Hospital Project as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mill)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
Construction of the regional hospital for paediatric surgery commenced	100	1,799	5.00	15.69	Thirty acres of army farm land were gazzated for the project. GoU had released Ug shs 500million, which was spent on ground breaking, fencing, site clearance, water and power extension. The contract had not been signed by 30th June, 2017.
Total		**1,799**		**15.7**	**Poor physical performance**

Source: Field Findings

Challenge

- Delays in commencement of civil works is likely to lead to contingency liabilities.

Recommendation

- The MoH should fast track timely commencement of works to avoid contingency liabilities related to delayed implementation of government programs and projects.

8.2.1.8 Rehabilitation and Construction of General Hospitals (Project 1243)

Background

This project is divided into two components: the rehabilitation of Kawolo Hospital funded by the Spanish aid, and the local grant for rehabilitation and construction of general hospitals. The main objective is; to improve quality of the general hospital infrastructure in all districts. Emphasis was on; minor repairs, rehabilitation, maintenance, and painting. Rehabilitation of Kawolo Hospital had just commenced, therefore annual monitoring focused on component two and visited 23 out of 25 beneficiary districts

In FY2016/17, 25 districts benefitted from the grant of which 23 were monitored; Abim, Adjumani, Apac, Bududa, Buhweju, Bugiri, Bundibugyo, Butambala, Kaberamaido, Kagadi, Kannungu, Kapchworwa, Kibaale, Kiboga, Kitgum, Kumi, Lyantonde, Maracha, Masaka, Masindi, Ntungamo, Pallisa, and Tororo.

Project Performance

Performance was good, 85% of the annual targets were achieved. The project was allocated Ug shs 9.5billion, of which 100% was released and 99% spent by 30th June, 2017. The project facelifted a number of general hospitals, improved services and working environment in beneficiary hospitals. Districts that achieved their annual targets included Adjumani, Maracha, Gombe, and Kanungu among others.

Poor performing districts included Bugiri, Kumi and Buhweju. Issues related to poor quality works, mismanagement of government funds were noted in some hospitals like Kagadi, Bugiri, Kumi and Kagadi among others. Table 8.11 shows detailed physical performance of the Rehabilitation and Construction of General Hospitals' Project by 30th June, 2017.

Table 8.11: Physical Performance of the Rehabilitation and Construction of General Hospitals Project by 30th June, 2017

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
Abim District Hospital rehabilitated (TB ward, mortuary, store, laundry, drainage and external works)	100	400	65.00	2.99	The project was behind schedule at physical progress of 65% against 71% financial progress. The quality of work was fair and the contractor was onsite. The client was processing the final payment certificate exclusive of retention. A provision for the retention was planned in for FY2017/18. Design inadequacies characterised by omission of items like lightning arrestors were noted.
Adjumani District Hospital rehabilitated (OPD wards A,B,C,D)	100	400	100	4.60	The project was completed on schedule in August 2016. Physical progress was 99% against 90% financial progress. The quality of work was good. There were afew snags, which the contractor had started addressing such as replacement of window and cabin locks.
Apac District Hospital rehabilitated, Maternity and ANC Clinic, Main theatre and minor electrical works	100	300	85	2.95	The project performed well at 85% physical progress against 32% financial progress. Majority of the works was undertaken but payments not made except for the separation of the electricity line of the hospital from the staff quarters. The project experienced a short fall of Ug shs 100 million.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
Staff quarters and Maternity wards at Olelpek HCII and Cawente HCIII, Refund for the purchased water pump mortar at the Hospital.					There were also cases of reallocation where development funds were used to pay salaries and other commitments that had experienced a shortfall. Apac DLG experienced a budget short fall of Ug shs 4,590,561,701 in FY2016/17. This affected the development projects, payment of salaries and pension.
Bududa District Hospital rehabilitated (Male and Paediatric ward; Sewage system)	100	400	85	3.91	The project was slightly behind schedule. Finishes on the sewerage system were still ongoing while the renovation works were under defects liability period. The main works on the male and paediatric ward were at 95% while the works for the sewerage system and minor fencing were at 75%. Delays in completion of the sewerage system were attributed to late approvals from MoH to utilize project balances (Ug shs 48 million).
Buhweju District-Maternity ward at Butare HCIII constructed	100	300	50	1.72	Physical progress was at 50% against 93% expenditure. Funds were allocated to a Private-not-for-Profit Hospital as a fulfilment of a Presidential Pledge made in 2012. The district had transferred Ug shs 300million to the health centre without clear guidelines on utilisation and accountabilities. The PNFP lacked clear Bills of Quantities (BoQs) and accountabilities. The district had issued designs for an 8-bed maternity, however the entity had put up a 120-bed facility. This made funds inadequate, without another intervention works were most likely to stall. By 20th July, 2017 the facility had not been roofed, Ug shs 280million was utilised and the balance was expected to buy iron sheets.
Bundibugyo General Hospital rehabilitated (Male and Female ward renovation, overhauling the sewerage system and septic tank)	100	200	100	2.30	Works on the two wards were completed. Contract was awarded to M/s Abamu Limited, works commenced on 18th May 2015 expected to be completed on 18th November 2015. Actual completion was September 2016. The entire contract sum was Ug shs 871million, of which Ug shs 358million was paid by December 2016 leaving a balance of Ug shs 513million. Internal and external painting was done on the two wards, a few floor works, tiles replaced for both male and female toilets. Works were completed and the FY 2016/17 allocation was used to clear debts with the contractor.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
					Some works outside the contract were undertaken, these were construction of the generator house and placenta pit at a total of Ug shs 18million. Contract management issues characterised by poor planning at both the MoH and district were noted.
Bugiri District Hospital rehabilitated (Wards rehabilitation including water works and repairs among others)	100	400	30	1.38	The project exhibited very poor performance at 30% by the end of FY. The contractor was not on site. Payments for the first and second phase were not commensurate with the value of works on ground. The quality of works was poor, and the BoQs were not followed adequately.The rehabilitated roof was leaking and celling was falling off. There was no value for money and a forensic audit should be undertaken by the Office of the Auditor General. The district and hospital administration should refund mismanaged resources.
Butambala District-OPD and toilets at Gombe Hospital-renovated	100	700	100	8.05	The contract for the toilets was awarded in January 2017 at a revised sum of Ug shs 166.6million to M/s JES&E Technical Services. Works were completed, however not in use due to lack of water. Rehabilitation works at the OPD were awarded to M/s Pharm Investments Limited at a revised sum of Ug shs 501.2million. Works commenced on 6th February, 2017 and were completed in June 2017. Both contractors were paid 95% of the sum. Roofing (Bill element five) under the OPD project was varied at over 57% of the original element bill. Works on the OPD were completed. The scope of works did not take into consideration other sections of the OPD building like the laboratory, dental area among others. Physical works on ground was not satisfactorily commensurate to financial performance of the project. The OAG should undertake a value for money audit of the project.
Kaberamaido District Hospital rehabilitated (Furniture, Mortuary fridge, Tractor moor, Assorted medical equipment; Guard house, gate, walk way, Staff house constructed, Doors	100	450	92	4.76	The project performed at 92% against 93% financial progress. The slight mismatch between financial and physical performance was in part due to mismanagement of allocated funds. A contractor was paid for works not done totalling to Ug shs 6,440,678 for purchase and installation of swing doors for the theatre and maternity ward at Kaberamaido Hospital (HCIV).

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
for theatre and maternity procured and installed,					Construction of the hospital gate was about 65% complete, however, it was fully paid for. There were also cases of poor planning and inadequate designs at the district. A mortuary completed in June 2016 was due for modification as the newly procured mortuary refrigerator could not be installed. Irregularities in tax compliance where some contractors were paid Withholding Tax (WHT) instead of direct payments to Uganda Revenue Authority. The balance of Ug shs 23,489,000 was allocated among different service providers for; installation and licencing of Xray machine delivered in FY 2015/16, modification of the mortuary, installation of air-conditioning in the x-ray unit and ultrasound scan room. Proper procurement procedures to engage some of the service providers were not followed.
Kagadi Hospital rehabilitated (female, male, administration block, stores children's ward among others rehabilitated)	100	500	95	5.46	M/s Mark Implex Ug Limited at a sum of Ug shs 481.5million did works for a period of six months. Works were expected to be completed by 4th July 2017. The contractor had been paid Ug shs 290million by 30th June 2017 and the balance was still on the hospital account. Poor workmanship was exhibited on various rehabilitated areas including the drainage and ceiling. Mismanagement of allocated funds where the district engineer certified and payments were made for works not done. These include 10 toilets at Ug shs 83.5million yet seven were constructed. New wash basins in the private wards were not replaced however, payments for new basins were effected.
Kannungu District -Kambuga HCIII in rehabilitated (Wards, staff houses)	100	400	100	4.60	The contract was awarded to M/s Extech Technical Services Limited at a sum of Ug shs 379,039,588. Works were completed in April 2017. The renovation increased the patient load, and motivated health workers, however, it increased the cost of maintaining the hospital. Snags noted included leakage in the OPD and weak window locks among others. Over pricing of items in the preliminaries included signage. Such irregularities increased actual value of works. The balance of the released funds was paid out to hospital administration, district officials and politicians for monitoring and supervision of the project.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
Kapchorwa District Hospital rehabilitated (TB ward and pit latrines, 5 Nurses blocks, causality unit renovated and equipment serviced)	100	300	99	3.41	The project was completed by 30th June, 2017 and was under the defects liability period. The works were of fair quality. Part of the recurrent activities including service and maintenance of the X-ray equipment were done under the development project. Issues of land ownership compromised consolidation of newly renovated infrastructure. There was a land conflict at the hospital where the duo (Chemongis Khamis and Cherogoi Musobo) took the hospital to court over land ownership. The two were reselling the land and further complicating the ownership.
Kibaale District - maternity ward and pit latrines at Maisuka HCIII constructed	100	300	95	3.28	Physical works were at 95% against 100% financial progress. The contract was awarded on 23rd January 2017 to M/s Azur Properties Limited at a revised sum of Ug shs 315.7million to include additional works. Works commenced in February 2017 and expected to end on 15th June, 2017. However, by 27th July, 2017, works were still ongoing. Additional works of Ug shs 19.6million were completed, these included two ramps with guard rails, stone pitching on existing embankments and storm water drainage channels. Works were observed to be good and stakeholders were happy with the quality and establishment of a maternity ward since there was none in the entire sub county. EMESCO, a nongovernmental organisation had established an OPD at the same facility to enable access to health services by the community. Additional funds for the project for FY 2017/18 were allocated to Kibaale HCIV leaving the newly constructed HCIII un-operational. Failure to prioritise and operationalise the facility is likely to render the newly constructed facility a white elephant.
Kiboga Hospital-rehabilitated-Phase III (Sewerage system and Lagoon works)	100	300	95	3.28	Works were at substantial completion at 95% and 100% financial progress. Cumulatively, the GoU had spent over Ug shs 1.2 billion on water, plumbing and lagoon works. Although, the hospital prioritised water works under the project, the maternity ward, operating theatre and pharmacy lacked water. Results for the investment could not be established. The contractor for the water system had installed an electric pump to move water from the general reservoir to the hospital, however it was too expensive for the hospital to maintain and pay utility bills.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
					UMEME disconnected power and water could therefore not be pumped from the reservoir to the hospital. Infection control in the theatre was very difficult. Washing of linen, cleaning of mothers and wards was difficult and this greatly affected service delivery at the hospital. During FY2016/17, Pal Globe Engineering's Limited at Ug shs 249million did mechanical works and sewer system. Other expenditures included procurement of equipment, power stabilizer and retention to M/s Amazon Limited-Contractor for the water supply system.
Kitgum District Hospital rehabilitated (OPD extension, 3 VIP lined pit latrines constructed, on medical ward, Private wing, Main gate, septic tank and Ambulance shade)	100	300	80	2.76	Physical progress was 80% against 36% financial progress. The contractor was not paid because of insufficient funds on the TSA account and the IFMS down time in June 2017. The IFMS down times in Kitgum lasted for two weeks thus affecting financial transactions. The quality of work was fair but there were notable design inadequacies. For instance, the OPD building had metallic windows best suited for a store.
Kumi District Hospital rehabilitated (Nurses, drivers, and doctor's quarters and walk way renovated, Works for FY15/16 completed)	100	300	40	1.38	Physical progress was 40% against 65% financial progress. There were financial irregularities where the contractor was paid retention of Ug shs 15,362,296 for phase I which had not been completed due to contractor's inadequate technical and financial capacity. At the same time Ug shs 31,756,800 was paid to the district engineering department to rectify the defects identified in phase I for FY2015/16. These included; broken doors, missing door glasses. The works for FY2016/17 had stalled, the contractor was not on site after being arrested for non-payment of his labourers.
Lyantonde hospital rehabilitated-Maternity Ward, ceiling and pit latrines at	100	500	75	4.31	Works were at 75% against 82% financial progress. M/s Bakaruma Contractors Limited was awarded the contract to rehabilitate the maternity ward at Ug shs 494million. Works were ongoing. These included painting the maternity ward, replacing a few leaking iron sheets and ridges, constructing the mortuary slab and six stance VIP latrine. Works on the latrines were completed, while the mortuary slab had not commenced. Works on ground were not commensurate with payments; for example two- our stance latrines were completed at Ug shs 86.8million meaning that the unit cost per toilet was over Ug shs 43million.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
Maracha District Hospital established (OPD block constructed)	100	350	99.5	8.10	Project was 99.5% complete against 90% financial progress. The quality of works was fair. There were some cracks on the splash apron. There is need to prioritise funding to the hospital to establish other infrastructure necessary for efficient utilization of the OPD that was completed in June 2017. The OPD stands a risk of becoming a` `white elephant if other infrastructure is not provided. About 34% of the district population lacks access to health infrastructure due to large geographical coverage of some sub counties like Nyadri sub county where Olevu parish is poorly served.
Masaka District- a maternity ward and staff houses constructed at Bukakata HCIII and Kamulegu HCIII respectively	100	400	80	3.68	The district achieved 80% physical against 100% financial performance. The funds were initially meant for Kigo Hospital, a PNFP in Kalungu district, however, the MoH reallocated and reprioritised it for two health facilities in Masaka District. These were Kamulegu HCIII benefiting from a staff house and a maternity ward for Bukakata HCIII. Although, 100% of the funds were spent, physical works were at 80%, both facilities were not handed over by P&D Traders and Contractors Limited. The eight bed maternity ward was completed at Ug shs 153million while staff houses were done at Ug shs 246million.
Masindi General Hospital rehabilitated (Male and children's ward, operating theatre, administration block, drug store, isolation ward, maternity ward, pit latrines and walk ways)	100	300	90	3.10	Cumulatively, the hospital was given Ug shs 800million. During FY 2016/17, effort was put on payment of contract balances and retention for completed work. A walkway connecting male, maternity and theatre was constructed at Ug shs 48million by M/s Akabibamba Limited, a request for a variation of Ug shs 29million was authorised by the engineer for extra works. The district released only 91% to the hospital and retained 9%. These were used to partially clear outstanding contractual obligations carried forward from previous financial years.

Planned Outputs	Annual Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity	Weighted Physical performance score (%)	Remarks
Ntungamo district- sewerage system and partial rehabilitation Itojo Hospital junior quarters completed.	100	500	95	5.46	Works were at 95% against 100% financial performance. Main contract works were awarded to M/s Gremu Trading Company Limited at a sum of Ug shs 481million. Works included roof covering and external painting of junior quarters, lagoon works and fencing, ceiling and painting works in the stores as well as unblocking the sewerage system. Some of the works done by M/s Gremu had earlier been scheduled to be completed by M/ s Spark
					Technical Services under Phase one- FY 2015/16, however no value for money was registered in the previous contract. Additional works from the previous contract were over Ug shs 40million. Minor works included tree planting with Ug shs 3.4million advanced to the hospital administrator for shrub hedge planting.
Pallisa District Hospital rehabilitated (Main Operating theatre, VIP lined pit latrines, Snags rectified and retention paid for Female, Paediatric and male wards, Gate completed)	100	300	98	3.38	Physical progress was 98% against 82% financial progress. The mismatch in performance is attributed to failure to pay for certified works for renovating the main operating theatre. The project funds were reallocated to settle other obligations from the TSA. Some contractors exhibited inadequate technical capacity, for instance the gate that was still under construction collapsed on 17th May 2016.
Tororo District Hospital rehabilitated (Children's ward and Main operating theatre, sewerage renovated, Furniture, some equipment)	100	400	97	4.46	Physical progress was 90% against 87% financial progress. Children's ward, main operating theatre and sewage system were in advanced stages while furniture and equipment had been delivered. There was a delay in the payment to the contractor for completed works, which affected the contractor's financial flows. The contractor reported that he was required to make kickbacks to fast track payment of certificates.
Total		**8,700**		**85.2**	**Good physical performance**

Source: Field Findings

Implementation challenges

- High cost of renovating the various hospitals - for example the unit cost of constructing a four stance latrine was Ug shs 43million at Lyantonde Hospital. The high costs were sometimes a result of unrealistic terms and costs in preliminary sections of various contracts.
- Mismanagement of allocated funds where district engineers connived with contractors to pay for works not done. These tendencies were evident in Kagadi Hospital, Kaberamaido and Bugiri among others
- Failure to prioritize operationalization of newly constructed infrastructure under the project. Maisuka Maternity ward in Kibaale district was completed, however additional project funds were quickly

prioritized for Kibale HCIV before payment of retention and operationalizing the facility. This left the investment redundant.

- High maintenance and operational costs of newly rehabilitated hospitals. These include increased utility bills leading to arrears and compromising quality of health service delivery. For example, water consumption at Masindi Hospital increased from Ug shs 3.2million to Ug shs 6million per month. Power consumption had also increased; Cumulatively, Kiboga Hospital had an outstanding bill of Ug shs 126million, Masindi had Ug shs 120million, Ug shs 219million for Apac Hospital.

- Laxity in timely utilization of funds due to lack of a mechanism to enforce return of unutilized funds to the consolidated fund. Hospitals such as Abim and Kagadi did not absorb all the released funds within the FY.

- Inadequate financial and technical capacity of contractors led to delayed completion of planned works across districts.

- Limited involvement of the district hospital management in the control of project resources, this gave leeway to the district engineer, CAO and DHO to make payments for unsatisfactory works.

- Allocation of funds for private hospitals without clear implementation guidelines. Butare Hospital received Ug shs 300million with no clear guidelines The facility did not have clear BoQs, contract or mode of implementation and accountabilities for advanced funds.

- Limited scope of works leaving project beneficiaries unsatisfied. For example beneficiaries queried metallic windows installed in the OPD block of Kigtum Hospital noting that they were better suited for a store. Part of the OPD building was not rehabilitated at Gombe Hospital, stakeholders in affected areas were not satisfied by the project.

- Reallocation of development funds to clear outstanding contractual obligations for districts, for example Masindi had a total of Ug shs 149million as outstanding balances for various contractors. It therefore reallocated part of the rehabilitation fund to clear balances for the OPD at Kibengo HCIII without necessary approvals.

- Lack of titles for over 80% of health facilities visited. This compromised ownership and consolidation of government infrastructure. In Kapchorwa District, some individuals were selling part of the hospital land

Recommendations

- The PPDA should regulate and investigate contractual agreements for various entities. The OAG should also undertake value for money and forensic audits on various hospitals. Administrators guilty of misuse of public funds should refund and be apprehended.

- Holistic planning geared towards consolidation of government investments for example rehabilitation works should be followed by an increase in maintenance and operational budget to facilitate optimum use and better service delivery.

- Operationalization of newly constructed infrastructure should be prioritized by the MoH and beneficiary districts to avoid redundancy of government investments and resources.

- The districts contracts/evaluation committees should carry out due diligence during evaluation of bidders to avoid contracting firms with inadequate capacity to execute the scheduled works.

- The LGs should ensure timely implementation of planned activities within specific timelines through advent monitoring and supervision of projects.

- The hospital management should be involved in decision making at project inception, contract management, monitoring and supervision to foster beneficiary satisfaction and project ownership.

- The MoH should prioritize payment of outstanding contractual obligations in various districts.

- The MoH should also prioritize acquisition of land titles to foster consolidation and ownership of its investments.


Maternity ward at Butare HCIIII under construction, a-PNFP in Buhweju District


Left: OPD under renovation and right: newly constructed septic tank at Kitgum Hospital


Substantially complete Maternity ward in Maisuka HCIII, Kibaale district Right: Maternity ward under construction at Bukakata HCIII, Masaka Hospital

Box 2: Service delivery challenges affecting performance of General Hospitals

- Lack or non-functionality of equipment in various health facilities. For example the x-ray equipment that JICA donated to Bududa and Busolwe hospitals remained non-functional since 2012 despite repair attempts by Mbale maintenance workshop. The hospital also lacks key equipment to ensure full functionality of the laboratory. Such equipment includes; CBC machine, Gene expert machine, Chemistry analyzer, and adequate cold storage facilities. In Kapchorwa Hospital, the charging board for the xray machine was not functional since 2015.
- Budget credibility: Variations in the Indicative Planning Figures and actual warranted funds. Apac District experienced a short fall of Ug shs 4,590,561,701 in FY2016/17. This affected payments to pensioners, staff salaries and failure to pay contractors for health development projects.
- Lack of functional ambulance services for various districts like Abim, Kisoro, Kabale, and Kagadi among others.
- Drug stockouts partly due to non-delivery of ordered items, drug leakages, increasing population and demands as well limited allocations to prevention and curative aspects of medical care. Stock outs of various medical supplies including Malaria, TB drugs and vaccines were noted across most LGs monitored**.**
- Omissions in delivery of medicines for some health facilities such as Ajikor HCII in Oleba sub county, Maracha District in the last cycle of FY2016/17.
- Inadequate staffing with general lack of adequate medical officers, anaesthetic officers and radiologists among others.
- Inefficiencies in the management hospital utility bills; some hospitals share power and water meters with staff houses. This has led to high utility bills and accumulation of arrears. Nebbi Hospital had accumulated Ug shs 153 million in water bill arrears.
- IFMS down times affects operations of various local governments including Apac and Kitgum districts.
- Inadequate physical access to health facilities, for example 34% of the population suffered poor access to health facilities in Maracha District.
- Blood shortages leading to maternal deaths; the country lost over 2,892 people to anaemia in FY2016/17, with Maracha District registering eight maternal deaths of which four were directly due to bleeding before or after delivery.
- Lack of uniforms for health workers: this demotivated health workers. In Mbarara RRH, health workers were required to buy their own uniforms.

Source: Field Findings

8.2.1.9 Renovation and Equipping of Kayunga and Yumbe General Hospitals (Project: 1344)

Background

The main objective of the project is to strengthen health infrastructure to deliver effective and efficient health services in Uganda. It is funded by GoU, Arab Bank for Economic Development (BADEA) and Islamic Development Bank (IsDB). Project deliverables include rehabilitation, expansion and equipment of Kayunga and Yumbe general hospitals. Project commenced on 1st July 2015 and expected to be completed within five years (By June 2020).

Performance

The project achieved only 13% of planned outputs and civil works had not commenced by 30th June, 2017. The annual approved budget for FY2016/17 was Ug shs 11.9billion, of which Ug shs 6.6 billion was GoU counterpart funding[36]. Under the GoU counterpart funding Ug shs 6.6billion was allocated to the project, Ug shs 4.5billion released and 97% spent. Delays in terms of procurement and obtaining clearances from development partners were noted. These translated into delayed commencement of works. Detailed project performance is indicated in Table 8.12.

Table 8.12: Physical Performance of Renovating and Equipping of Kayunga and Yumbe Hospital Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
Monitoring, Supervision and Evaluation undertaken	100%	735	95	10.75	Consultant had completed the inception and design report. Project Management Unit was set up, staff recruited and paid.
Kayunga and Yumbe hospitals rehabilitated Construction commenced	100%	11,099	0	0.00	Under procurement, 64% of the GoU counterpart funding was released and spent on other activities like clearance of MoH debts.
Motor vehicle Procured	1	165	1	2.48	The Project Manager's vehicle was procured
Total		**11,999**		**13.2**	**Poor physical performance**

Source: Field Findings

Challenges

- Poor planning; the MFPED released counterpart funding (Ug shs 3billion) for civil works yet procurement of the contractor had not commenced. The funds were therefore reallocated to other activities including clearance of MoH debts with approvals from MFPED.
- Delays in project execution, a contractor to undertake civil works had not been procured by end of FY 2016/17.

Recommendations

- The MoH and development partners should fasttrack timely procurement of contractors and implementation of planned activities in scheduled timelines.
- The MoH should improve planning through clear projections and timely procurements to avoid reallocations of released funds.

8.2.1.10 Support to Mulago Hospital Rehabilitation (Project 1187)

Background

The GoU received a loan from the African Development Bank and Nigerian Trust Fund to increase access to quality and affordable health care services for the population of Kampala Metropolitan Area. It commenced in January 2012 and was expected to end in June 2017 however; it was extended to February 2017 to enable the contractor complete civil works at lower Mulago Hospital. The total project cost is US$ 86 million. The African Development Bank (ADB) finances 82% (US$ 71.3 million) while 17% (US$ 15.5 million) by the Nigerian Trust Fund (NTF).

36 Information of donor disbursement and expenditure was not readily available by 30th June, 2017

Performance

The performance was good, as 82.3% of the annual targets were achieved. Cumulatively, the project was allocated US$ 35.2 million, of which US$ 15.4 million was released and 100% spent. The project is however behind schedule especially for lower Mulago while Kawempe and Kiruddu were under the defects liability period.

Kiruddu Hospital had cracks in the walls, and incomplete works. The mortuary and post mortem rooms for instance did not have glass or net to cover the window openings. This exposed the areas to entry of houseflies especially during post mortem operations. The presence of patients has affected completion works and rectification of defects at Kiruddu, and Kawempe hospitals while at Lower Mulago, the delays in completion were partly due to design changes that increased scope of works, time and cost variations. Table 8.13 shows the physical performance of Support to Mulago Hospital Rehabilitation Project by 30th June, 2017.

Table 8.13: Physical Performance of Support to Mulago Hospital Rehabilitation Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (U SD)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remark
Supervision of civil works for Lower Mulago Hospital undertaken	1.00	1,761,574	0.95	5.00	Supervision of civil works was undertaken both by the consultants and the Project Management Unit
Medical equipment for Kawempe, Kirruddu, and Lower Mulago procured	1	11,556,334	0.22	22.47	Procurement of medical equipment worth US$ 4million for each hospital was ongoing, with 11 out of 12 contracts signed; Some of the equipment was delivered. By July 2017, some of the equipment for Kawempe and Kirruddu was installed. In Kirruddu, equipment relating to, dental, radiology, obstetrics, gynecology, surgery and pediatric had not been put to use due to either inadequate space, lack of services that require the equipment at the hospital or missing parts yet to be delivered. Procurement of equipment for Lower Mulago was ongoing with 11 out of the 12 contracts signed. The equipment is expected to be delivered upon completion of construction/rehabilitation works.
Rehabilitation of lower Mulago	0.41	15,150,484	0.16	35.68	The cumulative physical performance was behind schedule at 75%. The project achieved 86% of the FY2016/17 targets. Delayed relocation of patients, modifications in the scope of works, inadequate financial capacity of the contractor have contributed to delay rehabilitation works.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (U SD)	Cum. Achieved Quantity	Weighted physical performance Score (%)	Remark
					The contract has had two addendums with the first having been signed in January 2017 and the second is due for signing. The completion date has been extended to February 2018 to allow the contractor complete the remaining works.
Kawempe general hospital completed	0.09	4,440,578	0.07	12.61	Rectification of snags is ongoing but affected by the presence of patients.The staff quarters are substantially complete.
Kirrudu general hospital completed	0.06	2,006,703	0.04	5.70	Rectification of snags is ongoing but affected by the presence of patients. The contractor has attended to about 60% of the snags.
300 Health workers trained	34	290,696	33	0.83	33 out of the 34 training activities were successfully completed. Cumulatively 2,400 officers have undergone training.
Total		**35,206,368**		**82.3**	**Good performance**

Source: Field Findings


L-R: Block work at the Physiotherapy Unit; Finishes works on Block D Annex Lower Mulago Hospital


L-R: CT scan and right Fluoroscopy under installation at Kirrudu Hospital

Snags under rectification at Kirruddu Hospital in Makindye Divison

L-R: CT scan and right Fluoroscopy under installation at Kirrudu Hospital

Challenges

- Variations arising from the numerous changes from the end users led to additional works, time, and costs especially at the Lower Mulago Hospital. The contractor was not able to rectify some of the defects identified at Kawempe Hospital especially the terrazzo and plumbing works due to presence of patients in the facility.

- Inadequate capacity of the contractor: There was evidence of slow progress of works by the contractor which was attributed to cash flow issues by the contractor between December 2016 and March 2017. The contractor blamed the cash flow challenges on the delayed payment of VAT by the GoU.

- Poor design of the septic tank at both Kawempe and Kirruddu hospitals. The septic tank at Kawempe was designed for 200 patients while the patient turn up is 500 patients. The septic tank for Kirruddu was designed for 170 patients but on average there over 300 patients. This has caused the septic tanks to fail and also increased the operation costs of emptying them while affecting the hospital environment.

- The automatic switch for the generator at Kirruddu was faulty and regularly malfunctioned. The generator has not been handed over to the management of Kiruddu Hospital, this affected timely and quality health service delivery in a number of wards.

Recommendations

- Mulago National Referral Hospital and MoH should conclude all design changes to avoid further cost and time overruns.

- The contractor should step up his capacity to ensure that all remaining works are effectively completed by

February 2018.

- The contractor for Kirruddu Hospital should address the generator faults to allow it effective use.
- The MoH should plan for sustainable sewerage disposal by connecting Kawempe to the main sewer line of National Water and Sewerage Cooperation and constructing a waste treatment plant for Kirruddu.

Overall Performance of the Health Systems Strengthening Programme

The programme performed fairly at 59% of the set targets were achieved. Good performing projects were Rehabilitation of General Hospitals 85%, UHSSP at 84%, Construction of Maternal and Neonatal Unit at 83%, Support to Mulago Rehabilitation 82%, Institutional Support to MoH at 77%. Construction and Equipping of the International Specialized Hospital of Uganda achieved 66%.

Poor performing projects were; Italian Support to HSSP and PRDP at 45%, District Infrastructure Support Project at 40%, Construction of Regional Hospital for Paediatric Surgery at 16%, Renovation and Equipping of Kayunga and Yumbe General Hospitals at 13%.

The Health Systems Strengthening Programme improved services and status of infrastructure in Uganda. The outpatient numbers had almost doubled in many beneficiary health facilities and health workers motivated due to the improved working environment. Maternal, neonatal, theatre, dental services among others had improved. A number of challenges including; limited capacity of contractors, poor quality civil works, un-utilisation of equipment, inadequate training, limited allocations to maintenance, inadequate human resources, drug stock outs among others affected efficient and effective use of newly constructed/rehabilitated infrastructure and achievement of the anticipated health outcomes in the long run. The need for improved planning, adequate budgetary allocations, rejection and rectification of civil works is paramount for improved service delivery under the Health Systems Strengthening Project.

8.2.2 Pharmaceutical and other Supplies (Vote Function: 08 05)

The programme took 67% of the MoH budget. Activities under the VF included procurement, distribution of preventive, curative supplies and assorted medical equipment; construction of medicine stores and staff houses. Annual monitoring focused on Global Alliance for Vaccines Initiative (Project 1141) and Global Fund for AIDs, TB and Malaria (Project 0220).

8.2.2.1 Global Alliance for Vaccines Initiative (Project 1141)

Background

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. It was further extended to 30th June, 2017 to allow finalization of construction works at different sites. Monitoring focused on procurement and distribution of vaccines; construction of medicine stores and staff houses under GAVI.

Performance

The project achieved 81% of the overall construction set targets. All construction works at the district stores and staff houses under the various lots were at various levels of completion ranging from 70% to 98%. Although, GAVI had granted a two-month no cost extension ending 31st August, 2017 construction works were ongoing with defects liability period ending March 2018.

The project had ended and exited the Public Investment Plan (PIP). This has a severe cost implication for clearing balances and retention on the GoU sector budget (FY 2017/18).

The annual budget allocation (FY 2016/17) for GAVI was Ug shs 26billion, of which 100% was disbursed and 62% spent by 30th June, 2017. Table 8.14 indicates detailed project performance by 30th June, 2017.

Table 8.14: Performance of GAVI Project as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mill)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Curative and preventive supplies procured and distributed-Immunisation	100%	8,000	56%	17	Vaccines under GoU and GAVI achieved 56% against the annual plan. The NMS had vaccine balances carried forward FY2015/16. Stockouts of vaccines like Bacillus Calmette-Guerin (BCG) and Tetanus were noted in various districts. The NMS procured only 13% of planned Tetanus Vaccine quantities.
Consultancy services for civil works procured	2.00	1,655	2.00	6	M/s Joadah and M/S Icon were contracted to undertake consultancy services at medicine and staff houses respectively. They deployed a number of clerks on various sites.
19 district medicines stores constructed	100%	5,856	88%	19	Works were at substantial completion. Outstanding works included power connection and installation of shelves. Cracks were noted in floors and splash aprons of some stores. These included Buhweju, Luuka, Bullisa and Rubirizi. The pavers in the parking lot at Luuka had also failed and works to rectify the failure were ongoing as at 14th July 2017.
26 staff houses constructed	100%	10,922	94%	39	Progress of works varied from 70% in Kakuuka-Bundibugyo to 98% in Chahafi Kisoro. Outstanding works included external works, power connection and general finishes. The observed quality of work was good.
Total		**26,434**		**81**	**Good physical performance**

Source: Field findings


Left: GAVI store at Isingiro district headquarters; and Right: Substantially completed staff house at Kirima HCIII-Kannungu District

Implementation challenges

- Delays in project completion; all construction works were expected to be completed by 30th June 2017, however, by end of July 2017, no facility had been handed over to beneficiary health facilities.

- Delayed payments led to slow implementation of scheduled works at districts like Bundibugyo, Lyantonde and Kannungu.

- Inadequate scope of works leaving out connection of vaccine generators to newly constructed medicine scores. In Bullisa, the contractor had refused to connect the generator to the vaccine store, noting that it was not part of the contract.

- Cracks were observed in some newly constructed facilities for example Isingiro, Buhweju, Rubirizi and Bullisa districts.

- The 26 semi-detached units are expected to provide 52 dwellings in hard-to-reach districts/areas. Family and insensitivity to gender issues were noted in allocation of housing in various districts. The facilities were suitable for same sex single health workers. Since two families cannot fit in one dwelling, these were expected to share a sitting room, kitchen, toilet, bathroom and other amenities. Two families cannot not be accommodated in one dwelling.

- Vaccine stockouts in various health facilities. BCG, TT and PCV were the most affected. The new Rota Vaccine was not introduced as earlier planned by the MoH

- Poor allocative efficiency[37]; each staff house was constructed at Ug shs 420million meaning the districts that benefited from the grant were allocated Ug shs 840million. Stakeholders at both LG and health facilities noted that the allocation was expensive to accommodate only four health workers[38].

Recommendations

- The MoH Accounting Officer should ensure timely completion of construction works without compromising quality of works.

- The MoH through M/s ICON and Joadah should ensure rectification of all defects during the defects liability period.

- The MoH and other sector votes should reduce waste through minimizing inputs for any given output while not compromising on quality. The need to improve efficiency in health spending is important. This should be done through embracing the estimated key unit costs provided by the health sector every financial year.

- The MoH should ensure involvement of stakeholders through wide consultations in decision making to allow effective and efficient utilization of government investments.

- The MoH should continue to prioritize staff accommodation to foster improved health service delivery.

8.2.2.2 Global Fund for AIDS, TB and Malaria (Project 0220)

Background

The Global Fund (GF) has been supporting Uganda in the fight against AIDS, TB and Malaria for more than a decade. The GF project was established to mitigate the negative effects of the above mentioned diseases to enable the population contribute to economic growth, increased social development and poverty eradication.

37 Means that scarce resources are used in a way that meets the needs of people
38 Health workers with families and eight without families.

Performance

The project achieved 89% of the annual targets. Some of the ouputs achieved included; procurement of ACTs, ARVs, Reagents, and TB drugs. Procurement of motorcycles and procurement of equipment like autoclaves. The project was responsible for payment of salaries for staff under the 12 Regional Performance Monitoring Teams, however, only 29 out 108 staff were paid. These had been phased out, however they were not paid fully.

The annual project budget was Ug shs 586billion, which was all released and 88% spent. Table 8.15 indicates project performance by 30th June, 2017.

Table 8.15: Physical Performance of Global Fund (Project 0220) as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Preventive and curative medical supplies for Malaria, HIV and TB procured	100%	520,855	100%	89	A number of commodities were supplied. These included; diagnostic kits, and reagents, laboratory supplies, reproductive health supplies, anti-Malarial, ARVS, ACTS, Anti -B medicines, autoclave accessories, condoms, reagents among others.
Medicines Warehouse at Kajansi constructed	0.30	4,000	0.00	0	A design and build contract with M/S China National Complete Plant Import and Export Corporation Limited was signed on 2nd June, 2017. The contract sum is Ug shs 69billion and works expected to be completed within 18months. Ground breaking was expected at end of August 2017. Delays in procurement were noted. Global Fund had allocated US$ 7.3million to the project.
Two vehicles procured	3	799	3	0.136	Two film vans procured. Three double cabin pickups procured under the Aids Control Program (ACP).
Assorted medical, dental and surgical equipment for TB, HIV, Malaria and HSS procured	100	60,653	10	0.010	Some equipment like autoclaves, delivery sets, gene expert machines and motorcycles were was procured. The output was not achieved, the entity diverted from the work plan for example instead of buying spectrometers, funds were used to recruit an internal auditor and a pharmacist. It was also noted that although the project planned to procure dental and surgical equipment in the work plan, they did not do so. Project management noted that it was a planning error since they were not mandated to procure such equipment.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
Teleconferencing Equipment and other ICT equipment procured	1	10	0	0.00	Not procured
Total		**65,463**		**89**	**Good physical performance**

Source: Field Findings

Implementation challenges

- Frontloading of various commodities under Malaria, HIV and TB led to shortages in various health facilities. Malaria Supplies worth $65,003,283 against a budget of $46,507,496 were frontloaded. This was done to meet current demands due to the Malaria epidemic in Northern Uganda. Tuberculosis supplies of $2,879,987.77 were supplied against $850,576.96 budget for FY 2016/17.

- Shortages of the Artesunate-injectable malaria drug for severe or complicated cases; Rapid Diagnosis Tests (RDTs) and isoniazid-TB drugs among others. The NMS received and handled 2.6million doses of Artesunate (60mg vial) on 10th February, 2017. These were distributed to various health facilities; however, Artesunate had run out in a number of facilities. FortPortal Hospital main pharmacy received only 340 (60Mg) vials of Artesunate in May 2017, these ran out in June 2017. The hospital therefore did not dispense any single dose of Artesunate from 27th June 2017 and by 13th July 2017. All patients with complicated malaria were asked to buy the drug from private pharmacies. The hospital had also suspended Malaria testing for lack of RDTs.

  Kabararugira Mary, a 25-year-old from Nyamisekye, Kiyombya sub-county was clinically diagnosed with severe Malaria on 9th May 2017, however, the FortPortal RRH did not have Artesunate, she spent Ug shs 60,000 on drugs (Ceftriaxone and two doses of Artesunate), syringes, plaster, gloves, saline, nasal gastric tube, cannulas among other things. She ran out of money and could not afford the 3rd dose of drugs and requested to be discharged from the hospital on the 13th July, 2017. Such cases were common in various health facilities. In Kisoro District, patients sold their property to acquire medical care as well as buy medical supplies.

- Drug leakages, with some referral hospitals like Kabale and Mubende failing to account for malaria drugs received during FY 2016/17.

- The lengthy procurement process resulted into low absorption of funds, delayed implementation of activities. Under the Malaria grant, Uganda received Ug shs 346billion and spent Ug shs 316billion leaving a balance of Ug shs 30billion.

- Delays in implementation of planned activities including distribution of mosquito nets and procurement of assorted equipment. Uganda received 23million mosquito nets, however only 13.5million nets were distributed by end of June 2017.

- Low prioritization of preventive aspect of health care. This led to high disease morbidity, for example Malaria is still the number one cause of morbidity in 95% of districts visited. The country registered 15million cases and lost 7,683 during FY 2016/17.

- Non-effectiveness of the Regional Performance Monitoring Teams (RPMTS) led to loss of government investments, salaries for over 100 officers, vehicles, and offices among others.

Recommendations

- The MoH should aggressively focus on prevention of Malaria, Tuberculosis and HIV. This is will go along away in reduction of the country's curative budget.

- The MoH should commence procurement process in a timely manner to avoid delays in implementation of scheduled activities.

- The MoH should fasttrack the Financial and Commodity Tracking System (FACTS) to avoid wastage and mismanagement of medical supplies.

Overall programme performance

Overall performance for the pharmaceutical and other supplies programmes was good with 85% of the set targets achieved. The GAVI project contributed big leaps in the provision of immunization services, provision of accommodation to health workers, reduction in infant and under-five mortality resulting from preventable and immunisable diseases. The Global Fund Project also contributed greatly to reduction in mortality rates by contributing to procurement and distribution of Malaria, TB and HIV supplies in Uganda. The two projects will go a long way in reinforcing the improvement in life expectancy, economic growth and development.

8.2.3 Clinical and Public Health(Vote Function 0804)

Background

The department of Clinical and Public Health implements the Vote Function programmes and projects. It is mandated to coordinate implementation of the basic package, routine surveillance, and management of epidemics, health disasters and public health emergencies. It is also involved in development of policies and technical guidelines for service delivery for the Basic Health Care Package among other things.

The department implements a number of activities under five programs and two development projects. Programs are: Community Health (Programme 06); Clinical Services (Programme 07); National Disease Control-NDC (Programme 08), Shared National Services (Programme 09) and Nursing Services (Programme 11). Projects are: Uganda Sanitation Fund Project (Project 1218) and East Africa Public Health Laboratory Network Project Phase I (Project 1413).

Monitoring focused on one development project; East Africa Public Health Laboratory Network Project Phase II and three programmes namely; Clinical Services (Programme 07); National Disease Control-NDC (Programme 08), Shared National Services (Programme 09).

Performance

The Clinical and Public health Department achieved 54% of the annual planned targets against 82% financial performance. This was attributed to the fact that programmes like National Ambulance Services poorly performed in terms of physical outputs (34%), they had however absorbed 88% of released funds. The National Disease Control performed best at 84% with 97% of the funds absorbed, while Clinical Services achieved 55% against 98% absorption. The performance of the development project (East Africa Public Health Laboratory Network Project Phase II was poor at 43%. Detailed programme performance is as follows:

8.2.3.1Clinical Services (Programme 07)

The programme performance was fair at 55.4%, good performance was registered on vaccination of health workers against Hepatitis B in selected areas. Vaccination of adults beyond 15 years in 39 districts was not completed due to various challenges including stock outs of vaccines. Technical support supervision was conducted in various districts and health facilities. The Commissioner of Clinical Services oversees activities and payment of medical interns in Uganda. Approximately 864 interns were reportedly paid during FY 2016/17[39]. Table 8.16 shows detailed program performance by 30th June, 2017.

39 Although this output was planned under Shared National Services, implementation was done by Clinical Services Program. It was therefore not indicated in the performance table.

Table 8.16: Performance of Clinical Services (Programme 07) by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
Clinical and Public health emergencies coordinated-Hepatitis B vaccination and training undertaken	100	2,000	80	18.55	Most health workers were vaccinated against Hepatitis B in districts visited, training 39 districts conducted, tools including vaccination plan, cards and registers were also provided. Activity was constrained by heavy workload on health workers, shortage of vaccines and associated items like test kits, gloves, cotton among others. This affected wide coverage of the intervention.
Clinical health services provided (Infrastructure, pharmaceutical and integrated curative services)	100	2,626	70	21.38	Some activities under this output overlap with activities under technical support supervision and other programmes and projects within the MoH. The need to streamline this output with clear outputs is paramount.
Medical and solar equipment maintenance	100	3,600	20	11.09	Some targets were not achieved for example training for servicing and maintenance of laboratory and theatre equipment not done. Medical maintenance workshops not done. Maintenance of imaging and other selected sophisticated Medical equipment was done under framework contracts, some of them were under DISIP.
Technical support supervision provided	100	400	0.95	4.41	Quarterly camps were undertaken by MoH together with other development partners. Fistula day and camps were undertaken in various parts of Uganda.
Total		**8,626**		**55.4**	**Fair physical performance**

Source: Field Findings

Implementation Challenges

- Duplication of outputs with many of the programme outputs including technical support supervision overlapping, with others in the Department of Clinical and Public Health as well as other development projects.
- Lack of clear measurable outputs making performance tracking difficult.
- Limited budget for hepatitis vaccination program. This led to stock outs of vaccines, registers, Information, Education and Communication (IEC) materials, gloves, and cotton wool among others.
- Limited coverage of hepatitis B vaccination programme due to; vaccine stock outs, testing kits, cotton, gloves and limited heath workers, the process is labour intensive given other activities and vaccinations hence constraining service delivery.
- Drop outs of some people vaccinated with the first and second doses of the hepatitis B vaccines but did not turn up for the third dose rendering the first two doses useless. Drop outs were partially due to laxity and vaccine shortages.
- Lack of medical internship guidelines to guide interns and medical practitioners.

- Increasing number of interns against few supervisors. This affects amount of time, guidance and supervision given to interns, thus affecting quality of health workers released for service. Such interns fail to handle cases hence refer, misdiagnose and manage illnesses in various health facilities.

Recommendations

- The MoH should come up with clear and measurable outputs under Program seven for improved accountability and service delivery.
- The MoH should harmonise their work plans to avoid duplication of outputs across programs and projects.
- The MoH and LGs should carry out massive sensitization to ensure that people complete the entire dose of the vaccination program for Hepatitis B.
- The MoH should ensure that medical interns are efficiently supervised. This could be done through engagement and motivation of supervisors.

8.2.3.2 National Disease Control (Programme 08)

The programme performance was good at 84% and absorbed 96% of the funds. The department worked with several development partners on a number campaigns including mass registration and distribution of mosquito nets under endemic and epidemic disease control services, response to outbreak of Measles in Jinja and Bugiri under immunisation services among others. Table 8.17 shows detailed programme performance by 30th June 2017.

Table 8.17 Performance of National Disease Control by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
Indoor Spraying completed in Kumi and Ngora	100	2,900	50	25.83	Indoor Residual Spraying (IRS) commenced in January 2017 and five out of ten Program districts were completed. The process stalled due to chemical shortages. The number og households to benefit from IRS (67%) was under estimated. There was a change of focus from IRS in Kumi and Ngora to Malaria Control in Northern Uganda where there was a malaria epidemic. The activity was done with support from development partners like Global Fund. Project covered 65-70% of spraying in the districts covered.
Public emergencies responded to including response to Nodding disease syndrome	100	1,000	70	12.57	Nodding disease anticonvulsants provided to 17 health facilities in Kitgum, Pader, Lamwo, Amuru, Omoro Oyam and Lira districts. Public emergencies like Guinea Worm were contained. Surveillance strengthened through district surveillance focal persons.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score (%)	Remarks
Immunisation services provided	100	860	86	11.75	Good performance on coverage of immunisation with DPT3 at 90%. Assessment of good and bad performers in terms of immunisation coverage was undertaken. Support supervision in line with assessing capacity of districts to undertake immunisation services was done in Moyo, Adjumani and Yumbe districts.
Larviciding intervention scaled up in 6 new districts and completion of large scale project	100	100	40	0.55	Research trials still ongoing in Nakasongola. Delays in project implementation were noted. The intervention was not scaled up to six new districts as earlier planned during the FY.
National endemic and epidemic disease control services provided	100	2,384	100	32.91	Implementation of a number of strategies including IRS strategy, draft integrated vector management strategies and guidelines among others.
Total		**7,244**		**83.6**	**Good physical performance**

Source: Field Findings

Challenges

- Delays in implementation of the photo biological malaria control project, the intervention was not rolled out to new sites as planned.
- Stockouts of medical supplies and vaccines. The IRS chemicals constraining project coverage; drugs like Artesunate, TB and vaccines drugs among others.
- Delays in mass distribution of mosquitonets, 60% of districts visited had not commenced distribution by 30th June, 2017.
- Inadequacies in disease surveillance characterised by lack of transport for example Kisoro and Kabale districts rely on public means to transport samples to Kampala. This causes delays and mishandling of disease samples.

Recommendations

- The MoH and NMS should establish a systematic drug tracking mechanism with checks and balances right from the warehouse to the pharmacy and lastly patient to avoid drug leakages and unnecessary drug shortages.
- The MoH should fasttrack implementation and use of findings of the photo biological project for sustainable Malaria control.
- The MoH should continue to focus on disease prevention to reduce 75% of the Uganda's disease burden under the National Disease Control Programme.
- The MoH should prioritise support to surveillance activities in various district through provision of protective gears and transport facilities to adequately respond to emergencies.

8.2.3.3 Shared National Services- (Programme 9)

The programme performed poorly at 35% with most of the planned outputs not achieved. Activities were partially achieved while others remained pending. These included; completion of the national assessment of ambulances, national ambulance short code established and emergency personnel in Kampala Metropolitan Area trained among others. Table 8.18 indicates detailed performance of the programme.

Table 8.18: Performance of Shared National Services by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remarks
National Ambulance Services provided	100%	1,350	28%	34.46	Assessment of ambulances in Uganda was achieved at 70%, the final national policy guidelines were not finalised (50%), training for emergency personnel in Kampala Metropolitan Area not done (0%), national call centre was not established (0%), fleet of ambulances in Kampala functional (50%), Uganda National Ambulance Short code established (0%), ambulance health management information tools were not developed.
Total		**1,350**		**34.5**	**Poor physical performance**

Source: Field Findings

Challenges

- Lack/limited ambulance services at both regional referral and lower health facilities; The situation is worse in upcountry districts where private transport services are very expensive for ordinary people.
- High maintenance of ambulances "*we have only one ambulance for Kisoro Hospital and three very old double cabins that are more of a liability than an asset. The services are offered at a cost sharing basis, we provide the vehicle and people provide fuel. Some people cannot afford the service hence sell their land and other property to acquire the service," DHO, Kisoro.*

Recommendations

- The MoH should adequately staff the ambulance service department and ensure achievement of planned outputs.
- The MoH should prioritise ambulance services by procurement of more ambulances, establishment of a clear ambulance and emergency systems as well as maintenance of available ambulances for improved referral services in Uganda.

8.2.3.4 East Africa Public Health Laboratory Network Project Phase II (Project 1413)

Background

Phase II of the project is funded by the World Bank at a tune of US$ 15million. Financing became effective on 31st March, 2016. The project is expected to be completed on 31st March, 2020.

The project aims to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of TB and other communicable diseases. It is implemented in the five East African countries (Uganda, Kenya, Tanzania, Rwanda, and Burundi).

Performance

The project performed poorly, achieving 43% of the annual targets and spent 45% of the donor budget[40]. Civil works, procurement of equipment and ambulances were under procurement. The project supported training of health workers and disease surveillance in various parts of Uganda. Detailed project performance by end of June 2017 is indicated in Table 8.19

Table 8.19: Performance of East Africa Public Health Laboratory Network Project by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remarks
Construction and remodelling works in Mbale, Lacor, Mulago Hospital, Moroto and Entebbe hospital undertaken. Arua, Moroto, Fort Portal and Mbarara laboratories equipped.	20%	2,221	0.00	0.00	Works were under procurement. Works at FortPortal RRH were dropped due to limited funds. Procurement of equipment was also ongoing. Environmental Impact Assessments for various construction sites was under procurement with Terms of Reference developed and awaiting for clearance from the World Bank.
Ambulances in place	2	367	0	0.00	Under Procurement
ICT equipment and internet available at Moroto and Fort Portal Hospitals	29%	539	20	6.92	These included computers, laptops and teleconferencing equipment which was delivered to MoH, however not dispatched to Moroto and FortPortal by mid July 2017.
Lab equipment and consumables for the satellite sites procured. Annual International assessments conducted. Health workers at satellite sites trained	7	280	76.3	5.13	Laboratory consumables procured for some satellite sites. Assessments conducted at some sites and health workers trained in June 2017.
Operational research on highly infectious diseases conducted. Temperature scanners in place at Entebbe Airport. Regional surveillance activities in place. Technical and logistical support given to districts for surveillance and epidemic response.	100%	610	45	5.03	Nine research studies were yet to be funded. Selection of the studies was conducted in May/June 2017. Temperature scanners were not yet procured. Regional surveillance supported. Technical and logistical support offered to some districts.
Project data collected from the seven project sites. Support supervision and mentorship conducted. Programme coordinated and operational costs met	100%	1,443	100	26.43	These were project operational expenses. Four rounds of data from various satellite sites was collected and support supervision undertaken.
Total		**5,460**		**43**	**Poor physical performance**

Source: Field Findings

40 A total of US$ 729,238 (45%) out of US$ 1.5million budget was spent by 30th June 2017 and

Implementation Challenges

- Delayed procurement hence failure to achieve set targets.
- Delays in accessing funds by project implementers.

Recommendation

- The MoH Accounting Officer should fasttrack implementation of planned outputs to avoid failure to utilise the loan within stipulated timelines.

8.3: Health Service Commission (Vote 134)

Background

The Commission is responsible for Human Resources for Health (HRH) matters in national, regional referral hospitals, and auxiliary institutions of the MoH. It has the mandate of; ensuring that the health institutions under its jurisdiction get the right number of human resource with the right skills, in the right place, and at the right time. To build a fundamentally strong and competent human resource base for efficient and effective health services delivery.

The annual monitoring focused on Human Resource Management (HRM), and the Health Service Commission development Project. The commission was allocated Ug shs 1billion under the development project and HSC, 100% was released and spent.

Performance

Annual physical performance was good at 78% with some targets achieved and 100% funds absorbed. Although, HSC managed to recruit the targeted health workers by 30th June 2017, most of them were not deployed and their wage bill returned to Consolidated Fund.

Enormous delays in the entire recruitment process were noted. These were characterised by delays in receipt of recruitment requests from MoH and National Regional Referral Hospitals. By 23rd June 2017, the commission was still undertaking interviews. The first job advert was published in October 2017 (second quarter). Table 8.20 shows the physical performance for HSC project and HRM program by 30th June 2017.

Table 8.20: Performance of Human Resource Management Program and the Development Project of the Health Service Commission by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Mil-Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
2 Double Cabin Pick-Ups procured	2.00	408	1.00	20.32	One station wagon was procured from Victoria Motors, another vehicle was differed to FY 2017/18.
Four (4) Desktop Computers, four (4) Printers and four (4) UPSs procured.	12	27	11	2.54	Five computers and six printers were procured. No UPS were procured during the period under review.
Eleven (11) Office Chairs and Eighteen (18) office shelves purchased	29	11	0	0.00	24 chairs were refurbished in the board room, no new chairs were procured.

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Mil-Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
850 Health Workers recruited	850	432	984	43.04	Although, the HSC achieved the target, no health worker was deployed during the FY. Delays in the recruitment process were noted, interviews were still ongoing by the 23rd of June 2017. No deployments were made by 30th June 2017.
Technical Support and Support Supervision-60 Districts, 14 RRHs, 5 National Health Institutions and KCCA Health Units carried out	79	124	77	12.13	Target substantially achieved
Total		**1,003**		**78.0**	**Good physical performance**

Source: Field Findings

Challenges

- Delays in recruitment of health workers for various health institutions.
- Inadequacies of the manual recruitment system; this system involves a lot of paper work, hand delivery of application forms, manual sorting, and shortlisting among others. This contributes to delays in recruitment and posting of staff.
- Limited staff at the commission leading to delays in timely recruitments.

Recommendations

- The MoPS should consider revision of the recruitment guidelines to allow HSC receive recruitment requests directly and a copy to MoH to avoid delays related to bureaucracies.
- The MoPs and HSC should come up with clear timelines in relation to submissions for approvals and recruitments. Entities that fail to adhere to timelines should be penalised and widely publicised.
- The HSC should fast track the E-recruitment system involving online recruitment of staff to avoid time and resource wastage on stationery and advertisement fees.

8.4 Uganda Blood Transfusion Service (UBTS) - Vote 151

Background

The UBTS is mandated to; collect, process, store, and distribute safe blood to all transfusing health units in the country. It operates through a network of seven regional blood banks; Gulu, Mbale, Mbarara, Fort Portal, Masaka, Arua, Nakasero and six collection centres at the RRHs of; Jinja, Soroti, Lira, Hoima, Rukungiri, and Kabale.

The UBTS undertakes national blood donor education, training and recruitment campaigns aimed at increasing the annual blood collection to meet the increasing blood requirements of patients in the hospitals countrywide. The monitoring focused on performance of regional blood banks and the development project. The following was established;

Performance

The annual physical performance was good at 82%, however, most health facilities visited lacked adequate blood. Most of the referrals in health facilities like Lyantonde Hospital were partly due to lack of blood. Uganda registered 2,892 deaths due to anaemia during FY 2016/17. The UBTS was allocated Ug shs 5.2billion under Regional Blood Bank Programme and the development project, 100% of the budget was released and spent. Table 8.21 shows the physical performance of the UBTS by 30th June 2017.

Table 8.21: Physical Performance of the Uganda Blood Transfusion Service by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remark
Units of blood collected, tested and issued to transfusing health facilities	28,0145	4,170	235,000	66.05	Good performance against target, however the need to scale up targets is important.
Quarterly work plans in place, support supervision undertaken and production of quarterly reports.	4	418	67	7.92	Target achieved
Non-medical laboratory supplies procured and issued to blood donors	100%	324	100%	5.24	Good performance-These included consumables like refreshments for blood donors
Procure 1 blood collection vehicle	1	250	1	2.37	A blood collection vehicle was donated by National Health Services-UK. The funds were diverted to procurement of a station wagon which was delivered.
Procure a generator for Arua and Mbale	2	70	2	1.32	Target achieved
Procure furniture for RBBS	1	50	0	0	Not procured, completion of payment for furniture procured in FY 2015/16 was made to Footsteps Uganda Limited.
Total		**5,283**		**82.9**	**Good physical performance**

Source: Field Findings

Challenges

- **Limited budget:** The unit cost of processing blood is US$ 29 translating into Ug shs 98,600 per unit, hence Ug shs 27billion was required to process at least 280,000 units of blood, far below the annual allocation to NMS of Ug shs 7.8billion for FY 2016/17, leaving a deficit of over 20billion. Staff in regional blood banks like Fort Portal noted that they often failed to reach distant virgin blood collection areas in the country due to lack of adequate funds.

- Lack of transfusing supplies compromising service delivery. Many patients were often asked to buy blood-giving sets in some hospitals like Mbarara RRH.

- Over reliance on schools for blood; 70% of blood is collected from schools due to the fact that it is safer and lowers the discard rate. The school calendar affects collection amounts especially during holidays.

- Variations in requests and actual blood deliveries. Blood requisitions were often not honored by the UBTS. This affected service delivery at entities like Uganda Cancer Institute.

- Delayed issuance of blood. Mubende RRH requisitioned for 16 units of blood on 14th January, 2017 but by 16th January 2017, no blood had been issued.

- Limited blood banks, regional collection centres and transport made it difficult for some transfusing entities to undertake timely blood transfusions.

- Inadequate storage facilities. The Arua Regional Blood Bank stores blood in the RRH's laboratory which houses other reagents. This compromises the quality of blood. Health facilities in Kabale district like Rubaya, Maziba lacked refrigerators hence do not undertake transfusion services.
- Lack of adequate transport to pick blood units from Nakasero and other regional blood banks by various health facilities. In Kisoro District, health facilities pick blood from Mbarara Regional blood bank using a Posta bus. This translates into delays in undertaking blood transfusions affecting health service delivery.
- Lack of supplies like testing kits, reagents at blood banks various blood banks.

Recommendations

- The MFPED should improve funding for blood collection in line with the World Health Organization (WHO) requirements. The WHO guidelines require that at least 1% of the total population donates blood annually.
- The UBTS should expand the number of regional and blood collection centers to increase the coverage of blood collection.
- The UBTS should reinstate vouchers and recognition of blood donors to increase the morale of volunteers. In addition, the UBTS should sensitize communities about voluntary blood donation to reduce over-reliance on schools for blood.
- The UBTS should procure stand by generators to avoid blood damage.

8.5 Uganda Cancer Institute (UCI) - Vote 114

Background

The UCI offers super specialised services in areas of; cancer treatment, research and prevention. It has a three-fold mission; Research into all aspects of common cancers in Uganda; Provision of optimal evidence based clinical care; Provision of training for health care professionals using endemic cancers as model disease for training.

Monitoring focused on two development projects; Uganda Cancer Institute Project (1120) and African Development Bank (ADB) Support to UCI.

Performance

The UCI performed poorly (50%) on both development projects. Under the UCI Project, 75% of the annual set targets were achieved while only 25% were achieved under the ADB project. The UCI-Project 1120 was allocated Ug shs 8billion, of which 100% was released and spent.

The ADB project was allocated Ug shs 28billion inclusive of donor funds[41]. The GoU counterpart funding budget was Ug shs 2billion, which was all released and spent. Detailed annual physical performance for both projects is highlighted in tables 8.22 and 8.23.

41 Expenditure information of donor expenditures was not availed.

Table 8.22: Performance of UCI (Project 1120) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance (%)	Remarks
Radiotherapy bunker constructed and supervised	100%	3,921	70%	32.7	Works were undertaken by M/s ROKO Construction Limited at a sum of Ug shs 25.3billion and supervised by M/s Stup Consult Limited in Association with Arch Tech Consults (U) Limited. Works commenced in May 2016 and expected to be completed within 12months-(by June 2017). The target was not achieved and works extended to October 2017. Contract was behind schedule.
Modern kitchen, flushing toilets for patients at new cancer ward, Walkway between the lower UCI New Cancer Ward constructed. Generator house, O.P.D, registry file shelves remodelled, UCI premises fenced. Engineering designs developed, works supervised, and Installation of worktable for pharmacy	100%	512	10%	0.7	Works on the walk way had commenced and awarded to M/s Aswang Limited. Other planned outputs were not achieved.
Two station wagons and one service van (pickup) procured	3	360	1.5	2.1	One station wagon was delivered by M/s Motor Care Limited in December 2016. Although funds were paid, the second vehicle had not been delivered by 22nd June, 2017.
Office and Residential furniture procured	100%	127	100%	1.5	Office curtains and registry shelves were procured and installed on 21st June 2017. Deliveries were made by M/s Footsteps Uganda Limited.
Specialised machinery and equipment procured-	53	2,580	45	27.0	Assorted ward equipment like heavy duty ultra sound machine X-ray viewers, oxygen concentrators were procured. However, others like digital mammography machine, biosafety cabins, biometric timers, theatre equipment and pharmacy label printing machine were not procured due to under budgeting.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance (%)	Remarks
Office and ICT Equipment and Software procured- Assortment of over 14 office at ICT equipment	15	898	15	10.7	Customer care management system and call centre were procured and installed, heavy duty printer procured, Local Area Network connected to Fred Hutchinson building, Que-management, navigation signage procured and installed.
Total		**8,400**		**74.7**	**Good physical performance**

Source: Field Findings

Table 8.23: Performance Support to UCI-ADB(Project 1345) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Score (%)	Remark
Development of structural designs for the multipurpose building contracted. Works project monitored	100%	10,600	0.00	0.00	M/s Stup and Arch Tech Consult Limited was awarded the consultancy contract at US$960,000. Final designs were expected in September 2017 and contractor expected on board by January 2018.
Mayuge connected to UCI (data and voice)	100%	195	0	0.00	Not done
Equipment Mayuge and Arua satellite Cancer centers procured	100%	2,974	0	0.00	Target not achieved
Cancer institute operations supported	100%	14,796	5%	25.62	Over Ug shs 1billion was spent on allowances.
Total		28,566		25.6	**Poor physical performance**

Source: Field Findings

Implementation Challenges

- Delays in shipment and delivery of the tele-therapy/cobalt 60 machine. It was expected to arrive in the country by July, however, by 5th August 2017, the UCI had not received the machine. Lack of this machine contributed to underperformance of the Radiotherapy department. Only 48 out of 875 new patients received radiotherapy services during quarter four-FY 2016/17.
- Additionally, only 130 out 400 patients had been sent to Aga Khan International Hospital in Nairobi for advanced radiotherapy services by June 14th 2017. It was established that seven out 99 patients did not require radiotherapy.
- Poor service delivery at the institute characterised by congestion, long lines, lack of adequate radiology services, supplies like medicines and blood among others
- Delays in procurement, seeking no objections, project implementation leading to low disbursement rate under the Support to UCI by the ADB. The disbursement rate was 1.3% by end of June 2017.
- Loan redundancy hence accumulation of interest. The ADB loan became effective in February 2016, however civil works had not commenced more than 12 months later.
- Poor allocative efficiency with 51% (Ug shs 1billion) of the counterpart funding allocated to payment of allowances under the ADB supported project.

Recommendations

- The MoH and the UCI should fasttrack delivery and installation of the radiotherapy machine for improved service delivery.
- The UCI Accounting Officer should fasttrack project implementation to avoid any further delays and contingency liabilities on the loan.
- The UCI Accounting Officer should ensure improved planning and budgeting through capacity building of staff to avoid delays in procurement, under budgeting and implementation of planned outputs.

8.6 Uganda Heart Institute (UHI)-Vote 115

Background

The UHI was set up to serve as a centre of excellence for the provision of comprehensive medical services to patients with cardiovascular and thoracic diseases at an affordable cost. Monitoring focused on; Uganda Heart Institute Project (Project 1121) which commenced on 1st July 2010 and was expected to end on 30th June 2015. This project is expected to provide convenient and affordable heart treatment.

Performance

Performance of the project was good at 83% against 98% funds absorption. Other outputs including procurement of medical equipment and vehicles were achieved. However, the Infusion pumps, stress test, vital sign, and the heart-lung machines were not procured due budgetary limitations. The UHI was allocated Ug shs 4.5billion, of which 100% was released and 98% spent. A summary of performance is presented in Table 8.24.

Table 8.24: Performance of the Heart Institute Project as at 30th June 2017

Planned outputs	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity (%)	Weighted Physical performance score (%)	Remarks
Strategic Plan developed	100	400	80	7.11	Development of the strategic plan was in advanced stages and was due for sharing with the newly appointed board members of the UHI.
One station wagon and two double cabin vehicles procured	100	620	100	13.78	Four vehicles were delivered. The fourth car (double cabin) was a result of a saving during the procurement.
Purchase of Office and ICT Equipment, including Software(10 Computers, 5 laptops, 10 UPS, 5 Scanners, and 5 printers, 1 Software for Records, 1 Television, 1 decoder, Security gadgets, CCTV, upgrade procured, mats for paediatric ward procured.	100	800	50	8.89	15 computers and their components were procured. The supply and installation of Hospital Management Information System (HMIS) contracted to M/s Sybyl Limited and Palash Health Systems at Ug shs 632 million were not delivered and installed. The HMIS took the largest share of the budget.

Planned outputs	Annual Planned Quantity or Target %	Annual Output Budget (Ug shs million)	Cum. Achieved Quantity (%)	Weighted Physical performance score (%)	Remarks
Assorted specialised surgical instruments, procedural instruments, machinery and equipment procured. (Ventilator Machines, Infusion pumps, Blood gas analyser, Vital sign machine, Stress test and Heart Lung machine procured).	100	2,480	90	49.60	The Ventilator, Diathermy Defibrillator, ECG ECHO machines, gas analyser, and radiation safety gargets were procured. Other machines such as Infusion pumps, stress test, vital sign, and the heart-lung machines were not procured due to inadequate funding. The equipment was under budgeted. The output had unspent balances of Ug shs 6,430,639 as the end of FY.
Chairs, tables and desks for administrative, other office and laboratory procured	100	200	100	4.44	Furniture was delivered-Target achieved
Total		4,500		83.8	**Good physical performance**

Source: Field Findings

Implementation Challenges

- Inadequate space to enable offering of modern health services. The UHI has land and architectural design for the new facility and requires US$ 65 million to establish a modern home.
- Inadequate funding to procure all the necessary equipment for improved service delivery and reduction on referrals abroad.
- Lack of adequate staff affecting service delivery and achievement of planned targets in a timely manner.

Recommendation

- The MFPED should prioritise funding for UHI to establish a heart complex to avail adequate space, more services and reduce the referrals abroad.

8.7 National Referral Hospitals

The hospitals are mandated to provide super-specialized health care, training, and conduct research as per requirements of MoH. Monitoring focussed on development projects of both hospitals (Mulago and Butabika hospitals). The projects seek to provide additional stock and depreciation of hospital infrastructure, procurement and replacement of furnishings, fittings and equipment.

Performance

The national referral hospitals performed fairly at 55%, Butabika hospital performed better at 66% while Mulago failed to achieve many of its outputs (45%). Cases of mischarge, delays in procurement and delayed implementation of planned activities affected performance at Mulago hospital.

8.7.1 Mulago National Referral Hospital(MNRH) - Vote 161

The physical performance was poor at 45%, it remained the same as that registered during semi-annual monitoring FY2016/17. Poor planning characterised by delays in procurement of equipment and medical furniture contributed to under performance. The hospital was allocated Ug shs 22billion which was all released and 91% spent. Table 8.25 detailed performance of Mulago Hospital's development project.

Table 8.25: Performance of Mulago Hospital Complex Project by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Two staff vans procured	2	700	2	3.18	These were procured and in use. They transport staff of Kawempe and Kiruddu hospitals. Mulago hospital paid Ug shs 700million to M/S MAC East Africa Limited, however, taxes of Ug shs 300million were budgeted and therefore not paid to the supplier.
200 hospital beds and mattresses procured	200	300	0.5	0.00	Contract was signed in May 2017 with M/s Maisha Medical Supplies. Funds were reallocated to payment of block services for construction of staff units. Delays in procurement were noted. Mattresses were removed and the number of beds scaled down from 300 to 164 leaving the unit cost at approximately Ug shs 1.8millon per bed.
Oxygen plant supplied, installed, piped and commissioned	100%	1,000	60%	2.72	Not achieved, delays in procurement were noted, the contract was signed on 24th May 2017 and works were expected to be completed in 8weeks. Advance payment of Ug shs 314 million was paid to M/s Medicomp Techno Serve Ug Limited. The plant house was estimated to be at 65% complete. Balance of the funds allocated (Ug shs 700million) was reallocated to payment of M/s Block Services Limited for the construction of staff quarters.
Completion of Construction of 100 staff houses	100%	4,020	80%	14.60	Construction was at 80%. It was expected to be handed over on 31st May 2017, however, by end of July 2017 works were still ongoing. The contractor was paid 88.5% of the contract sum. It had been revised from Ug shs 17 billion to Ug shs 19billion to take into consideration items like lift shaft. However, external works and retainer wall were not included in the variation. Works were done by M/s Block Services Limited. Pending works included electrical connection, glassing and general finishes.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Specialised machinery procured	100%	16,000	30%	24.80	A contract worth US$6.4million was signed between GoU and M/s China Sino Pharm Limited on 9th November 2016 to supply imaging equipment. The GoU had paid 20% advance payment to the supplier and deliveries were expected by May 2017. However, these were not received by 30th June 2017. A bilateral agreement for a Spect Gamma camera was signed between GoU and the International Atomic Energy Council. The GoU paid US$100,000 to the IAEA as its contribution. Delivery was expected in September 2017. Upon realisation that funds for the output would not be absorbed by end of the FY, Ug shs 10billion was reallocated to Support to Mulago Rehabilitation Project upon signature of a deed of novation as advised by Solicitor General in 14th June 2017. The deed allowed Mulago hospital to be part of the contract between MoH, Roko (Contractor) to pay for additional works amounting to Ug shs 14.8billion.
Total		22,020		45%	Poor physical performance

Source: Field Findings

Mulago staff houses at substantial completion

Implementation challenges

- Diversion/reallocation of funds; allocations appropriated for the beds and oxygen plant were paid to M/s Block Services under the construction of staff houses project. Planned outputs for FY 2016/17 remained pending by 30th June, 2017.
- Delays in commencement of the procurement process, contract agreements were signed as late as 24th May 2017 (Quarter four). The agreement for the oxygen plant was signed on 12th April, 2017. This largely led to mischarging of the equipment budget line.
- High unit cost of construction; the 100 units of staff houses (floor area 60sqmeters) and 10 single rooms were constructed at Ug shs 19billion. This excluded some external works and the lift.

Recommendations

- The OAG should undertake a value for money audit on the construction of staff houses and procurement of equipment for Mulago hospital complex.
- The MNRH Accounting Officer should ensure that all activities carried forward into FY 2017/18 are completed and suppliers paid funds.
- The MNRH Planning Unit should initiate procurement processes in time to avoid delays and failure to utilize funds by end of the FY.

8.7.2 Butabika National Mental Referral Hospital (Vote 162)

Performance was fair at 66% of the annual targets. Key achievement was completion of the private wing and procurement of a biosafety cabinet and other assorted equipment. Butabika Hospital exhibited efficiency in construction of the private wing. This was done through engagement of MoH engineers as project supervisors, hiring of medium size companies, and full involvement of the stakeholders in the project designs.

The hospital was allocated Ug shs 1.8billion, which was all released and spent by 30th June 2017. Summary of performance is presented in Table 8.26.

Table 8.26: Performance of Butabika and Health Centre Remodelling/Construction as at 30th June 2017

Planned Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity (%)	Weighted Physical performance Score (%)	Remarks
Internet services upgraded	100	20	100	1.11	Internet upgrade was substantially complete by the 14th June 2017.
Biosafety cabinet and other assorted medical equipment procured	100	100	100	5.53	The equipment including Biosafety Cabinet wheelchair, dressing forceps among others were delivered.
Patient seats and kitchen utensils procured, private wing furnished	100	358	100	19.81	Furniture including tables, chairs, patient seats, was delivered. Some of the furniture was not yet in use.
Private wing completed	100	400	100	22.12	The project was completed and handed over to the hospital in May 2017. Operationalization of the facility was awaiting complete furnishing. The quality of works was observed to be good.

Planned Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs Mil)	Cum. Achieved Quantity (%)	Weighted Physical performance Score (%)	Remarks
1st phase of the expansion of the Alcohol and Drug Unit	100	800	25	11.061	Works were awarded to M/s Muga Services Limited at Ug shs 1.7billion. It was expected to be completed within 12months. Works commenced on 15th March 2017. Physical progress was 40%. The contractor was on site and works were ongoing.
Supervision of the construction the Private wing and the Alcohol Unit (ADU)	100	30	100	1.66	MoH Engineers carried out supervision works for both the Alcohol and Drug Unit and the private wing.
Strategic plan reviewed	100	100	100	5.53	The formulation of the strategic plan was in advanced stages. The Hospital board reviewed it on 14th June 2017 before finalization.
Total		1,808		66.8	**Fair physical performance**

Source: Field Findings

L-R: Completed Private Wing; Alcohol and Drug Unit at Butabika Hospital

Service delivery challenges

- Increasing patients amidst fixed or declining budget for medicines. The patient admissions for instance increased from 650 in 2015 to 750 in 2016 while the drug budget remained Ug shs 1.2 billion over the same period; and declined to Ug shs 900 million in FY2016/17.
- Inadequate staffing amidst delays in the recruitment of health workers by Health Service Commission.
- Utilisation of poor quality medicines with worse side effects due to inadequate funds to purchase good quality and modern medicines.
- Faulty x-ray equipment necessitating referral of patients to Naguru Hospital. Such referrals are done by the hospital three times a week, this has a big cost implication in terms of fuel and vehicle maintenance.
- Poor mental services at both regional and lower health facilities: these are constrained by lack or limited drug budgets for mental illnesses, lack of food, and inadequate human resource. This translated into influx of mental health cases to the Butabika Hospital.

Recommendations

- The MoH and Butabika Hospital should prioritise prevention of mental health illness through increased campaigns against drugs and alcohol.
- The MFPED and MoH should increase funding for mental health illness, medicines and staffing. This will not only translate into reduced congestion at Butabika Hospital but also improve the referral system.
- The MoH should spearhead the implementation of the Tobacco Control Act to avoid related mental cases.

8.9 Regional Referral Hospitals (Vote 163- 176)

Background

Regional Referral Hospitals offer specialist clinical services such as psychiatry, Ear, Nose and Throat (ENT), ophthalmology, higher level surgical, medical services, and clinical support Services (laboratory, medical imaging, and pathology). The FY 2016/17 monitoring focused on the development grant-Rehabilitation of Regional Referral Hospitals (Project 1004).

The project is expected to contribute to the following;

- 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.

Performance

The overall physical performance for the 14 RRH was good (70%). The annual development budget FY 2016/17 for the Rehabilitation of Regional Referal Hospitals was Ug shs 21.3billion, which was all released and 88.1% spent by 30th June, 2017.

Physical performance per hospital varied from very good to poor. Poorest performance was recorded in Moroto at 37%, while the best performance (100%) was recorded in Arua and Gulu. Good performance was attributed to early initiation of procurement processes that facilitated completion of planned outputs within the financial year. Detailed performance of hospitals is as follows;

8.9.1 Vote 163: Arua Regional Referral Hospital

Performance was very good at 100% as all the planned outputs were achieved. It was allocated Ug shs 1billion, which was all was released and spent. Civil works and medical equipment were procured while other facilities like pit latrines were already in use. Summarised performance is presented in Table 8.27.

Table 8.27: Performance of the Rehabilitation Project at Arua RRH by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical Performance	Remarks
Master plan developed	100	180	100	17.02	Output was achieved. The master plan was developed by KK Partnership Architects.
Drug store constructed	100	550	100	52.01	The drug store was completed. Works included paving the parking yard. The works were of fair quality and the facility was not yet in use.
Sewerage system in staff quarters improved	100	60	100	5.67	The 12 stance pit latrines were completed and some in use. Drainage was observed to be poor as water stagnated on the floor.
Walk ways renovated	100	40	100	3.78	Renovation of the 900square meter walk way was completed. It involved screed and painting works, which were of fairy done.
Medical equipment procured	100	149	100	14.09	Assorted medical equipment including: oxygen concentrators, pediatric mattresses, glucometer, patient screens, trollies, Blood Pressure (BP) machines, and auto claves were procured.
Oxygen plant completed	100	78.571		7.43	This money was transferred to Naguru RRH as contribution towards the construction of the oxygen plant.
Total		**1,057.571**		**100**	**Very good physical performance**

Source: Field Findings

L-R: Completed drug store and oxygen concentrator at Arua RRH

Service delivery challenges

- **Budget suppression**: In FY2016/17 the hospital suffered from budget cuts of Ug shs 50million under the recurrent nonwage, which affected the planned activities like procurement of stationery and detergents amidst increased cost of utilities and bed capacity.

- Inadequate staffing particularly among the nurses and midwives in hospital which has increased the workload and affected the quality of services.

Recommendations

- The MFPED and MoH should annually review the allocations towards the recurrent nonwage grant to match the prevailing inflation and cost of quality health service delivery.
- The MFPED should ensure budget credibility through operationalization of contingency fund as required by the Public Finance Management Act, 2015.
- The HSC should conduct timely recruitment of health workers. The MoH should at the same time increase efficiency in appointment and deployment of the health workers to minimize increasing workload on the few health workers while improving the absorption of the wage bill.

8.9.2 Vote 164: Fort Portal Regional Referral Hospital

The hospital performed fairly, achieving 51% of the set targets against 97% absorption of released funds. It was allocated Ug shs 1billion, which was all released and spent. Delays in implementation of planned outputs were occasioned by late initiation of the procurement process. Detailed project performance is highlighted in Table 8.28.

Table 8.28: Performance of the Rehabilitation Project at Fort Portal RRH by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Score (%)	Remark
Government buildings and administrative Infrastructure renovated n and maintenance of	100%	38	100	3.59	Retention was paid to Frematex Services for renovation of the surgical and children's ward; Furnishing of private, two public pharmacies and painting of the walkway were done. Installation of shelves in the medical records, library and human resource department was completed.
Engineering and study designs and plan dome	100%	12	100	1.13	Designs were reviewed and approved.
Capital Works monitored, Supervised and appraised	100%	10	50.00	0.47	Works had just commenced.
Assorted specialized equipment procured	1	99	100.00	9.43	All the planned equipment was procured and in use. This included; wheel chairs, patient trolleys, oxygen regulators, suction machines, patient trolleys, biometric systems among others.
Construction of a storeyed 16 one bed roomed staff house	50	520	40.00	19.65	Works commenced on 31st May, 2017 and expected to be completed within 20 months. M/s Aswangah Construction Service Limited was contracted to undertake works and Ug shs.765, 778,931 was paid as Advance. Excavation works had just commenced.
One ambulance procured	100%	300	60.00	17.01	The ambulance was not delivered however 100% payments were made to M/s Toyota Walusimbi Garage Limited.
Oxygen plant Completed	100	78	100	0.07	Funds were transferred to Naguru RRH, the oxygen plant was completed and handed over to Fort Portal RRH on 7th July 2017.
Total		**1,058**		**51.4**	**Fair physical performance**

Source: Field Findings

Service delivery challenges

- Stockout of medical supplies like blood slides, RDTs, Urine and glucose stripes; this led to suspending of a number of tests at the hospital.
- Limited staff at various hospital departments, which affected quality of health services at the hospital.
- Limited nonwage budget in relation to services provided by the hospital, leading to utility arrears and failure to pay for cleaning services in a timely manner. Cleaning service providers had not been paid for six months.

8.9.3 Vote 165: Gulu Regional Referral Hospital

The performance was very good at 100%. It was allocated Ug shs 1billion, which was all released and spent. All funds were utilized but with notable low physical progress (42%) for construction works ongoing for the 18 units staff house. Some of the contractor's staff was on site but without ongoing works. Table 8.29 shows the physical performance of Gulu RRH.

Table 8.29: Performance for Gulu RRH by 30th June 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Physical performance (%)	Remarks
Construction of the staff house including consultancy services continued	100	729.857	1.00	68.96	The project was behind schedule at 42% physical progress. Works had stalled in part due to inadequate financial capacity of the contractor amidst inadequate GoU allocations for capital development. The project will not meet the November 2017 end date.
Hospital construction/ Rehabilitation completed (Drug store completed)	100	250	1.00	23.62	Outstanding payment and retention towards the renovation/remodeling of the drug store was made. cracks were however observed in the ceiling of the store
Oxygen plant completed	1	78.571	1	7.42	The hospital transferred the money to Naguru RRH for the construction of the oxygen plant. The oxygen plant had been completed and was in use.
Total		**1,058**		**100**	**Very good physical performance**

Source: Field Findings

L-R: Stalled construction works for staff quarters; Completed oxygen plant at Gulu RRH

Service delivery Challenges

- Inadequate staffing occasioned by failure to attract and retain the health workers. There is only one consultant out of the required fourteen, two medical officers special grade out of the required 14, there are fewer midwives and nurses, which affects service delivery in the hospital.
- Inadequate staff accommodation amidst high cost of living in Gulu District.
- Absence of diagnostic equipment such as CT scan. This has affected diagnosis as there is even no health facility with a CT scan in the northern region.

8.9.4 Vote 166: Hoima Regional Referral Hospital

The hospital performed poorly, with only 45% of the annual targets achieved. It was allocated Ug shs 1billion, which was all released and spent. Late initiation of procurement processes delayed contract awards. Two contracts were signed towards the end of the FY (May 2015). Table 8.30 shows detailed performance of the development project.

Table 8.30: Performance of Hoima Rehabilitation Project by 30th June 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity (%)	Weighted Physical Performance Score	Remarks
Perimeter fence around the constructed	100	200	60	18.800	M/s Davrish Co Ug Limited was contracted to erect an 802meter fence (450.1m is chain link and 352.4m block wall) at a sum of Ug shs 887.2million on 12th May 2017. Works were expected to be completed within 12months. A total of Ug shs 410million was paid by 30th June 2017.
1 Storeyed ward complex block comprising of surgical, paediatric & neonatal, male & female medical wards, gynae ward and intensive care (First phase- Contractor on site and commencement of works)	50%	580	0.00	0	The output was dropped from the plan without approvals from relevant authorities. Funds were reallocated to construction of the lagoon. A contract worth Ug shs 1.2billion was signed between the hospital administration and M/s Techno Three Uganda Limited on 12th May 2017. No works had commenced by 26th July 2017, however, the contractor had been paid Ug shs 248million as advance payment in June 2017. Another Ug shs 100million was expended on the Environmental Impact Assessment Survey and procurement of clock in machine and compound development.
Completion of payment for the newly constructed Admin Block	100%	278	100%	26.306	Payments over and above budget allocations this output were made.This was due mischarging other budget lines. A total of Ug shs 495 million was paid to Techno three for completion of the administration block. Ug shs 78million was transferred to Naguru to enable procurement of oxygen cylinders and maintenance of the plant.
Total		**1,058**		**45.1%**	**Poor physical performance**

Source: Field Findings

Implementation challenges

- Procurement delays leading to failure to complete scheduled activities
- High cost of fencing with actual works not proportionate to budget allocations. The contract for fencing 802meters of the hospital service area was Ug shs 887million, actual works were Ug shs 562million (60%) exclusive of VAT, the rest was into preliminaries (Ug shs 121million) and 15% contingency (Ug shs 135million). Preliminaries included allocations to establishment of project manager's office and signage which were not done.

L-R: Chain link at Fence; Block wall under construction at Hoima RRH

Recommendation

- The Auditor General should undertake a value for money audit for Hoima RRH's development projects for FY 2016/17.

8.9.5 Vote 167: Jinja Regional Referral Hospital

The performance was very good with 93.3% of annual targets achieved against 100% financial performance. The hospital was allocated Ug shs 1billion, which was all released and spent.

Some medical equipment and tools for the maintenance workshop were procured. The security system was also enhanced through procurement and installation of CCTV cameras. The land title was however not acquired due to a pending land dispute between the hospital and some encroachers. Summarised physical performance of the project is presented in Table 8.31.

Table 8.31: Performance of Jinja RRH by 30 June, 2017

Planned Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Acquisition of land title	100	100	0	0.10	Court process ongoing, title not secured. Title was not acquired.
Payment for renovation of maternity ward completed	100	193.4	100	19.74	Payments were made.
OPD and other ward construction (partial construction of the private wing)	100	327.8	1.00	26.77	Physical progress was 80% against 69% financial progress. Works were of fair quality. Inadequate designs for the maternity theatres were noted, some items like recovery room, health workers changing room and shower room were omitted and the contractor was expected to undertake the design changes at the current level of progress.
Access control attendance machine and CCTV installed	100	50	100	5.10	CCTV cameras, access controls at RRH and the Children's hospital- Nalufenya had been installed.
Assorted medical equipment procured, ECHO cardiogram machine procured, Tools for medical maintenance workshop procured.	100	263.546	100	26.90	The echo cardiogram machine and tools for the maintenance workshop were procured
Medical maintenance workshop completed	100	144	100	14.70	Completed
Total		**979.857**		**93.3**	**Very good Physical Performance**

Source: Field Findings

L-R: Partial completion of the private wing; Echo cardiogram machine at Jinja RRH

Service delivery Challenges

- Drug stockouts occasioned by inadequate supplies. Inflation had affected planned quantities to be received by the hospital
- Blood shortage characterized by delayed and receipt of inadequate quantities in relation to requisitions from the Nakasero blood bank.
- Inadequate staffing in relation to services provided by the hospital. This increased the workload on available staff. In FY 2016/17, the hospital did not receive any new staff in relation to the requisition made to MoH and HSC to fill 62 positions. As a result, the wage bill was not absorbed in the financial year.

Recommendations

- The MoH should continue to focus on disease prevention to reduce 75% of the Uganda's disease burden. This will not only translate into reduced demand for curative services but also the drug budget in the longrun.
- The MoH, NMS and MFPED should review the medicines budget taking into consideration the inflation, exchange rate and the increasing population.
- The Uganda Blood Transfusion Services should step up the collection and distribution of blood countrywide. The need to accredit all regional referral hospitals as regional collection centers is paramount.
- The MFPED and Parliament should consider revision of the HSC recruitment mandate and decentralization of the recruitment system from national to regional referral hospitals for timely recruitments and improved service delivery.

8.9.6 Vote 168: Kabale Regional Referral Hospital

The hospital registered good performance (78%) of its annual targets against 100% financial performance. It was allocated Ug shs 1billion, which was all released and spent. Achieved outputs included procurement of vehicles, equipment, mortuary fridge and commencement of construction of the intern's hostel. Detailed performance of the development grant is indicated in table 8.32.

Table 8.32: Performance of Kabale RRH (Project 1004), by 30th June 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs-Mil)	Cum. Achieved Quantity	Weighted Physical performance (%)	Remarks
Construction of a four storeyed interns Hostel-Procurement of Contractor and preliminaries	8%	550	6%	39.97	Contract between hospital administration and M/s Musuuza Building Contractors Limited was signed in May 2017, preliminaries commenced with all demolitions done and contractor had mobilised. Excavation was at 92% and foundation works at 30%. Works were phased in a systematic manner with phase one expected to be completed at a sum of Ug shs 3.8billion, Phase 2 at Ug shs 961million and Phase III at Ug shs 3.2billion. Works were expected to be completed in FY 2020/21. Contractor was paid Ug shs 424million as partial advance payment in June 2017.
Purchase of the motor vehicle	1	279	2	26.44	Two vehicles were procured against a plan of one vehicle. The activity left the RRH with a balance of Ug shs 67,422,019 to pay to M/s Mitsubishi in the subsequent FY. Both vehicles were delivered on 30th June 2017.
Procurement of assorted medical equipment	100%	100	76	6.18	Equipment worth Ug shs 42million was supplied by M/s Crown Health Care Uganda Limited. It included patient screens, wheel chair, movable lamp, and chair among others. M/s Joint Medical Stores also supplied equipment worth Ug shs 34million on 2nd June 2017. It included a nebulizer, bulb sucker, LED examination lamp among others.
External works that includes making a walkway, installing security lights, planting flowers and grass	100%	78	100	1.00	The balances to clear completion of walk ways and security lights were paid and balance paid to Naguru to facilitate procurement of oxygen cylinders.
Purchase of a mortuary fridge	1	50	1	4.62	The three-body fridge was supplied by St. Jude Electrical and Medical Equipment Workshop Limited. It was delivered on 30th May 2017. Completed, installed and in use
Total		**1,058**		**78.2**	**Good physical performance**

Source: Field Findings

8.9.7 Vote 169: Masaka Regional Referral Hospital

The hospital achieved only 50% of the annual targets against 100% financial performance. It was allocated Ug shs 3billion, which was all released and spent. The maternity ward was behind schedule with the superstructure at 50%. Works at the foundation of the staff hostel were abandoned at 40%. Detailed project performance are indicated in table 8.33.

Table 8.33: Detailed performance of Masaka Regional Referral Hospital by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mill)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
100 % completion of the foundation for a 40 unit staff hostel	100%	400	0.40	5.23	M/s Block Technical services was awarded the contract for construction of the a 40 unit staff hostel at Ug shs 9.8billion. Works were supervised by M/s Fencon Ltd at Ug shs 291million. The contractor had abandoned site at 40% physical progress on foundation.
Superstructure of the maternity ward at 100% completion	100%	2,579	0.5	42.18	M/S Tirupati undertook works at a sum of Ug shs 10billion and supervised by M/s Joadah at Ug shs 299million. Works were behind schedule with completion period extended to 29th July 2018. Contractor had been paid 58% of the contract sum.
Oxgyen plant installed-Other Structures	100%	78	100	2.57	Funds amounting to Ug shs 78million was transferred to Naguru to enable procurement of oxygen cylinders and extension of service contract from one year to two years.
Total		**3,058**		**50.0**	**Fair physical performance**

Source: Field Findings

Implementation challenge

- Poor planning characterized by over committing GoU through undertaking multiple development projects without corresponding budget allocations. Foundation works for the staff house had stalled at 40% and the contractor had abandoned site.

Recommendation

- The Department of Project Analysis and Public Investment Management (PAPM) of the MFPED should ensure multiyear projects are properly vetted taking into account allocative efficiency and value for money.

8.9.8 Vote 170: Mbale Regional Referral Hospital

It was allocated Ug shs 5 billion, which was all released and spent. The performance was fair at 66% of the annual targets achieved against 100% financial performance. This was attributed to delayed initiation for procurement processes and implementation of planned outputs. Works at the Surgical Complex were behind schedule, due to unfavourable soil conditions and design changes. The elevator design was changed from a 15 people capacity to one that accommodates an ICU bed. Table 8.34 shows the physical performance for Mbale RRH by 30th June, 2017.

Table 8.34: Performance for Mbale RRH by 30th June, 2017

Planned Output	Annual Planned Quantity or Target (%)	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score (%)	Remarks
Construction of Surgical Complex under taken	100	4,050	64	51.24	Overall, physical progress was 15% against 13% financial progress. The quality of works was good. The contractor was decking part of the first floor slab, completing the fixing of the reinforcement bars, lying of maxspan. Mechanical and electrical works for the first section were at 50%.
Ward Six and seven renovated.	100	500	100	9.88	Output completed and the works were observed to be of fair quality. However, there was no uniformity in the finishes of the terrazzo.
Other structure- Oxygen plant completed	100	78.571	100	1.55	Oxygen plant was complete and in use. One of the horse pipes had a leakage and was disconnected. The hospital was using only one horse pipe for oxygen harvesting. Funds transferred to Naguru to enable procurement of oxygen cylinders and extension of service contract from one year to two years.
One autoclave procured	100	79.714	100	1.58	200 litre autoclave was procured and was in use.
Construction of the incinerator	100	350.142	25	1.73	The contractor had achieved 25% of the civil works. Delays in procurement led to poor performance. Incinerator had not been delivered on site, however completion was expected in November 2017
Total		**5,058**		**66.0**	**This was fair performance**

Source: Field Findings


L-R: Construction of the surgical complex; Renovated ward 6&7 Mbale RRH

Challenge

Inadequate working space for the contractor; which affected the progress of works at the surgical complex. The contractor had to hire a place one and half kilometers away from the project site to dump excavated soil and store project materials.

8.9.9 Vote 171: Soroti Regional Referral Hospital

The performance was good, 81% of the annual targets were achieved against 100% financial performance. It was allocated Ug shs 1billion, which was all released and spent. Works at the staff houses and private wings were substantially complete. Construction of the oxygen plant was in advanced stages. Quality of works at the remodelled private wing was fair, however terrazzo had failed in some parts, while the wooden ceiling was not properly fixed. Table 8.35 shows the physical performance for Soroti RRH by 30th June, 2017.

Table 8.35: Performance for Soroti RRH by 30th June, 2017

Planned outputs	Annual Planned Quantity or Target (%)	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity (%)	Weighted Physical performance Score (%)	Remarks
Purchase of furniture and beds for private wing	100	40	87	3.29	The furniture was procured, although its value could not be verified due to absence of delivery notes and poor asset management.
Hospital construction -retention for remodeled private wing paid	100	10	0.00	0.00	Retention was paid and additional works were ongoing. Ug shs 77,297,600 was mischarged from another budget line (construction of the staff house) to clear payments for additional works.
Staff houses completed	100	909.857	82	70.49	The project was behind schedule, physical progress estimated at 80% against 100%. This was attributed to inadequate capacity of the contractor and design changes such as inclusion of pavers, which increased the scope of works.
Oxygen plant completed	100	78.570	100	7.42	The RRH transferred funds to Naguru RRH that was managing the contract. Civil works were in advanced stages, awaiting electro-mechanical installation of the oxygen manufacturing equipment.
Monitoring and supervision	100	20	100	1.89	The municipal engineer undertook supervision of the civil works.
Total		**1,058.427**		**83.1**	**This was good performance**

Source: Field Findings

Left: Staff quarters under construction and right some of the procured equipment at Soroti RRH

Implementation challenges

- Poor store and asset management: it was difficult to verify the value of furniture procured for the private wing due to absence of the delivery notes. The procured equipment had also not been engraved.

8.9.10 Vote 172: Lira Regional Referral Hospital

The annual performance was good, 79.1% of the annual targets were achieved against 93% financial performance. It was allocated Ug shs 1billion, which was all released and 93% spent. Staff houses construction was in advanced stages while procurement of furniture and some specialised machinery were completed. The hospital however demonstrated lack of budget discipline, as there were many mischarges. Summary of performance is presented in Table 8.36.

Table 8.36: Performance for Lira RRH by 30th June, 2017

Planned output	Annual Planned Quantity or Target (%)	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Staff house construction completed	100	200	0.95	17.95	The staff house was about 95% complete and had not been handed over to the hospital. The quality was fair and some snags such as doors, which could not lock, were identified on site.
Purchase of motor vehicles and other transport equipment	100	250	1.00	23.62	A double cabin pick up was procured from Toyota Uganda.
Purchase of specialized machinery and equipment	100	519.857	0.61	29.96	A laundry machine, assorted medical equipment and ICT (photocopier and two printers) had been procured, the monitoring team physically verified the laundry equipment while ICT equipment had been locked up in one of the stores.
Residential furniture purchased	100	10	0.00	0.12	Furniture was procured

Planned output	Annual Planned Quantity or Target (%)	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Oxygen plant completed	100	78.571	0.13	7.42	The hospital sent Ug shs 72 million to Naguru RRH and used Ug shs 6,570,000 towards the procurement of the oxygen cylinders, the team was unable to verify this procurement as the delivery note was not provided.
Total		**1,058**		**79.1**	**Good Physical Performance**

Source: Field Findings

Implementation challenges

- Reallocation of development funds to recurrent activities like vehicle maintenance. A total of Ug shs 15,300,000 was spent on vehicle maintenance, an expenditure from the output line of purchase of motor vehicles.

Recommendations

- The Lira RRH Accounting Officer should ensure establishment of a well-functioning asset management systems. This should take into consideration registers where all equipment is engraved, and properly managed.
- RRR directors should adhere to the procurement procedures and budget discipline to avoid mischarges.

8.9.11 Vote 173: Mbarara Regional Referral Hospital

The hospital performed fairly at 58%, many of the development outputs were not achieved, although 100% of the payments for equipment and motor vehicle were made, no deliveries had been made by 19th July 2017. The hospital was allocated Ug shs 1.5 billion, which was all released and spent. Detailed performance of the development grant is indicated in Table 8.37.

Table 8.37: Performance of Mbarara RRH (Project 1004), by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mill)	Cum. Achieved Quantity (%)	Weighted Physical performance (%)	Remarks
Transport equipment procured	100%	220	50	7.06	Although 100% of the item budget was paid to M/s Toyota Uganda Limited, a binding agreement between the supplier and client was not fully signed. The vehicle had therefore not been delivered by 19th July, 2017. Delays in procurement were noted. The entity committed to procure a bigger engine capacity vehicle than was planned. As a result, an extra Ug shs 79million will have to be paid during FY 2017/18.
Metallic racks procured and installed medicines stores	100%	99	70	4.49	Wooden shelves were installed in offices. Part of the funds were used to repair generators, procurement of garbage bin, fixing door handles among others.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mill)	Cum. Achieved Quantity (%)	Weighted Physical performance (%)	Remarks
Laundry into multipurpose rooms renovated into Laboratory and orthopaedic offices	100%	78	100	5.04	The contract was awarded to M/s Tania Suppliers and Technical Services at Ug shs 64million. Works commenced on 9th November 2016 and expected to be completed 25th December 2016. Works were completed in January 2017, however users requested for additional works including new terrazo floor, biometric doors electrical and plumbing works. These were ongoing and will be paid during FY 2017/18.
Medical equipment Procured	100%	500	50	16.04	Although 70% of the budget was paid to M/s Rima before 30th June 2017, the equipment had not been delivered by 19th July 2017. It included patient screens, examination couches, blood pressure machines, air conditioners, green laser unit among others. Contracts were signed on 7th June 2016, approximately 23 days to close of the financial year. The balance, 30% was used to partly clear M/s Pacific Diagnostics Ltd for equipment delivered during FY 2015/16.
construction of sixteen units staff quarters continued	100%	659	60%	25.41	This is a multi-year project that commenced in 2015 for a duration of 12 months. However, by July 2017 (more than a year later), works were at 60%. The contract was awarded to M/s Block Services Limited at a sum of Ug shs 2.6billion, and 84% of the original contract sum had been paid. The progress of works was estimated to be at 60%. The contract was revised to Ug shs 2.9billion to include contractor's interest charges amounting to Ug shs 335million in addendum three. The charges were due to delayed payments. Works were extended to January 2018.
Total		**1,558**		**58.0**	**Fair physical performance**

Source: Field Findings

L-R: Staff houses under construction; Screeded floor in refurbished laboratory and orthopaedic offices at Mbarara RRH

Implementation challenges

- Enormous delays in procurement with contracts signed as late as 7th June 2017, leading to payment of equipment before deliveries were made.
- Unspent balances; the hospital failed to spend Ug shs 10million on the equipment budget line, a visit to the medical ward indicated lack of simple equipment like drug trolleys.
- Contractual irregularities characterised by double payments, for example in FY 2016/17, the hospital paid Ug shs 30million to the supervising consultant (Eng Mujunansi) yet the same allocation had been embedded in the construction contract under preliminaries.

8.9.12 Vote 174: Mubende Regional Referral Hospital

The hospital achieved 66% of the planned annual targets againest 100% financial performance. It was allocated Ug shs 1billion, which was all released and spent. The hospital had two major targets under the development grant as indicated in Table 8.38.

Works on the pediatric ward were behind schedule, the contract had expired in March 2016 and was extended to January 2017. However, by 11th July, 2017 physical progress was estimated at 60%. Delays in payment of accumulated certificates were noted. Works were done by M/s ACE Consultants at a sum of Ug shs 7.4billion and supervised by M/S Envision Design Architects at a sum of Ug shs 182,000,000.

Table 8.38: Performance of Mubende (Project 1004), by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Mil)	Physical Performance (%)	Remark
Continuation of paediatric/mortuary building	100%	900	51.03	The Ug shs 7.4 billion project commenced on 1st July, 2014 and was expected to be completed in 18months. Slow progress in implementation of the project as a result of limited budgetary allocation and released. This led to delayed payment of the contractor and constrained his cash flows. The RRH owes the contractor over Ug shs 2.5billion. Poor planning in terms of contract management and execution were noted.
Retention for Wall fence, solar project and renovation of old wards	100%	158	14.95	Retention Paid.
Total		**1,058**	**66.0**	**Fair physical performance**

Source: Field Findings

Implementation challenge

- Contract management challenges in view of multiyear commitments; Mubende RRH signed a contract to construct a maternity ward at Ug shs 7billion for a period of 18months yet their Medium Term Expenditure Framework (MTEF) provisions did not match the signed contract value. The contractor had threatened to charge interest in delayed payment as stipulated in the agreement.

Recommendation

- RRHs should improve their planning through taking a phased approach to project implementation. Contracts should be phased in relation to MTEF allocations to avoid delayed implementation of rehabilitation projects due to lack of funds.

8.9.13 Vote 175: Moroto Regional Referral Hospital

Performance was poor at 36.7% of the annual targets against 37% financial performance. The hospital was allocated Ug shs 1billion, which was all released and only Ug shs 399million spent by 30th June 2017. This was attributed to delayed procurement process and receipt of guidance from the Solicitor General (SG) regarding construction of 30 units of staff houses. The guidance was provided in July 2017 after closure of the FY. Summary of performance is presented in Table 8.39.

Table 8.39: Physical Performance of Moroto RRH (Project 1004), by 30th June, 2017

Planned Output	Annual Planned Quantity or Target	Annual Output Budget Ug shs (Mil)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remarks
Motor vehicle and other transport equipment procured	100%	160	100%	15.12	A pick up double cabin was procured by the hospital from Toyota Uganda Limited.
Specialized machinery and equipment procured	100%	30	100%	2.83	The hospital procured an ultrasound scanner from Crown Health Care.
Office and Residential Furniture procured	100%	20	100%	1.89	Five office tables and 20 chairs were procured from Global Connections Limited
Staff Houses constructed and rehabilitated	100%	769.857	13%	9.46	The hospital paid retention to Musuzza Building Contractors. Construction and rehabilitation works did not commence, delays in receipt of SG guidance regarding procurement of a new contractor for the works were noted.
Oxygen plant completed	100%	78.400	1.00	7.41	The funds were transferred to Naguru hospital which was managing the construction of the oxygen plant.
Total		1,058		36.7	Poor performance

Source: Field Findings

8.9.14 Vote 176: China-Uganda Friendship Referral Hospital (Naguru)

The hospital achieved 76% of the set targets against 99% financial performance. It was allocated Ug shs 1billion, which was all released and spent. Set targets were mainly completion of the drug store and retainer wall at the staff houses in Kireka. Table 8.40 shows the physical performance of China-Uganda Friendship Referral Hospital (Naguru) by 30th June, 2017.

Table 8.40: Performance of China-Uganda Friendship Referral Hospital (Naguru) 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Weighted Physical Score (%)	Remarks
Completion of drug store and retaining wall completed	100	200	95	17.95	Works were at substantial completion and done by M/s Omega Jap Enterprises at Ug shs 497.5million. Pending works included water connection and were expected to be completed by April 2017.
Assorted office and ICT software procured including internet software procured	100	39	10	0.37	Some ICT equipment including a laptop was procured for the director.
Assorted specialised equipment for engineering section, seamstress, pharmacy procured	100	42	10	0.40	Specialised equipment like Xray processor and dispensing trays were procured.
Office and residential furniture procured	100	31	10	0.30	The hospital procured 20 beds and mattresses at Ug shs 20million.
Assorted medical equipment procured	100	99	0	0.00	Not achieved
Retention fees paid. Retaining wall construction supervised	100	645	95	57.89	Retention of Ug shs 63million was paid to M/s Block Services Limited on 15th June 2017. Works at the retaining wall were substantially completed at Ug shs 764million. It had not been officially handed over to the client.
Total		**1,058**		**76.9**	**Good physical performance**

Source: Field Findings

Challenge

- Poor bookkeeping, evidence of payments made to various suppliers could not be availed to the monitoring team.

Recommendation

The OAG should undertake a value for money audit on the development and recurrent grants of Naguru Hospital for FY 016/17.

Supply and Installation of Oxygen Plants

Naguru Hospital signed a contract with M/s Silverbacks Pharmacy Limited at a sum of US$ 1,800,347 on 30th May, 2016. The scope of works involved installation of oxygen plants at 13 RRHs with an exception of Mbarara Hospital. Beneficiary hospitals pooled a total of Ug shs 4,308,381,795 (US$ 1,278,451)[42], this was 71% of the *original contract sum, leading to a short fall of Ug shs 1,758,787,595 (US$ 521,895), the MoH reallocated Ug shs 1.8billion from the District Infrastructure Support Project to clear the short fall. Despite the fact that MFPED had directed entities to stop signing contracts in US$, the hospital signed one and this had negative implications on the GoU Budget. The project suffered exchange losses of US$11,325.71 translating into Ug shs 40million, which Naguru paid in June 2017.*

The contract was revised on 22nd June, 2017 to cater for procurement of oxygen cylinders and extension service contract up to 2020 at a sum of Ug shs 782.7million.

By 30th June, 2017, eight facilities were at substantial completion. These included Jinja, Masaka, Kabale, Fort Portal, Hoima, Gulu, Lira and Mbale. Sites that had ongoing works were Moroto, Soroti, Mubende and Arua. Works had not commenced at Naguru Hospital.

In comparison, an oxygen plant with same capacity was procured and supplied by M/S Silver Backs Pharmacy with the agreement signed on 12th June, 2015 with NSM at a sum of US$ 98,898.

Box 3: General Challenge facing Rehabilitation of National and Regional Referral Hospitals Projects

A number of hospitals like Mulago, Mbarara, Masaka, Mubende and Gulu committed government by undertaking multibillion contracts under their rehabilitation projects. These commitments were far more than the MTEF provisions in the specified timelines.

Mubende signed a Ug shs 7billion contract for the maternity ward to be executed in 18months yet their budgetary provisions for that period did not match the commitment. Gulu signed a Ug shs 6.2 billion for18 unit staff quarters for 36months, Masaka Ug shs 19.6billion for maternity ward and staff hostel. Some of these contracts stalled due to inadequate funds, the contractor for the staff hostel at Masaka Hospital abandoned site, while hospitals were under pressure to clear unpaid certificates amidst threats to charge interest for delayed payments. The contractor at Mbarara RRH charged GoU a total of Ugsshs 335million as interest for delayed payments.

Mulago National Referral hospital signed a Ug shs 19billion project with Block Technical Services Limited on 24th October, 2013 for a period of 12 months. This project has never been completed due to limited funds. The contractor amounted alot of pressure on the client in regards to payment hence diversion of funds from various budget lines during FY2016/17. This constrained service delivery in various departments of the hospital.

Recommendations

The Department of Project Analysis and Public Investment Management (PAPM) of the MFPED should ensure multiyear projects are properly vetted taking into account allocative efficiency and value for money.

The Regional Referral Hospitals should endeavor to implement multibillion contracts in a phased manner with adequate and clear timelines to avoid contingency liabilities and unnecessary pressure from contractors and value for money.

Source: Field Findings

42 Exchange rate=3370

8.10 Overall Sector Performance

Physical performance for the health sector was fair, 69% of the annual set targets were achieved against 88% financial performance. The variance between financial and physical performance was attributed to a number of reasons. Some of them include; reallocation, diversion of funds from planned outputs, payments for items not delivered by 30th June, 2017 and poor planning characterized by overly ambitious targets which could not be achieved with allocated funds. Good performing Votes included Arua, Gulu Regional Referral Hospitals (100%), while poor performing Votes included Mulago National Referral Hospital, Moroto and Hoima Hospital. Table 8.41 indicates detailed vote, programme and project performance.

The sector made big leaps in terms of infrastructural development, immunisation, disease surveillance, preparedness and control were achieved, and most of the epidemics were contained. This translated into a reduction in mortality and morbidity rates in Uganda. In spite of the sector achievements, a number of challenges in relation to planning, mismanagement of allocated funds, poor quality infrastructural works affected achievement of set targets. The need to address these challenges is critical for improved service delivery, this will translate into reduced maternal and neonatal death, adequate supply of blood and essential medicines as well as reduced death due to preventable diseases.

Table 8.41: Overall Vote, Programme and Project Performance by 30th June, 2017

Vote	Vote Function	Projects	Physical Performance (%)	Financial Performance (%)
MoH	Health Systems Development Programme (HSDP)	Construction and Equipping of the International Specialized Hospital of Uganda	66	100
		District Infrastructure Support Programme (DISP)	40	100
		Institutional Support to Ministry of Health (MoH)	77	100
		Italian Support to HSSP and PRDP	45	27
		Support to Mulago Rehabilitation	82	99
		Health Systems Strengthening	84	97
		Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital	83	100
		Renovation and Equipping of Kayunga and Yumbe General Hospitals	13	99
		Regional Hospital for Paediatric Surgery	16	100
		Rehab of general hospitals	85	99
		Sub Total (HSDP)	591	984
		Average performance-HSDP	59.1	92
	Pharmaceutical and other Supplies Program (PSP)	Global Alliance for Vaccines Initiatives (GAVI)	81	63
		Global Fund for AIDs, TB and Malaria	89	89
		Sub Total (PSP)	170	152
		Average Pharmaceutical and other Supplies program	85	76
	Clinical and Public Health (CPH)	Clinical Services	55	98
		National Ambulance Services	35	88
		National Disease Control Programme	84	97
		East Africa Public Health Laboratory Network Project Phase II	43	45
		Sub Total (CPH)	217	328
		Average Performance-Clinical Clinical and Public Health	54	82
Total Programme Performance -MoH			198	250

Average Programme Performance for MoH			66	83
Health Service Commission (HSC)	Human Resource Management for Health	Health Service Commission Project and Programme 02-Human Resource Management	78	100
Uganda Blood Transfusion Service (UBTS)	Safe Blood Transfusion	Uganda Blood Transfusion Service Project and Programme 02-Regional Blood Banks	82	100
Uganda Heart Institute (UHI)	Heart Services	Project 1121	84	98
Uganda Cancer Institute (UCI)	Cancer Services	Project 1120 and ADB support to UCI (Project 1345)	50.5	53.65
Butabika NRH	Provision of Specialised Mental Health Services	Butabika and health centre Remodelling/Construction Project	66	100
Mulago NRH	National Referral Hospital Services	Mulago Hospital Complex Project	45	91
Subtotal for National Referral Hospitals			111	191
Average performance for National Referral Hospitals			55.5	95.5
Arua	Regional Referral Hospital Services	Arua Rehabilitation Referral Hospital	100	100
Gulu	Regional Referral Hospital Services	Gulu Rehabilitation Referral Hospital	100	100
Hoima	Regional Referral Hospital Services	Hoima Rehabilitation Referral Hospital	45	100
Kabale	Regional Referral Hospital Services	Kabale Rehabilitation Referral Hospital	78	100
Mubende	Regional Referral Hospital Services	Mubende Rehabilitation Referral Hospital	66	
Jinja	Regional Referral Hospital Services	Jinja Rehabilitation Referral Hospital	93	100
Mbale	Regional Referral Hospital Services	Mbale Rehabilitation Referral Hospital	66	100
Soroti	Regional Referral Hospital Services	Soroti Rehabilitation Referral Hospital	83	100
Lira	Regional Referral Hospital Services	Lira Rehabilitation Referral Hospital	79	100
Mbarara	Regional Referral Hospital Services	Mbarara Rehabilitation Referral Hospital	58	100
Naguru	Regional Referral Hospital Services	Naguru Rehabilitation Referral Hospital	76	100
Masaka	Regional Referral Hospital Services	Masaka Rehabilitation Referral Hospital	50	100
Moroto	Regional Referral Hospital Services	Moroto Rehabilitation Referral Hospital	37	37
Fort Portal	Regional Referral Hospital Services	Fort Portal	51	97
Subtotal for RRHs			982	1,234
Average performance RRHs			70	88
Total Programme Performance			486	621
AVERAGE SECTOR PERFOMANCE			**69**	**88**

CHAPTER 9: INFORMATION AND COMMUNICATION TECHNOLOGY

9.1 Introduction

The mission of the sector is to promote the development of Information and Communications Technology infrastructure and services throughout the country. The mandate of the sector is to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for sustainable, effective and efficient development, as well as harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals.

The sector is composed of the Ministry of Information, Communications Technology and National Guidance (MoICT&NG), National Information Technology Authority-Uganda (NITA-U), Uganda Communications Commission (UCC), Uganda Post Limited (UPL- operating as Posta Uganda), Uganda Media Centre, Uganda Broadcasting Corporation (UBC) and Uganda Institute of Information Communications Technology (UICT).

Monitoring in the ICT sector covered the Ministry of ICT and National Guidance (MoICT&NG) and the National Information Technology Authority-Uganda (NITA-U).

9.1.1 Sector objectives and priorities

The overall sector objectives as outlined in the National Development Plan II are to:

- Increase access to ICT infrastructure to facilitate exploitation of the development priorities.
- Enhance the usage and application of ICT services in business and service delivery.
- Increase job creation through ICT research and development.
- Increase the stock of ICT skilled and industrial ready workforce.
- Improve the information security system to be secure, reliable, resilient, and capable of responding to cyber security threats.
- Improve the legal and regulatory frameworks to respond to the industry needs.

9.1.2 Overall Sector Financial Performance

The overall budget for the ICT sector comprising of Wage, Non-Wage Recurrent, Development, Gross Tax, and Non Tax Revenue (NTR) for FY 2016/17 was Ushs 199.226 billion out of which Ug shs 9.772 billion was for Vote 020 (Ministry of ICT), Ug shs 70.223 billion is for Vote 126 (NITAU). The total budget for UCC, UPL and UICT is Ug shs 93.343 billion, Ug shs 21.750 billion and Ug shs 4.138 billion respectively.

The annual monitoring covered Vote 020 and Vote 126 (Ug shs 79.9 billion): The budget outturn for the monitored entities by 30th June, 2017 was Ug shs 54.04 billion (67.6%), of which Ug shs 47 billion (87%) was spent (Table 9.1).

The release and expenditure performance at MoICT&NG was very good (91% and 95% respectively) while the release and expenditure performances for NITA-U were good (72% and 78% respectively). It was observed that 24% of the expenditures under the MoICT &NG were on rent (Ug shs.2.1bn) as the rent obligation escalated due to the appreciation of the dollar against the Uganda Shillings (from Ug shs 2,500 in 2014 to Ug shs 3,600 in 2016). The re-allocation of funds to cater for rent increment and clearance of domestic arrears affected the execution of other programmed outputs for FY 2016/17.

Table 9.1 Sector budget allocation and outturn by 30th June, 2017 (Ug shs billion)

Institution	Approved budget	Budget Outturn	% Released	Expenditure	% Spent
NITA-U	70.22	45.144	64	38.72	86
MoICT	9.772	8.896	91	8.459	95
Total	**79.992**	**54.04**	**67.6**	**47.179**	**87.3**

Source: MoICT, NITA-U and IFMS, June 2017

9.1.3 Scope

This chapter reviews progress of selected programmes, policies and projects implemented by the Ministry of ICT&NG and NITA-U for the FY2016/17. Under NITA-U, all programmes and two development project (National Transmission Backbone Infrastructure and Rural Communication Infrastructure Programme) were monitored. Under the MoICT, one development project (Strengthening Ministry of ICT) was monitored.

The key deliverables for the ICT sector for the FY2016/17 included: development and dissemination of ICT policies, laws and regulations; produce a report on post codes for Kampala; completion of Phase III of the National Transmission Backbone Infrastructure (lay 536Kms of fibre optic cables and three transmission sites); Installation of the Closed Circuit Television (CCTV) for all transmission sites and Network Operating Centre (NOC); connect seventy one (71) additional Ministries, Departments and Agencies (MDAs) sites to the NBI; deliver Internet to 35 additional entities, provide Wireless Internet (MYUG Wi-Fi) to 300 sites around Kampala and Entebbe; publish and gazette ICT regulations (Certification of Providers of IT Services and Products and Authentication of IT Training); develop ICT standards, build capacity of ICT staff, undertake preliminary activities to set the Rural Communication Infrastructure Project (RCIP) rolling, and secure financing from the World Bank.

9.1.4 Limitations

- Lack of detailed quarterly work plans and targets for some programmes/projects.
- Lack of disaggregated financial information for some outputs which might have affected the weighted scores.

9.2. National Information Technology Authority (NITA-U – Vote 126)

The agency's mission is to "*coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda*". The vote has 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:

1. To provide high quality information technology services to Government;
2. To promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services, to ensure uniformity in quality, adequacy and reliability of information technology usage throughout Uganda;
3. To provide guidance and other assistance as may be required to other users and providers of information technology;
4. To promote cooperation, coordination and rationalization among users and providers of information technology at national and local level so as to avoid duplication of efforts and ensure optimal utilization of scarce resources;

5. To promote and be the focal point of co-operation for information technology users and providers at regional and international levels; and
6. To promote access to and utilization of information technology by the special interest groups

The agency is organized into six directorates namely: Technical Services, E-government Services, Information Security, Regulation and Legal Services, Planning Research and Development, Headquarters and Finance and Administration.

9.2.1 Performance

Financial performance

The approved budget for NITA-U FY2016/17 was Ug shs 70.223 billion of which, Ug shs 45.2 billion (64%) was released and Ug shs 38.7billion spent (86%) by 30th June, 2017 (Table 9.2). The fair budget outturn was due to poor financial performance of the loans from Exim Bank of China and the World Bank for both the NBI and RCIP projects respectively.

Table 9.2: Performance of NITA-U Development Projects FY2016/17

Directorate/Project	Annual budget	Release	Expenditure	% Release	% Spent
Technical Services	25,673,929,758	20,877,052,912	20,746,244,148	81.3	99.4
Headquarters	540,943,912	514,737,870	324,666,785	95.2	63.1
Information Security	811,033,192	483,444,000	429,417,742	59.6	88.8
E-government	3,457,196,800	2,584,433,520	2,532,194,128	74.8	98.0
Regulation and legal	644,273,566	407,631,066	181,680,439	63.3	44.6
Planning &Research	960,910,020	857,318,000	613,176,832	89.2	71.5
Finance & Administration	14,291,016,000	12,466,824,142	11,749,261,482	87.2	94.2
Project					
National Backbone Infrastructure (GOU)	1,624,479,123	1,489,914,468	1,416,581,120	91.72	95.08
Regional Communication Infrastructure Program (RCIP)	22,168,474,000	5,463,489,965	729,940,653	24.65	13.36
Total	**70,172,256,371**	**45,144,845,943**	**38,723,163,329**	**64.33**	**85.78**

Source: NITA-U

9.2.2 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 Government 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 was funded by a concession loan 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 was divided into three phases, commenced in 2007 and was expected to be completed in July 2012. However, the first two phases of the project were subjected to several reviews and audits which were concluded in 2014. Phase three commenced in 2016 and was expected to be completed in July 2017.

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 (WAN), (iii)Establish a Government Data Centre.

Financial Performance

The approved GoU budget for Project 1014, FY2016/17 was Ug shs 1.624 billion, of which Ug shs 1.489 billion (91%) was released, and Ug shs 1.416 billion (95%) was spent.

Physical Progress

Table 9.3: NBI Project Performance by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Phase III laying of cable fully completed. Seven hundred and fifty six kilometers (756Kms) cumulatively laid	536.00	609,179,671	536.00	37.50	A total of 536km of Optic Fibre Cable was laid in FY 2016/17 along Kyenjojo-Hoima-Masindi and Mbarara-Katuna routes bringing the overall total to 756Km.
On-site training and tests in preparation for Network Operating Centre (NOC) handover to Soliton undertaken	4	609,179,671	4	37.50	Onsite training was conducted at all sites including the NOC. Phase III was handed over to M/s Soliton under the commercialization contract.
Installation of the Environment Monitoring Systems for all the sites has been completed	1	203,059,890	1	12.50	Environmental Monitoring System (EMS) was installed in twenty five (25) NBI Transmission sites across the country.
Sensitization conducted for key stakeholders along Phase III route. These include; District leaders in Hoima, Kyenjojo, Masindi and Kagadi.	3	203,059,890	3	12.50	Three major sensitization workshops were conducted in Hoima, Kyenjojo, and Kagadi route to engage District leaders. UNRA was also engaged to obtain right of way.
Total		**1,624,479,123**		**100.0**	**Very good performance**

Source: NITA-U

The overall physical performance was very good (100%). The planned 536Km fiber optic cables were laid and three transmission sites in Mutukula, Masaka and Kabale were completed with all active equipment installed, tested and commissioned. The physical security of all sites constructed under Phases I, II & III were all enhanced with CCTV cameras. Both grid power and alternative power units (generator and fuel tanks) for the three transmission sites were setup.

The National Backbone Infrastructure (NBI) has achieved its objective of establishing high speed connectivity across major towns of Uganda. By the end of the FY2016/17, two hundred and fifty six (256) MDAs had been connected to a single wide area network and utilizing various services; internet bandwidth, IFMS, leased lines, data center services and dark fiber services.

It was observed that much as the three phases of the NBI were completed, very few connections (last mile) outside Kampala were achieved. It was highlighted that these connections would be covered under the Regional Communication and Infrastructure Program. Although the prices of data had significantly dropped from over US$ 650 per megabyte per second (Mbps) per month in FY2011/12 to about US$300 per mbps in FY2013/14 and about US$80-200 per mbps per month in FY2016/17. There was no evidence to suggest that it was a result of the NBI. Moreover, some entities using the NBI infrastructure found the prices charged by NITA-U for one mbps of Internet data speed (US$ 190, in 2017) higher than the existing market prices from telecom operators (US$ 80 – US$ 150).



L-R: Completed NBI Transmission Sites (TS) in Kabale and Mutukula, and installed equipment at Mbarara TS all completed under Phase III of the NBI in 2017



L-R: OFC stringed along Hoima-Kyenjojo route and installed CCTV cameras at Masaka and Masindi Transmission Sites of the NBI

9.2.3 Regional Communication Infrastructure Program (RCIP)-Project 1400

Introduction

The Regional Communications Infrastructure Programme (RCIP) is a World Bank funded initiative that became effective in May 2016. The five year project aims to transform public service delivery using Information and Communications Technologies (ICT) to improve the lives of Ugandans. It will complement existing ICT initiatives in the country, including the National Backbone Transmission Infrastructure (NBI) and private sector investment by helping to bridge the financing and technical gaps.

The RCIP intends to support the GoU in improving: (i) Coverage for IT infrastructure in the country; (ii) The delivery of public services by improving efficiency through government cloud infrastructure; (iii) Integration of Government IT systems (iv) Building capacity in management of IT programs and projects; (v) Improve policy and regulatory environment for ICT in the country.

The objectives of the RCIP Uganda are to: (i) Lower prices for international capacity and extend the geographic reach of broadband networks (connectivity); and (ii) Improve the Government's efficiency and transparency through e-Government applications (transparency).

The US$85m project will be financed by credit from the World Bank (US$75m) and GoU (US$10m counterpart funding). During the FY2016/17, NITA-U planned to undertake preliminary activities to set the project rolling.

Financial Performance

The approved budget for the RCIP Uganda for FY 2016/17 is US$ 6.08m (Ug shs 22.168 billion) of which Ug shs 5.463 billion (24%) was released and Ug shs 729 million (13%) spent by 30th June, 2017. The GoU component was Ug shs 290 million and the release performance of this component was zero (0%) by 30th June, 2017.

Physical Progress

The overall physical progress for the project was estimated at 63% representing fair performance. The achieved outputs included recruitment of: project accountant, project manager and procurement specialsts; establishing a project office, undertaking procurement training, and automation of an accounting system. Other deliverables were at procurement stage as shown in Table 9.4.

Table 9.4: Performance of Regional Communication Infrastructure Programme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score	Remark
Project office setup and Staff Recruited (Project Coordinator, Accountant, procurement Specialist, Social Scientists and Environmentalist)	5.00	2,771,059,250	5.00	12.5	The five key staff were recruited and office space provided.
Legal covenants for credit implemented	11	2,771,059,250	8	9.09	Eight of the eleven covenants were finalized
Operational manuals developed	2	2,771,059,250	2	12.5	Manuals were developed
Preliminary workplan developed	1	2,771,059,250	1	12.5	Work plan was developed
Whole-of-Government Data Integration and Sharing Program and e-Services implemented	1	2,771,059,250	0.1	1.25	A system integration report was developed. Engagements with the priority MDAs to establish user requirements was on-going.
Shared Service Delivery Platform established (Authentication, ESB, SMS gateway)	1	2,771,059,250	0.1	1.25	Concepts for Payment, Authentication & notification gateways developed based on Moldova model. Draft bid document for payment gateway was submitted to World Bank, awaiting clearance
Current ICT strategies, policies, laws and regulations assessed	8	2,771,059,250	0.1	1.25	Procurement process of consultancy to undertake gap analysis commenced.
Financing framework finalised and bank accounts USD&UGX) opened	1	2,771,059,250	1	12.5	Accounts were opened in Bank of Uganda
Total		**22,168,474,000**		**62.8**	**Fair performance**

Source: NITA-U

Most of the preliminary arrangements for project take off were achieved. However, low absorption of the World Bank disbursed funds (loan) was observed.

Implementation challenges

- Long delays in securing procurement approvals/no objection particularly from the World Bank.
- Low fund absorption.
- Non-release of GoU counterpart funding to meet the financing needs of the project as per agreement.

9.2.4 NITA-U Recurrent Programmes

The agency has seven recurrent programmes namely: Headquarters, Technical Services, Information Security, e-Government, Legal and regulatory services, Planning, Research and Innovations, and Finance and Administration.

Financial Performance

The approved recurrent budget for NITA-U programmes is Ug shs 46.9billion, of which Ug shs 38 billion (82%) was released and Ug shs 36 billion (95%) spent. Both release and expenditure performances for recurrent were very good. The disaggregated expenditures by recurrent outputs were not readily available to estimate actual physical performance.

Physical Performance

The recurrent programmes of NITA-U achieved an estimated performance of 86% of the annual targets; this was generally associated to good releases from NTR to the Directorates of Technical Services, e-Government Services, Planning, Research and Innovations Services and Information Security. Detailed performance is given by programme hereafter.

1: Headquarters

The headquarters' programme is headed by the Executive Director. It is responsible for the management and operations of the Authority; management of the funds, property and business of the Authority, and the promotion, training and disciplining of the staff of the Authority in accordance with their terms and conditions.

Performance

Four corporate strategy reviews: Three Strategic Planning reviews were held with NITA-U Management and Board in which NITA-U Vision, Mission, and Strategic Objectives were updated and new Strategic themes developed.

Public Private Partnership (PPP) evaluation reports produced: PPP Projects report were prepared and submitted to the PPP-Unit of MFPED. Two projects were approved as pipeline projects for FY 2018/19. They are; National Data Centre and Public Key Infrastructure (PKI), and IT Parks.

100% completion of the development of the NITA-U IT Delivery Model: The draft report for the IT Delivery Model was prepared.

NITA-U brand promoted amongst the MDAs/LG & Public: The branded materials for the agency were procured and distributed to stakeholders. They included: NITA-U calendars and Christmas cards, NITA-U cups, power banks, flash disks, certification brochures, pull–up banners, NITA-U T-shirts, integration video, and NBI animation video.

Eight risk based audit conducted: Seven audits were conducted namely: Audit of the Regional Communication Infrastructure (RCIP), Audit of the IT Certification; Audit of the implementation of the NITA-U NBI Phase III, Audit of incidence management in NITA-U; Audit of business continuity planning on two critical infrastructure in NITA-U; Audit of procurement and contract management in NITA-U and the Audit review of NITA-U financial statements for the year ending 30th June, 2016. 88% of planned outputs were 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 resources and infrastructure for centralized data center facilities for large systems through the provision of specialized technical skills. In addition, it identifies and advises Government on all matters of information technology development, utilization, usability, accessibility and deployment including networking, systems development, information technology security, training and support; and provide guidance on the establishment of an infrastructure for information sharing by Government and related stakeholders.

Performance

Supervision of Phase III of the NBI: Laying of 756Kms of optic fiber cables was supervised and the output was successfully completed.

Installation of equipment at the Network Operations Centre (NOC) was completed. The centre was handed over to M/s Soliton for management of services.

Stakeholders along the Phase III Routes sensitized and engaged: Key stakeholders (such as district officials) were sensitized on the Phase III route. Sensitizations were held in Masaka, Mbarara, Kabale, Hoima, and Fort portal.

Bulk Internet Bandwidth procured for government MDAs: The contract for bulk Internet bandwidth under RCIP was cleared by the Solicitor General on 31st May, 2017 and signed by both NITA-U and service provider with an effective date of 1st July, 2017. Testing of the Bulk Internet Bandwidth (2.5Gbps) was expected to commence during the month of July 2017.

Two hundred (200) MDAs receiving Internet over the NBI: A total of 256 government entity sites were connected to the NBI by May 2017. Out of these, 180 MDA/LGs sites are receiving various services (Internet Bandwidth-151, IFMS-69, Leased lines -22, Data Centre-10 and Dark fibre-2) provisioned through the NBI.

A Memorandum of Understanding (MoU) and Service Level Agreements (SLA) were signed with additional 48 MDAs/LGs giving a cumulative total of 118MDAs/LGs with signed MoUs and SLAs for the services.

Connect 100 MDA sites, 10 Municipal Councils, 3BPO Operators and 3 Innovation hubs to the NBI: In the FY2016/17, one hundred and twenty (123) Government entities were connected to the NBI, bringing the total number of sites connected to two hundred fifty six (256).

Government WI-FI Network implemented for 300 sites: On 30th September 2016, NITA-U launched the free wireless (WI-FI) network code named MYUG with 30 connections in Kampala and Entebbe. By 30th June 2017, the wireless hotspots had increased to 140 sites thus achieving 46% of annual target.

MDAs hosted at the data center: At least 10 MDAs were being hosted in the Government Data Centre by 30th June 2017. They are: Uganda Revenue Authority (URA), Office of the Prime Minister (OPM), Electoral Commission (EC), Uganda Business and Technical Education Examinations Board (UBTEB), Uganda Investments Authority (UIA), National Drug Authority (NDA), Uganda Electricity Distribution Company Limited (UEDCL), Uganda Development Corporation (UDC), Directorate of Citizenship and immigration Control (DCIC), and Inspectorate of Government (IGG). The agency had engaged Capital Markets Authority (CMA), Public Procurement and Disposal of Public Assets Authority (PPDA), Ministry of Health (MoH), Uganda Aids Commission (UAC), Uganda Blood Transfusion Services (UBTS), Uganda Coffee Development Authority (UCDA), and National Environment Management Authority (NEMA) to enroll into the data centre. The requirements were assessed and proposals shared with these entities.

Preparatory activities towards the establishment of the Public Key Infrastructure[43] (PKI) completed: These include PKI design, PKI business model, and development of technical specifications document for soliciting a Public-Private Partnership (PPP) partner: Due diligence on the best evaluated bidder to offer Transaction Advisory services to implement PKI as a PPP was undertaken in March 2017 and the contract was pending approval of the Solicitor General by 30th June 2017. 87% of planned outputs were achieved.

3. Information Security

Background

The directorate provides leadership, organizational structures and processes at the national level that safeguards information against accidental or unauthorized modification, destruction, or disclosure. It coordinates efforts to remediate security alerts and respond to information security related incidents and threats; Coordinate with other institutions including law enforcement to identify and plan for security in all aspects of data, application, hardware, telecommunication, and computer installation and to carry out information security assessment for other organisations.

Performance

The National Information Security Framework (NISF) compliance assessment conducted in three MDAs: The NISF Compliance Assessment was conducted in three (3) institutions namely; Uganda National Council for Science and Technology (UNCST), MFPED and Uganda High Commission (Kigali) and an assessment report was compiled. The NISF implementation was enhanced in six (6) already existing MDAs namely; Directorate of Petroleum, Electricity Regulatory Authority (ERA), Ministry of Public Service (MoPS) – specifically focusing on the Integrated Payroll and Personnel System, National Water and Sewerage Corporation (NWSC), National Social Security Fund (NSSF), and Kampala Capital City Authority (KCCA).

Information Security implementation plan developed for the 3 new MDAs: Information Security remediation plan was developed for three (3) MDAs namely: Posta (U) Ltd; Inspectorate of Government (IG); National Council for Science and Technology (UNCST). Engagement was initiated with Inspectorate of Government office on remediation plan for the Operational Data Store (ODS) Security Report including Business Continuity. Development of ICT Policies for secure use of ICT Infrastructure was initiated.

Conduct NISF awareness in 3 MDAs: The NISF awareness and education were conducted in four MDAs namely: Bank of Uganda, National Land Information Centre (NLIC), Civil Aviation Authority and National Identification and Registration Authority (NIRA). The NISF engagement was initiated at Electoral Commission, UNRA, Ministry of Foreign Affairs (MoFA), Ministry of Energy and Mineral Development (MEMD) and Office of the Prime Minister (OPM). The information security alerts and advisories to National Computer Emergency Response Team (CERT) were provided. The draft information sharing threat intelligence initiative was developed.

A platform to enhance Incident Response Capabilities for Uganda established: Incident coordination was provided for 73 MDAs and 90 operators on the WannaCry ransomware. Cyber fraud investigation support was provided to two private sector companies. CERT.UG participated in the annual conference in Puerto Rico in conformity to the Fellowship Terms and Condition held in June 2017. The information security advisory was disseminated on: Conficker Malware, Mirai bots and Open Resolver (Domain Name Servers), WannaCry Ransomware[44], QNAP and VLS vulnerabilities, Phishing & Malware prevention, and Safe Browsing Culture. Technical guidance was provided for the rectification of the 14 Blacklisted NBI sites that were affecting the trust and reputation of GoU Public IP Space.

43 Public Key Infrastructure (PKI) is a set of roles, policies, and procedures needed to create, manage, distribute, use, store, and revoke digital certificates and manage public-key encryption.

44 A type of malicious software designed to block access to a computer system until a sum of money is paid.

Five (5) Global incident response partnerships enhanced to provide cross border collaboration and support during incident response: The NCIP Cyber Security Experts session was conducted in June 2017 at the MoICT&NG. The partnership with the Global Cyber Alliance (GCA) on the Domain-based Message Authentication, Reporting and Conformance (DMARC) solution for NITA was signed. NITA-U signed up as an inaugural member of the International Hacking and Information Security Conference (CAMP). CERT.UG signed up as National CERT for malware[45] response and information under the Anti-Phishing Working Group (APWG). Uganda is part of the Northern Corridor Computer Incident Response Team.

The partnership and collaboration with EG-CERT was maintained active. The partnership and collaboration with Forum for Incidence Response Teams (FIRST) was maintained and active as per the CERT.UG fellowship agreement. The partnership and collaboration with TEAM CYMRU was active. The partnership and Collaboration with ShadowServer maintained and active. Uganda participated in the Organisation of Islamic Countries (OIC) Regional Summit hosted by Egypt National Telecom Regulatory Authority (NTRA) in Egypt from 30th October to 1st November 2016. NITA-U participated at the 1st Arabic and African Regional Symposium (2nd – 3rd November, 2016) hosted by the Egyptian CERT. The CERT/UG Code of Practice was drafted and one staff trained in cyber fraud investigations.

Child Online Protection (COP) awareness created in 3 target institutions to make the Internet a safe and secure place for children: COP awareness collaboration meeting with Child Helpline, Kireka was held on 5th October, 2016. The COP education was carried out during the National Working Group for Prevention of Online Child Sexual Abuse Meeting that was held on 20th October, 2016 focusing on the Online Child Sexual Abuse Reporting Portal. The COP Awareness engagement with Ministry of Internal Affairs working group was held on 28th November, 2016. A three day training workshop for stakeholders in investigations and prevention of online child sexual abuse was undertaken in Jinja District. Active social media education and awareness on digital safety and child online protection was maintained. Preparatory works for measuring effectiveness of the COP campaigns was initiated.

The extra ordinary NISAG meeting to deliberate on mitigation of WannaCry ransomware was held at the MoICT&NG on 13th May, 2017. 96% of planned outputs were achieved.

4. E-Government

Background

Electronic government, also known as digital government, online government, or connected government is the comprehensive implementation of ICT in MDAs and LGs. The directorate's mission is "Integrating Uganda to provide quality services to citizens, and to improve the national competitiveness through administration innovation, and to reform unnecessary processes based on interconnected government and safe society".

Performance

Bulk software licences: Twenty (20) MDAs were consolidated under the Master Business Service Agreement (MBSA). The Oracle Contract was signed on 27th December, 2016. MDAs using Oracle will benefit from the newly negotiated rates.

Fifty (50) MDAs and LGs websites supported (Hosting, technical support, security, and administration): A total of 15 websites were developed for MDAs/LGs. These include; Judicial Service Commission, National Library of Uganda, Kalangala District, Uganda Prisons, Buikwe District, National Curriculum Development Centre (NCDC,) Mulago National Referral Hospital, Budaka District, Tororo District, Solidarity Summit for Refugees, NEMA, Ministry of Water and Environment, the new BPO website, the NITA-U Wi-Fi, CERT.ug/CC.

One hundred and ten (110) websites were hosted and supported by NITA-U as at the end of FY2016/17. 12% are receiving web hosting services, 53% are offered technical support while 35% are receiving domain hosting services.

45 Software which is specifically designed to disrupt or damage a computer system.

Support establishment of the ICT Park: The contract for provision of Transaction Advisory Services were approved by Solicitor General and signed on the 28th April 2017.

Supervision of Business Process Outsourcing (BPO) Center: The operators were supported as per the Service Level Agreements. Eighty four (84) Agents were employed by three (3) BPO firms (Munu Technologies, Cayman Consults and BDE Consults).

Government Citizen Interaction Centre (GCIC) operationalized: The GCIC Call Centre and Knowledge Management module were completed. Two (2) telecommunication companies MTN and Airtel were connected. User Acceptance Tests and operations of the GCIC commenced in January 2017.

Design of IT Parks completed and finance partner identified: Procurement for the consultant to undertake the feasibility study was completed. A new site was identified in Entebbe.

Technical Support for promotion of e-Government provided: Technical support was provided to 34 MDAs/ LGs in realizing e-services, getting effectiveness for projects, increasing revenue and reducing time delays. Details of the technical support provided include;

a) Procurement for the Enterprise Resource Planning (ERP) system for Uganda Wildlife Authority.

b) NITA-U analysed the ERP requirements for UNRA against existing government systems such as the Integrated Payroll and Pensions System (IPPS) and IFMS.

c) The Directorate developed ToRs and business processes for internal recruitment tool for the Public Service Commission.

d) Supported the IPPS upgrade and payroll clean-up. Supported the Northern Corridor Integration Projects – Prototype of the Northern Corridor web portal; developed concepts for e-services: sharing of National ID, e-tourism portal, e-soko portal, and e-single window.

e) Supported the Inspectorate of Government (IG) in development of the Online Declaration System for eligible public servants. The system was completed, tested, and bugs fixed. Supported the DPP - Case Management System which is undergoing customization to fit Uganda requirements.

f) Supporting the Ministry of Works and Transport/Crossroads with design of Road Contractors catalogue.

g) Participated in the testing of the Programme Based Budgeting tool (PBS). The Central Government module was completed and some bugs were being fixed by the consultant and the Local Government module was being developed.

h) Provided support towards maintenance of 10 MDA websites.

92% of planned outputs were achieved.

5. Regulation and Legal Services

Background

The programme is responsible for providing an enabling regulatory environment for the achievement of NITA's mandate and the implementation of the cyber laws and other related laws; Ensure the compliance and enforcement of the cyber laws, NITA Act, regulations and other related legislation; Arbitrate disputes between arising between suppliers of Information Technology solutions and consumers; Provide legal services to NITA-U; Provide corporate secretarial services to NITA-U; and ensure compliance with all laws, procedures and policies.

Performance

Carry out sensitization and awareness about cyber laws for 10 entities: Forty four (44) awareness/

sensitizations engagements were conducted in the FY2016/17 (11 DLGs, 14 MDAs, seven Training Institutions/ Universities, nine Private Sector entities, One Radio Talk Show in Hoima, three NITA-U organised events namely: IT Certification awareness workshop, Application and Data Integration workshop, and Government Accounting Officers Breakfast meeting on Systems Integration).This over performance was a result of increased interest in the subject of cyber laws by MDA/LGs and private sector.

Four (4) compliance assessments of MDAs and other regulated entities conducted: Twenty eight (28) compliance assessments were done in the following main areas; IT Standards for Acquisition of Hardware and Software for Government MDAs, 2013; IT Cabling Standards, 2013; The NITA-U (E-Government) Regulations, 2015; The Electronic Transactions Act, 2011.

Ten (10) Compliance assessments against the Standards for Structured Cabling and Guidelines and Standards for the acquisition of IT Hardware and Software for MDAs were conducted at the following institutions; Uganda Aids Commission (UAC), Health Service Commission (HSC), Insurance Regulatory Authority (IRA), Uganda Free Zones Authority (UFZA), Uganda Human Rights Commission (UHRC), Financial Intelligence Authority (FIA), Uganda Development Corporation (UDC), Uganda Tourism Board (UTB), NAADS, and Directorate of Geological Survey and Mines (DGSM).

Five (5) compliance assessments for maintenance of websites by Government entities as required under the NITA-U (E-Government) Regulations, 2015 were conducted in DLGs of Budaka, Iganga, Jinja, Lira and DLG.

Two (2) private sector assessments (PayWay on renewal of license and EzeeMoney) were conducted with respect to consumer protection provisions under the Electronic Transactions Act, 2011.

Develop laws and regulations to achieve NITA-U's mandate: Two regulations were gazetted and are under implementation to support operationalization of IT certification under the NITA-U Act: They are: The NITA-U (Certification of Providers of IT Products and Services) Regulations, 2016; and The NITA-U (Authentication of IT Training) Regulations, 2016.

National Databank and e-Government regulations disseminated: The final draft revised NITA-U (National Data Bank) Regulations that support integration of national data bases were concluded and approved for signature by the Hon. Minister of ICT.

Support was provided in the justification paper and principles for the development of the IT Professionals Bill. The document was awaiting review of the NITA-U executive committee. 87% of planned outputs were achieved.

6. Planning, Research and Innovation

Background

The roles of the directorate are: To support the development, monitoring and evaluation of National IT Strategies, Plans, Policies, Programmes and Initiatives in line with the NITA-U mandate. To lead change and provide a comprehensive approach in the development and implementation of IT strategic research & innovation agenda for the public sector in line with the NITA-U mandate and communicating corporate messages from agenda setting through impact assessment.

To formulate, enforce and monitor the implementation of national architecture blueprints, standards, certification and provide guidance for quality IT services including risk management and contingency planning. To create, implement and maintain an IT capacity building, training and awareness framework, Policy and Strategy in line with the NITA-U mandate.

To build and maintain a framework, model and process to provide centralized and coordinated support to programme management of all IT Projects across the Public Sector in line with the NITA-U mandate.

Performance

Five (5) new IT standards developed and forwarded for gazetting to facilitate systematic delivery of priority IT infrastructure and services: 14 National IT Standards were developed and declared by the

National Standards Council (NSC).

Hold standards technical committee meetings to develop new standards and to review existing ones: The technical committee discussions generated some draft standards which were shared with stakeholders for input.

Two (2) MDAs supported in implementation of standards for harmonized delivery of e-government services: Four (4) evaluations of compliance to standards were undertaken. Two (2) were undertaken at NDA. They were with regard to IT procurement guidelines and cabling standards. The other two were undertaken at Health Service Commission. They too were with regard to IT procurement and cabling standards. A total of four (4) reports were produced.

A virtual Standards Library and Resource Centre developed to improve access to IT standards and guidelines: Preliminary work towards compilation of the requirements was undertaken

Four (4) Promotion and awareness sessions on standards carried out to foster adoption:

Six (6) awareness and promotional activities were undertaken: They included: Ministry of Works and Transport – Building Code Workshop - ICT for buildings, Construction Sector Transparency (CoST) standards. The CoST initiative is aimed at ensuring value for money in public projects through transparency and citizen participation. This requires the use of open data and good communication infrastructure through the Internet.

During the World Standards Day (14th October, 2016), NITA-U presented the developed Standards. NITA-U trained police officers on the application of IT standards in law enforcement and use of surveillance cameras based on GIS technologies during the study tour of the Uganda Police Force at MoICT&NG. Requests were made for further engagement on standards.

The agency presented a paper on IT standards for procurement at a breakfast seminar at the MoICT&NG for stakeholders from different MDAs. The presentation aimed at among others: Minimizing the risk of becoming locked in to particular suppliers for unduly long periods.

Selection process completed for five hundred (500) MDAs to sign certification agreements: A master list of five hundred (500) IT Service providers was developed. One hundred and ninety eight (198) IT Companies were registered on the Certification Engine. Sixty four (64) IT Firms have applied for IT Certification. Fifty (50) IT firms were invoiced in preparation for payments. Forty two (42) IT Firms made payments which were confirmed by both NITA-U and the Certification body. Awareness workshop for MDAs was held on 31st May 2017 and report prepared.

Hundred (100) IT service providers inspected: Forty (40) IT Service Providers were inspected in preparation for IT Certification. The IT innovation activities were supported through training and sponsoring innovation activities to promote the development of home grown and affordable solutions. Reviewed the bid documents for Integration of National Systems and development of Government applications under RCIP. Participated in the stakeholder sensitization on integration of IT Systems and databases. Reviewed and provided input to the draft MoU between NITA-U and Innovation Village to support development of e-government solutions. The agency provided input to the Draft Funding Strategy and Constitution of the National ICT Forum. Participated in JLOS ICT sector working group meetings and provided input to implementation of the HiiL Innovating Justice Challenge 2017.

Foundational activities for the implementation of NITA-U Strategic Plan for Statistics executed: The potential Global IT Statistics producers were identified (IDC, Gartner and Buddecomm, and Statista). Engagements were held with the identified potential Global Statistics producers on the possibility of providing statistics in IT developments in Uganda. Buddecomm was selected as the appropriate provider of IT strategic and statistical research in Uganda. NITA subscribed to Buddecomm and acquired the 2016 Annual IT Research Publication for Uganda and disseminated it to the users.

The agency reviewed the 2016 Annual IT Research Publication for Uganda acquired through subscription from Buddecomm and advised them on the sources of Information for accurate research results where it was agreed that in next update of report they shall be sure to place greater emphasis on the activities of NITA-U in relation to the NBI, and other related projects that NITA-U manages.

Project management Monitoring and Quality Assurance activities for RCIP conducted: All RCIP activities were being coordinated by the programme including, the World Bank missions, project meetings, production of ToRs for the various projects under RCIP, and obtaining no objection and approvals.

Undertake user demand driven surveys in NITA-U: Compiled the annual NITA-U Statistical Abstract: Conducted four (4) user demand driven surveys for monitoring of key NITA-U initiatives: Conducted user acceptance assessments for MYUG free Wi-Fi service among NITA-U staff whose recommendations informed the Technical team about the areas for service improvement before the launch. A user satisfaction survey for MYUG free Wi-Fi service was conducted and the findings formed the basis for monitoring of the service. Conducted last mile and UMCS readiness assessment for MDAs and LGs in selected districts in order to identify existing gaps in the infrastructure and to come up with interventions to address the gaps. They designed and conducted a survey among key stakeholders of the IT certification initiative. The survey assessed the level of awareness and the readiness for the kickoff of the project.

Compile the Annual NITA-U Statistical Abstract: The annual statistical abstract for 2016 was finalized, endorsed by UBOS and published on the NITA-U website. The desk review of key statistics related documents was conducted. NITA-U engaged six (6) key agencies (UCC, UBOS, URA, UNCHE, URSB and UIA) involved in the production of IT Statistics. Data for in putting into the statistical abstract was collected from these agencies was cleaned and analysed. The statistical abstract was developed and endorsed by NITA-U statistics committee. Final statistical abstract endorsed by UBOS and published on the NITA-U website.

Project management Monitoring and Quality Assurance activities for RCIP conducted: All RCIP activities coordinated including, World Bank (WB) Missions, Project Meetings, Production of ToRs for the various projects under RCIP and obtaining no objection and approvals from WB.

Monitoring and inspection of three (3) NITA-U projects/initiatives conducted and status reports produced: NITA-U **c**onducted monitoring of 3 NITA-U projects/initiatives; namely MYUG Free Wifi, NBI Phase III and Certification of IT service providers. Findings from the studies were compiled. Learning review reports were prepared and shared with the user departments. IT Certification Office activities were monitored on a weekly basis.

The Directorate prepared feedback form the World Bank Open Day and prepared a feedback report. Prepared ToRs and Request for Expression of Interest (REOI) for a Consultancy to conduct a Skills Training and Needs Action (STNA) and submitted to the World Bank for no objection. Developed a draft bid document for consultancy to conduct STNA.

Three (3) training sessions conducted in partnership with Civil Service College and other partners: The e-Government curriculum guide was revised to include free and open source modules. Content of one of the modules in the e-government curriculum framework and prepared training for newly recruited public servants was selected in partnership with the Civil Service College. Reviewed training material on cyber security and E-government for newly recruited civil servants. The stakeholder validation workshop for the e-government curriculum guide was held and training of 65 newly recruited public servants at the Civil Service College was conducted.

Fifty (50) head teachers were trained in ICTs in partnership with Makerere University. NITA-U provided quality assurance for the training materials for social media training for Uganda Registration Services Bureau (URSB) staff and developed a training evaluation report.

A strategy for Institutionalization of ICT function in government developed: The Directorate prepared ToRs and REOIs for consultancy to develop a strategy for institutionalization of the ICT function in government and submitted to the World Bank for no objection, and developed a draft bid document for the consultancy.

Preparatory activities for the establishment of IT Professionals Body completed (IT professional body legislation, subscriptions to professional bodies): A roadmap towards development of the IT Professional's Bill was developed. The agency participated in the retreat to agree on the principles and provided the recommendations to what should constitute the basis for the law. 92% of planned outputs were achieved.

7. Finance and Administration

Background

The directorate is responsible for providing administrative and technical support to the Authority to optimally plan, generate, manage, deploy and account for all financial and other resources in the delivery of its mandate.

Performance

Preparatory activities of the Namanve ICT Hub (land acquisition, surveys and architectural design) completed: The requirement for a performance bond on the land to house the ICT hub was waived by Uganda Investment Authority. Designs were not developed as had been planned.

Ensure retention of skilled, healthy and productive workforce: Staff salaries, gratuity, subsidized staff canteen, medical insurance and National Social Security Fund (NSSF) were paid to ensure retention of skilled staff. 65% of planned outputs were achieved.

The overall physical performance for NITA-U was rated at 83%. This was generally due to the very good performance of the NBI project and the good performance posted by the re-current programmes.

L-R: Branded Network Operations Centre at Statistics House and inside the Government Citizen's' Interaction Centre (GCIC) at the ICT building Parliamentary Avenue

Challenges

- Duplication of IT Systems across MDAs/LGs and resistance to change.
- Some MDAs have running contracts with Internet Service Providers (ISPs) which affects the NTR performance of NITA-U.
- NITA-U staffing was at 50% of approved structure. This was affecting timely execution of planned outputs as the available staff were over stretched.
- Delays in receipt of ***"no objection"*** from the World Bank on a number of RCIP project components.
- Insufficient counterpart funding to meet the requirements of the RCIP planned for the current financial year.
- 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

- The Ministry of ICT&NG, NITA-U and MFPED should enforce a cabinet resolution requiring all MDAs with running contracts with ISPs to cross over to the NBI at the end of the contracts.
- The NITA-U and MoICT should formulate IT certification regulations.
- The NITA-U and MFPED should prioritise counterpart funding of the RCIP Uganda project to avoid delays in project execution.
- The Ministry of Public Service and NITA-U should review the staff ceiling for NITA-U to increase on implementation efficiency.
- NITA-U should develop a change management strategy to ensure that duplication of effort is minimised on procurement and use of ICT installations.

9.3 Ministry of ICT and National Guidance

9.3.1 Background

The Ministry of ICT was created in 2006 to provide strategic and technical leadership and coordination in all matters of ICT. The mandate of the ICT Ministry is "*to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations, and strategy for the sector for sustainable, effective and efficient development, harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals*"[46].

The mission is "to promote development and effective utilization of ICTs such that quantifiable impact is achieved throughout the country". The MoICT has four vote functions namely;

a) Information technology and information management services which is charged with developing enabling policies, laws and regulations as well as promoting, guiding and providing technical support, supervision, monitoring and evaluation to the development and use of IT;

b) Communications and broadcasting infrastructure which is charged with developing enabling polices, laws, regulations as well as quality assurance in infrastructure development for broadcasting and communications service delivery;

c) Policy, planning and support services which is responsible for ensuring that the sector complies with policy development guidelines and financial management standards in accordance with the Public Finance and Management legislations.

d) Information and national guidance.

The annual monitoring FY 2016/17 focused on the development component of the MoICT and some ICT recurrent expenses.

Financial Performance

The approved annual budget for the Ministry of ICT and National Guidance for FY 2016/17 was Ug shs 9.772 billion, of which Ugshs 8.896 billion (91%) was released by 30th June 2017. Out of the released funds, Ug shs 6.657 billion were GoU resources and Ug shs 1.802 billion was Appropriation In Aid (AIA) from Uganda Communications Commission. A total of Ug shs 8.459 billion (95%) of the released funds were spent by the close of the FY representing very good expenditure performance.

It was observed however, that the very good budget performance did not translate into very good physical performance, as a total of Ug shs 2.1 billion was earmarked for clearance of rent for office space and clearance of approved existing domestic arrears.

46 MoICT 2016

By 30th June 2017, the rent obligation continued to escalate majorly due to the exchange rate appreciation of the dollar against the Uganda Shillings from Ug shs 2,500 (in 2014 when the contract was entered into) to Ug shs 3,600 (June 2017). By the end of June 2017, the Ministry had additionally accumulated domestic arrears worth Ug shs 1,082,762,789. Therefore, several recurrent outputs across programs were differed due to suppression of resources to rent and domestic arrears.

Physical Performance

Formulation of enabling policies, e-government services and broadcasting services

Policy formulation

The **second draft spectrum management policy** was developed: the intention of the policy is to ensure that Uganda`s national interests and identities are protected during management of radio spectrum; promote transparent, fair, economically efficient, and effective spectrum management practices; guide on efficient utilization of the digital dividend resulting from the migration from analogue to digital television broadcasting; and harmonize Uganda`s Spectrum Management practices.

The **second draft of the National Postcode and Addressing System policy** was reviewed. This policy is aimed at reforming and modernizing the delivery of postal services in the country; facilitate faster and more efficient mail processing and make it easy for postal and courier operators to deliver mail items to people`s residential and office addresses.

The **final draft on use of Internet, E-mail and Social Media Policy** was developed and submitted to the Ministry Top Management for approval. The policy will define the authorization levels needed to disseminate and use information from the internet, email and social media sites; ensure validity and confidence of information obtained from the internet, email and social media resources and specify the operational requirements related to information obtained from the internet, email and social media resources. 60% of planned outputs were achieved.

E-government and Broadcasting services

Technical support and guidance was provided to five MDAs and LGs in the development and implementation of institutional ICT policies. The Ministry undertook awareness sessions and capacity building for 15 MDAs on policy and e-government services.

An MoU between UBC and the Ministry of ICT on operationalization of the Content Production and Management Centre was developed pending approval by UBC management. The operational and maintenance staff for the Content Production and Management Centre were identified and trained.

The baseline study on incorporation of sign language and visual aid for major Television (TV) programmes for people with hearing loss was carried out in the districts of Lira and Mbarara.

The Uganda Media Centre provided a platform to MDAs to broadcast government communication and also provided accreditation services to journalists.

The Ministry participated in regional and international initiatives to represent and present Uganda`s positions and interests in ICT. The Ministry finalized and submitted a National ICT Initiatives Support Program that will promote the contribution of ICT Innovation to the country`s socio-economic development;

The Uganda Broadcasting Corporation TV and Radios audience survey was undertaken in Eastern Uganda region.

The approval for institutionalization of ICT function in Government was secured from The Ministry of Public Service (MoPS).

Technical support and guidance was provided to Kira Municipality in the development of the Municipality ICT policies and four MDAs namely Uganda Communications Commission (Postal Services Strategy), Uganda Institute of ICT (Board), Uganda Business and Technical Examinations Board (Board) and Ministry of Agriculture (Procurement).

The sensitization and awareness campaigns on the Data Protection and Privacy Bill was undertaken in six LGs.

One capacity building workshop on cybercrime and Information Security was organized and attended by 50 multi-stakeholder including developers, businesses, NGOs, Banks, and MDAs.

A workshop for dissemination of guidelines for management of e-waste to stakeholders was held. It was attended by UIA, MoICT&NG, UNBS, MFPED, KCCA, MTIC, MoD, UCC, NITA, MoES, MoH, EPISLON, and Luweero Industries.

The planned four sector monitoring and evaluation sessions were not conducted due to inadequate resources. The overall performance of the recurrent programs was estimated at 65%.

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 2016/17 was Ug shs 2.77 billion, of which Ug shs 1.764 billion (63%) was released and 100% of the release spent by 30th June 2017 representing a fair and very good release and expenditure performances respectively. Table 9.5 shows the overall project performance.

Table 9.5: Strengthening MoICT Project Performance by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget(Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Policy, consultation, planning and monitoring services (ICT Strategy and Investment Plan disseminated, Quarterly ICT Sector joint monitoring undertaken)	5.00	621,000,000	3.80	16.42	Consultations held, 1 Monitoring meeting at UICT IPV6 LAB conducted, First Draft Policy on the use of internet, email and social media by Government developed. Joint monitoring not conducted due to inadequate releases
Ministry Support Services (10 Staff training undertaken; sensitization on recent legislations; Public relations for the Ministry managed; projects monitoring undertaken and reports produced)	15	1,283,507,000	8	27.42	Public relations for the Ministry managed; 5 staff supported to undertake long and 5 for short term trainings; Training in planning, budgeting and monitoring of public sector programs was undertaken; Minor civil maintenance were carried out.
Motor vehicle purchased	2	400,000,000	1	14.43	A fraction of the budget (Ugshs 45 million) received. One vehicle procured using AIA funds from UCC

Output	Annual Planned Quantity or Target	Annual Output Budget(Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
ICT equipment procured (laptops, Computers, printers, cabling)	2	299,000,000	1	10.78	Resources inadequate to procure all ICT equipment required
Office and residential furniture purchased (assorted)	1	168,896,000	1	6.09	Resource inadequate to procure all furniture and fittings required
Total		**2,772,403,000**		**75.1**	**Good performance**

Source: IFMS & MoICT

The project physical performance against released funds by the end of the year was rated as good (75.1%). This performance was affected by inadequate releases under the GoU development component whose outturn performed at 31%.

Challenges

- Inadequate releases of the GoU development budget (31%).
- Mischarges as funds for planned outputs were supressed or re-allocated to fund rent and domestic arrears.

Conclusion

The overall performance of the MoICT&NG was rated as 70%. The combined impact of inadequate budget allocation, releases and payment of domestic arrears negatively affected implementation of the approved annual work plan for MoICT. Some of the key activities affected include non-completion of various ICT policies many of which are still in draft form awaiting further stakeholder consultation and validation. In addition, spending on capital investments including retooling offices; purchase of transport equipment necessary for implementation of critical activities were constrained.

Overall ICT Sector Performance

The overall sector performance was good estimated at 78%. The development project of National Transmission Backbone Infrastructure (NBI) achieved 100% of the annual targets while the recurrent programmes for NITA –U posted good performance (86%), the program for Rural Communication Infrastructure posted fair performance (63%) as most of the outputs were preliminary to execution of key outcomes. On the other hand, the Ministry of ICT recurrent programmes posted fair performance (65%) while the development component was good (75%). Table 9.6 shows the summary performance by project/programs across the sector.

Table 9.6: Physical Performance of the ICT Sector by 30th June 2017

Vote	Rating	% physical performance
1. National Transmission Backbone Infrastructure (NBI)	Very good	100
2. Regional Communication Infrastructure Programme	Fair	63
3. NITA-U Recurrent Programmes	Good	86
4. MoICT Recurrent programmes	Fair	65
5. Strengthening Ministry of ICT	Good	75
Average sector score	**Good**	**78**

Performance in the sector was mainly hampered by; duplication of effort, low ICT technical capacity and staffing within MDAs, insufficient counterpart funding to meet the financing needs of the projects/programmes, and long delays in securing approvals/no objection from the World Bank.

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 partly 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 findings hereafter are generated from monitoring industrialization development components of the four votes.

10.1.1 Scope

This chapter reviews progress of selected projects implemented by the MoTIC, UIRI, UNBS and MFPED. The selected projects were; United States African Development Foundation (USADF), Presidential Initiative on Banana Industrial Development (PIBID), and Development of Industrial Parks (DIP) under MFPED. Under MoTIC, the projects monitored included: One Village One Product (OVOP), the Uganda Development Corporation projects of: Kiira Motors Corporation (KMC), Sheet Glass Project, Value Addition Tea (VAT) in Kabale and Kisoro, and Soroti Fruit Factory (SFF). Under the Uganda National Bureau of Standards; Construction of UNBS headquarters Phase two was monitored, while the Strengthening UIRI Project was tracked under the Uganda Industrial Research Institute.

10.1.2 Limitations

- Some information for donor funded projects especially financial information was not readily available for assessment.
- Some financial information was not aligned to outputs which might have affected the overall score through the weighting process.

10.1.3 Overall sector financial performance

The overall release and expenditure performances to the sub-sector by 30th June, 2017 was good (80% and 85% respectively). Release performance for five projects was 100% except for; Kiira Motors Corporation (37%), UNBS (54%), Soroti Fruit Factory (59%) OVOP (67%) and UIRI (79%). Poor expenditure was observed at the Sheet Glass Project (17%) and Value Addition Tea (44%). The reason for poor performance of the Sheet Glass Project was that the project was approved and availed resources in the third quarter of the Financial Year (March 2017). Implementation was therefore at initial stages by 30th June, 2017. On the other hand, installation of equipment for Value Addition Tea project was not completed to enable generation of a payment certificate. Table 10.1 shows the overall financial performance of the projects under industrialization sub-sector.

Table 10.1: Industrialization budget, release and expenditure performance by 30th June, 2017 (Ug shs)

Project	Revised budget	Release	Expenditure	% release	%spent
PIBID	25,681,128,025	25,681,128,025	20,674,946,554	100	100
DIP	6,240,000,000	6,240,000,000	6,240,000,000	100	100
USADF	3,600,109,810	3,600,109,810	3,600,109,810	100	100
SFF	4,482,787,000	3,008,315,993	2,204,224,915	59	73
VAT	6,000,000,000	6,000,000,000	2,613,074,749	100	44
KMC	10,000,000,000	3,660,038,170	3,646,558,130	37	99.6
Sheet Glass project	477,000,000	477,000,000	80,149,063	100	17
OVOP	488,264,345	329,744,471	329,744,471	79	100
UNBS	3,659,748,374	1,911,401,837	1,911,401,837	54.1	100
UIRI	8,322,619,780	6,274,178,935	5,710,791,474	75	91
Total	**68,951,657,334**	**57,181,917,241**	**47,011,001,003**	**80**	**85**

Source: IFMS &Field Findings

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 2016/17) 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 (DIP).

10.2.1 United States African Development Foundation

Background

The strategic partnership between the USADF and the Government of Uganda (GoU) was established in November 2006 through a Memorandum of Understanding (MoU). The MoU was initially for five years but was subsequently renewed in April 2012 for another 5 years. The USADF and GoU each make equal contributions of US$ 1,000,000 per annum towards grants to targeted farmer groups and Small and Medium Enterprises (SMEs). The funds are transferred by USADF through grants made to individual selected projects/ groups, which are developed and approved in accordance with USADF criteria and methodologies and with the goals and objectives of the MoU.

Overall project objectives

- To promote the development of farmer cooperatives, producer associations, smallholder agricultural producers, small scale agri-business (SSAs) and SMEs in Uganda and increase their market competitiveness, with a particular focus on the development of underserved and marginalized community groups and enterprises.
- To increase the participation of small scale agricultural groups and SMEs in investment relationships with US and other trading partners.

Selection criteria for the grant

All projects presented to USADF for funding are initially scrutinized by the project coordination office for their ability to meet two major priorities:

i) Applications must originate from a community group or organization that represents its own development priorities, and includes the participation of the poor in setting project objectives.

ii) Applications must represent projects with maximum benefits to an underserved and marginalized group.

To qualify for selection, the organization must be 100% African-owned and managed, and legally registered. Due diligence and technical backstopping is provided by a local partner, the Uganda Development Trust (UDET).

Support under this project is extended under two grants; Enterprise Development Investment (EDI) where funding does not exceed US$100,000 per project over a period of two years. The purpose of this grant is to strengthen the capacities of the beneficiaries (managerial, technical and financial).

Beneficiaries who successfully implement the EDI grant are eligible for funding under the Enterprise Expansion Investment Fund (EEI). The Enterprise Expansion Investment Fund has a maximum funding of US$250,000 per project and it's intended to enhance the business development of the beneficiaries in order to enhance their competitiveness. At the end of the grant, each project should be self-sustaining.

Performance

The GoU approved budget for USADF project FY 2016/17 was Ug shs 3.6 billion, all of which was released representing a very good release performance and Ug shs 2.8 billion spent (good performance).

Selection of 10 projects for support

For FY 2016/17, a total of 10 groups were earmarked for support for a period of 18 -36 months. These were; Aratarach Farmers' Cooperative Society-Nebbi, Kweyo Growers Cooperative Society-Omoro, Kamushoko Mixed Farmers' Cooperative Society-Mbarara, Kayonza Tea Factory-Kanungu, Semliki Cooperative Union-Bundibugyo, Katine Joint Farmers' Cooperative Society- Kumi, Bukanga ACE-Luuka, Amatura Produce Marketing Cooperative Society-Moyo, Aluga Cooperative Society-Alebtong, and Bunyangabu Beekeepers Cooperative Society- Kabarole.

By 30th June 2017, implementation had commenced at seven of the selected beneficiaries except; Aluga Cooperative Society and Bunyangabu Beekeepers Cooperative Society while Bukanga ACE was dropped having failed to meet the requirements for project support.

Five of the seven funded beneficiaries were monitored during the month of July 2017. They are; Aratarach Farmers 'Cooperative Society-Nebbi District, Kweyo Growers Cooperative Society-Omoro District, Kamushoko Mixed Farmers' Cooperative Society – Mbarara District, Kayonza Tea Factory- Kanungu District, and Katine Joint Farmers' Cooperative Society in Soroti District. Table 10.2 shows the performance of the project.

Table 10.2: Overall Physical Performance of USADF Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Infrastructure	4	335,496,274	1.00	11.67	Four enterprises were designated to receive infrastructure support in the form of structures to bulk and store produce and agro processing equipment. By end of FY, Kamushoko had constructed its structure while Aratarach was in the process of constructing its store.
Equipment Purchases	9	1,476,315,941	6.00	51.34	The beneficiaries were to receive equipment ranging from motorcycles, trucks and agro processing equipment. However by end of the FY, Katine and Kweyo had received a tractor and Kamushoko got a truck and motorcycle. Aratarach Cooperative got a motorcycle. No group had received agro processing equipment.
Crop Finance	4	276,750,600	2	9.62	The cooperatives of Aratarch and Kamushoko had started operations under crop finance. All cooperatives were slated to receive this support with the exception of Kayonza Tea Factory.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Input Fund	5	204,657,278	3	0.00	The input shop operations had commenced in the groups of Aratarach, Kamushoko and Kayonza.
Training in Financial Management, M&E, And Cooperative Governance.	15	62,708,000	5	1.96	Trainings had been initiated in all groups but were still progressing as each group’s respective package was not yet complete. The pending training will be covered in FY2017/18
Technical Support	9	112,756,207	2	2.18	Technical backstopping in the form of installation of financial systems, certifications by relevant bodies and development of a manual was to be done for each group. Kweyo Cooperative had started the certification process and Kayonza’s financial systems software was under installation.
Administrative Support	16	407,150,551	11	14.16	All the beneficiaries had received support in the form of salaries, rent, and purchase of office equipment. However, Kweyo had not yet filled some positons and as such salaries to this effect had not yet been remitted.
Total		**2,875,834,851**		**90.9**	**Very good performance**

Source: Field Findings and Author’s Compilation

The overall physical performance was very good rated at 91%. Implementation in some groups such as, Katine Joint Farmers’ Cooperative, and Kayonza Tea Factory was at initial stages while Kweyo Growers’ Cooperative and Aratarach had commenced implementation much earlier. The groups experienced delays in executing the outputs. For example, the creation of Omoro District out of Gulu affected the approval of structural designs submitted by Kweyo Cooperatives. At Aratarach Cooperative, there were delays in the release of funds.

Left: Broken part of the tractor plough replaced with an old used part (R) by members of Kweyo cooperative in Omoro District

L-R: Proposed site for construction of packaging unit in Butogota –Kanungu District, and cassava processing store under construction in Aratarach Cooperative-Nebbi District

L-R: Truck delivered to Kamushoko Cooperative- Mbarara District funded by USADF; and ongoing renovation of stores at Katine Cooperative in Soroti District

Challenges

- The prolonged drought during 2016 through early 2017 affected the yields and productivity of most farmers which affected the utilization of crop finance funds by the cooperatives.

- High operation and maintenance costs, for example the tractor procured by Kweyo Cooperative developed a mechanical condition three months after delivery and the supplier was unwilling to replace the defective parts. The cooperative replaced the defective parts using own resources.

Recommendations

- The project should cover training in climate smart farming especially water harvesting techniques and cost effective irrigation methods.

- The USADF secretariat should guide the beneficiaries to procure equipment from proven suppliers.

10.2.2 Presidential Initiative on Banana Industrial Development

The Presidential Initiative on Banana Industrial Development (PIBID) is a pilot project of the 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 Government's priority economic strategies, which among others include; value addition to agricultural products and agro-processing through research and development.

Planned Outputs

- Full operationalization of the Technology Business Incubation(TBI) plant
- Development of the Tooke Centre
- Operationalization of conference center facility at the TBI
- Completion of construction of Pilot Banana Processing plant 100%
- Completion of construction of Quality Assurance and Research facilities 100% and operationalization
- Completion of phase 1 researchers' residence100%
- Automation of primary processing
- Extension of value addition to communities10 farmers' trained in the greater Bushenyi
- Five (5) incubatees inducted at the TBI Community
- Four (4) Community Processing Units (CPUs) established in Sheema District
- Clearance of arrears related to construction of the TBI
- Clearance of gratuity arrears.

Performance

The revised budget for the PIBID was Ug shs 25,681,128,025 of which, Ug shs 16,651,128,028 was a supplementary. The release performance was very good (100%) while expenditure was good as 81% (Ug shs 20,674,946,554) of released funds were absorbed. The seemingly good performance was explained by clearance of arrears accumulated over the years for the civil works under the project and payment of gratuity accumulated over a long period of time. Table 10.3 shows the overall performance of PIBID.

Table 10.3: Overall Performance of PIBID by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Personnel and Administration	14	4,273,676,552	14.00	22.04	Staff salaries, NSSF, gratuity for FY2016/17 paid
Development of Tooke Trade Centre	2	5,142,296	0.00	0.00	Not achieved because it hinged on other components of the project such as accreditation and transitioning into a commercial business entity.
Conference Centre at the TBI operationalized	2	40,000,000	0	0.00	Works had stalled because the contract expired. The pending works include; plumbing and electrical works. A new contract was awarded in June to complete all pending civil works.
Full operationalization of the TBI Construction of Pilot Banana Processing plant completed	1	4,112,535,638	0.6	12.72	The pilot plant was operationalized. The primary processing plant was at 100% while most of the equipment including the extruder, hummer mill, boilers, pneumatic conveyor system and biscuit line were fully installed and tested.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Quality Assurance and research laboratories 100% completed and operationalized	1	212,621,439	0	0.00	Not achieved. Pending work under this component was packaged under a new contract signed in June 2017.
4 community processing units established	4	35,571,148	0	0.00	The major activity conducted was mobilization and registration of farmer groups. The institution was also mapping the acreage per farmer using GPS. Funds for establishment of CPUs not budgeted for.
Contractors arrears paid	12	6,314,618,861	12	32.57	Arrears accruing to the contractor and supervisor since FY2014/15 were cleared.
Outstanding staff gratuity paid	1	3,527,500,390	0.82	14.9	Majority of the former staff were paid their gratuity except the 11 who had sought legal redress in courts of law and declined to receive the computed values less of interest and legal fees. A few other former staff had not been traced to receive the gratuity.
Other arrears	2	866,697,164	2	4.47	
Total		**19,388,363,488**		**87**	**Good physical performance**

Source: Author's Compilation and Field Findings

L-R: Preparation of Instant Tooke and bagged dry Tooke chips at the Processing Plant in Nyaruzinga, Bushenyi District

The overall physical performance for PIBID was good (87%). This good performance was a result of a revised budget (supplementary) that caused a work plan revision to cater for payment of arrears whose outputs had been delivered in the previous years. However, a number of originally planned outputs dismally performed. The sluggish performance was associated with intermittent and late release of funds that distorted the implementation plan. For example, Ug shs 3.9billion was released on 26th April, 2017 and an additional Ug shs 600 million released on 5th May, 2017 most of which was for activities planned for Q2 and Q3.

The contract with M/s Dott Services expired before completion of the works due to unpaid arrears. The pending civil works were re-packaged (completion of laboratories, conference hall, hostels, steam generation, power back up, stand by generators and external works) under a new contract that was awarded to M/s Dott Services at a sum of Ug shs 7.096 billion for a period of 18 months. Unfortunately, approval of the contract delayed due to an Executive Order stopping any Government institution from doing business with M/s Dott Services during the months of April to mid June 2017 when the order was withdrawn. The contract was later approved and signed by 28th June, 2017. The planned advance payment could not be achieved as the earmarked funds were returned to Consolidated Fund on 30th June, 2017.

It was further observed that PIBID was not suitably constituted to undertake commercial business. The proposal for PIBID to have a business arm/company was yet to be approved by the responsible Minister. This ambiguous status shall continue to negatively affect the commercial aspirations of the project beyond the current market analysis and testing of products from the TBI.

Challenges

- The Business plan to enable transition to commercialization of the project was yet to be approved by MFPED.
- Intermittent release of funds. Monies were released to the institution in the last two quarters of the FY. This disrupted the planning process and hence some deliverables were yet to be achieved.
- Lack of transport equipment to haul the raw materials and staff transport to communities.

Recommendations

- The MFPED should expedite the approval of the business plan to ensure that PIBID can commence commercial operations as a legal entity.
- The MFPED should disburse funds to the institution in a timely manner.
- The PIBID should budget for transport equipment to facilitate the operationalization of the project.

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 2016/17; focused on the development of industrial parks project.

The GoU formulated a ten (10) year National Industrial Parks Development plan and project with effect from FY2008/09 to FY2017/18. 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.

Planned Outputs

- Installation of border markers and directional signage for Mbale, Bweyogerere and Luzira industrial parks.
- Mid-range survey equipment procured for the surveying of plots in the industrial parks.
- Bweyogerere Industrial and Business Park; 1.9 km roads maintained in Bweyogerere Industrial Estate.
- **Luzira Industrial and Business Park**: 3.7 km roads maintained in Luzira Industrial Park
- **Kampala Industrial and Business Park (KIBP)- Namanve**
  - » 6.3km of roads maintained
  - » 4km of Roads at KIBP opened and upgraded to bituminous standard.

» Industrial Power Supply(2.5km) extended to selected sites in KIBP, Namanve (33Kv and 11kv) for light industry

» KIBP office block renovated (Phase 1)

- **Mbarara SME Park**

 » 1km road maintained in Mbarara SME Park

 » Overhaul electrical system at Mbarara SME park

 » Renovate workspace at Mbarara SME park

- **Mbale Industrial Park**

 » Mbale Regional office toilets renovated

 » Master plan and EIA Prepared

 » Squatters cleared

- **Soroti Industrial and Business Park**

 » Stone pitched lined drain constructed along pineapple road (240m)

 » 6.3km of roads maintained

Performance

The revised budget for Development of Industrial Parks project FY2016/17 was Ug shs 6.2billion all of which was released and expended by 30th June 2017. Table 10.4 shows the overall performance of DIP.

Table 10.4: Overall performance of Development of Industrial Parks by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance (%)	Remark
Border markers and directional signage Installed for Mbale, Bweyogerere and Luzira Industrial Parks	3	192,000,000	0.00	0.00	Contract awarded for Mbale to KATU Contractor and signed on 10th July, 2017. The contract for Luzira park was awarded to Bramjo Engineering and signed on 6th July, 2017. Bweyogerere had not been awarded due to land compalints with some neighbors.
4km of roads at Kampala Industrial and Business Park upgraded to Bituminous standard	4	363,090,792	0.00	0.00	Due to site conditions, the road could not be opened to 4kms. However Link 4 (0.285kms) and commercial lane (1.73kms) were being opened. This contract was awarded to Trans Action International Limited and signed on 8th June 2017.
Master planning and Environmental Impact Assessment for Mbale Industrial and Business Park	1	153,296,352	0	0.00	This activity could not be done before payment of squatters on the industrial park land is completed.
Industrial Power extended to selected sites in KIBP , Namanve	1	271,296,325	1	0	Contract signed on 20th February 2017. Instructions issued to contractor. Multiple-Kyagalani section of 1.1 km completed and Valley View GETS of 1.187 km near completion.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance (%)	Remark
Luzira Industrial Estate roads maintained	3.7	83,744,000	3.7	1.34	Contract awarded to GIC Logistics Ltd and five instructions issued to contractor. The works were fully completed. However, snags identified had not been attended to.
Bweyogerere Industrial Estate roads maintained	1.92	53,744,000	1.92	0.859	Contract awarded to Bramjo Engineering and works completed. However, a number of pot holes were identified along first street and Kyaliwajjala link.
KIBP Roads (South A and B) maintained	2	219,000,000	2	3.32	Contract signed on 20th February 2017. Instructions issued to contractor. Multiple-Kyagalani section of 1.1km and Valley View GETS of 1.187 km completed.
Maintenance of Roads at Soroti Industrial and Business Park done	1	74,800,000	0.5	0. 392	Contract awarded to PEAM Innovators and instruction issued.
Roads opened , Widened and Improved at Mbarara SME Park	1	58,080,792	1	0.71	Contract awarded to Kambugu Constructions limited and works substantially completed.
Electrical system at Mbarara SME park overhauled	1	38,080,792	0	0.00	There was poor scoping of works on this item and the contract was cancelled. The defective scope indicated 19 instead of 43 metering units for the entire park.
Workspace No 19/20 at Mbarara SME Park renovated	2	56,080,792	0	0.00	No funds available to implement this activity.
Mid-range survey equipment for surveying plots purchased	1	70,000,000	0	0.00	Procurement rolled over to FY 2017/18 due to lack of funds.
Kampala Industrial and Business park complex renovated	1	60,000,000	0.7	0.52	The contract was awarded to Alliance Technical Services. However the BoQs were poorly scoped and as a result some areas were missing. These were; guard rails, ceiling work and window canopy covers. Original works partially done.
Catch water drain constructed in Soroti Industrial and Business Park along pineapple road	245	58,000,000	147	0.41	Contract was awarded to PEAM Innovators and signed on 19th April, 2017. Works were ongoing by 30th June, 2017
Mbale regional office toilets renovated	0	5,000,000	0	0.00	The current budget was based on an assessment of works that was conducted in 2013. There was need for revision of BoQs and activity differed to FY 2017/18.
Squatters at Mbale Industrial and Business park compensated	826	4,500,000,000	702	61.14	A total of 702 squatter were paid by 30th June 2017.
Total		**6,256,213,845**		**68**	**Fair performance**

Source: Field Findings and UIA

Inspite of the very good release and expenditure performance, the overall performance for Development of Industrial Parks project was fair (68%). This performance was attributed to inadequate allocation of funds. For example, much as the work plan required UIA to upgrade four kilometers of roads in KIBP to bituminous surface, commensurate funds were not availed.

By 30th June 2017, a total of 22 plots had been developed at KIBP and one plot was developed at Soroti Business and Industrial Park. Fifty seven (57) plots at KIBP, two plots in Luzira and two plots in Bweyogerere were undergoing development. A total of 12,000 jobs were reportedly created by the industrialist during the year majority of whom were casual workers at construction sites.

A total of 130 plots previously allocated to both local and foreign investors were withdrawn because the investors had failed to meet the requirements of the offer over a period of five years. The plots were re-allocated to new investors who were required to develop them within a period of three years. The lease premium previously paid by investors was waived by government with effect from FY 2016/17.


L-R: New opened road in Mbarara SME Park, and renovated drainage channel in Luzira Park


L-R: Maintained road in South B estate, and Power transmission line from Kyagalanyi Coffee, Maintained road in South B estate


L-R: A man cultivating near the inauguration stone of Mbale Industrial Park, and Catch Water drain constructed along Pineaple road in Soroti Industrial Park

Challenge

- **Inadequate MTEF ceiling:** Servicing of the industrial parks with infrastructure and utilities require dedicated resources beyond the current ceilings of 6 billion per annum.

Recommendation

- The MFPED should find alternative funding for development of industrial parks.

10.3 Ministry of Trade, Industry and Cooperatives

The mandate of the Ministry of Trade, Industry and Cooperatives (MoTIC) is: "to formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology transfer, to generate wealth for poverty eradication and benefit the country socially and economically" (MoTIC, 2014).

During the year under review, the Ministry supervised six agencies namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda 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 for FY 2016/17 focused on; One Village One Product, Uganda National Bureau of Standards; Construction of UNBS Headquarters, and the Uganda Development Corporation projects of: Kiira Motors Corporation, Sheet Glass Project, 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 GoU and is mandated to invest in projects that ensure diversification and grow Uganda's production capacity. The agency was re-established under the Uganda Development Corporation Act 2016.

The projects of; Soroti Fruit Factory, Sheet Glass, Value Addition Tea in Kabale and Kisoro; and Assembly and Manufacture of vehicles under the Kiira Motors Corporation (KMC) were monitored during FY 2016/17.

1 Kiira Motors Corporation

Background

Established in 2014, Kiira Motors Corporation (KMC) intends to set up the first automotive manufacturing plant in Uganda with actual production slated for FY 2018/19. KMC has evolved from an Extra-Curricular activity at Makerere University in 2007 into a mainstream Government program for automotive industry development.

Over the past two decades, the total vehicle import value of Uganda increased from US$ 89.7 million in 2000 to US$ 598 million in 2014.With the exception of limited value addition activity by Uganda Batteries Limited, WavaBikes, and the informal manufacturing sector involved in Bus and Truck body building, arguably all vehicles are imported as Fully Built Units (FBU). Therefore Kiira Motors Corporation aspires for domestic automotive value addition to provide brand new locally assembled vehicles as substitutes to imported used vehicles.

Import substitution is the short and medium term goal with regional export of internationally competitive automotive products and aligned services as the ultimate goal. The KMC investment is thus poised to catalyze industrialization leading to savings in foreign exchange; economic diversification; attraction of foreign direct investment and development of skills relevant for developing a sustainable automotive value chain in Uganda.

Performance

The approved budget for FY 2016/17 for KMC was Ug shs 10billion, of which Ug shs 3.66 billion (36%) was released, and Ug shs 3.64 (99.6%) expended. The poor release performance affected the overall execution of activities. Table 10.5 shows the overall performance of the Kiira Motors Corporation project.

Table 10.5: Overall Performance of the Kiira Motors Corporation by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Design of the KMC plant site, boundary wall,gate facilities, annex office and auxillary	1	585,000,000	0.00	0.00	Procurement for the consultancy services for the development of KMC site servicing plan, design and construction supervision of boundary wall gates had been initiated by end of FY.
Construction of KMC plant site boundary wall and gate facilities	1	3,469,959,885	0.00	0.00	Not yet commenced.
OEM and Financing Partnership Engagements	8	371,192,000	8	3.72	Received Expression of Interest and Letters of Intent from TAATA Motors and Chinese state owned firm CHTC for a partnership. A Letter of Intent was received from a prospective financier and a non-disclosure agreement. KMC Business Strategy 2016/17-2017/28 presenting alternative business models for the realization of the mission of vehicles made in Uganda developed. A concept paper for Tyre Assembly in Uganda was developed.
Skills and Capacity Development	24	879,689,563	24	8.81	8 vehicle internships, 3 MSC, 10 certifications were being undertaken by KMC staff. 9 interns also trained under the KMC in-house Higher Education Institutions Program. KMC website redesigned.
Performance Optimization of the Kayoola Solar Bus and Kirra EV SMACK	5	118,651,125	5	1.19	The 1:7 Kayoola Solar Bus Model developed. Several systems integrated into the Kayoola Bus for performance optimization; DC-DC converter, E-Compressor and steering pump.
Administration	14	3,634,253,384	4	12.99	Staff salaries paid. Ground rent for KMC land in Jinja paid. Office utilities paid.
Total		**9,982,000,000**		**66.3**	**Fair physical performance**

Source: Author's Compilation & Field Findings

The overall project performance was fair (66%). During the year under review, eight engineers underwent internship training at automobile manufacturers in South Africa. The technical staff were engaged in re-designing the electronic document management system for the corporation. The Kiira EV SMACK vehicle was being redesigned to integrate new knowledge learnt from various attachments.

All planned civil works at the project site in Jinja and a tyre assembly plant did not take off. It was observed that the poor release of funds was generally affecting the morale of the staff. It is very likely that the staff (35 engineers) whose skills are being upgraded may leave the organization for placements elsewhere as developing proto-types alone may not be adequate to keep the technical staff constructively busy.

Challenge

- Poor budgetary allocation. The budgetary allocations to KMC project are insufficient to realize the objectives. A total of US $33 million is required to establish infrastructure for vehicle assembly. However the budgetary allocation to the project was Ug Shs 10 billion and release performance was poor (Ug shs 3 billion).

Recommendation

- The MFPED and MoTIC should increase the budgetary allocation to KMC Project and improve the release performance.

B) Soroti Fruit Factory

Background

The Soroti Fruit Factory (also known as Teso Fruit Factory) is a proposed Government intervention aimed at supporting value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso region. Teso region comprises of the districts of; Soroti, Kumi, Bukedea, Katakwi, Amuria, Serere, Ngora and Kaberamaido and is the leading producer of citrus in the country. Teso region approximately has three million citrus fruit trees with a potential of producing 600,000 metric tonnes of fruit per year. Despite its potential, Teso sub-region had not seen any investment in fruit processing whether government or private sector led.

The key challenges for fruit farmers in the region are; lack of readily accessible markets, fair pricing of produce; and cost effective easily accessible storage and transport infrastructure. Teso region therefore experienced high post-harvest losses during peak seasons.

The objectives of the project are;

- To increase the incomes of the fruit farmers in Teso region provided by a readily accessible and fairly priced market for produce.
- To promote value addition and agro processing of produce.
- To reduce post-harvest losses.
- Produce juice concentrates and pulp that exceed the local, regional and international market.

In 2012, the Government of Korea through its development arm; the Korean International Cooperation Agency (KOICA) provided a turnkey project for the construction of Soroti Fruit Factory with the GoU responsible for provision of complementary services and works. By June 2016, GoU had substantially fulfilled its core obligations, while some components were still pending such as a central water treatment lagoon and waste treatment plant.

The contract for the construction of Soroti Fruit Factory was awarded to Ms. Hwanshin Uganda Limited for a period of 15 months commencing 26th March, 2015 and was expected to end in May 2016 at a sum of US$ 7.4 million. The scope of works covered: Construction of an office block and main factory, two internal roads, external storage, treatment plant and an external toilet. The project contract duration was extended to March

2017 due to changes in designs and weather conditions at the project site. The completion date was further extended to September 2017 due to delays in manufacturing and delivery of equipment for the processing plant.

Financial performance

The budget allocated to Soroti Fruit Factory for the FY2016/17 was Ug shs 4,482,787,000. However release performance was fair at 59% (Ug shs 3,008,315,993). Expenditure was good as Ug shs 2,204,224,915(73%) was absorbed. Table 10.6 shows the performance of the project.

Table 10.6: Overall performance of the Soroti Fruit Factory Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Waste disposal facility for the factory established	1	350,000,000	0.00	0.00	UDC had engaged National Water and Sewerage Corporation to have an effluent plant established in the park.
Contractor for the construction of the waste disposal facility procured	1	6,000,000	0.00	0.00	UDC had engaged National Water and Sewerage Corporation to construct the effluent plant outside the UDC budget.
Inspection of machinery and equipment conducted	1	109,359,366	1	2.50	Machinery was inspected by a team from UDC
Product development undertaken	1	16,000,000	1	0.37	Product development is still ongoing at Makerere University and UIRI for a suitable formula for orange juice. Ready to drink samples were developed for mangoes.
Implementation of project activities monitored and evaluated	4	80,000,000	4	1.37	An assessment was conducted to ascertain the availability of fruit for the factory by Teso Fruit Factory and MoTIC staff in all the 8 districts of Teso. The findings indicated that the region has enough fruits to sustain the factory. Inspection of the construction works was carried out at the factory and a number of defects highlighted.
Publicity activities for the project done	4	146,500,000	4	14.40	Publications in the print media (New Vison and Monitor) were done to inform the public about the progress of the project. Procurement of branded note books is also on going.
Enhancement of staff capacity through trainings , symposiums and benchmarking	6	450,000,000	6	18.09	Four staff trained and two attended international symposiums.
Technical staff trained in production	1	76,000,000	1	1.73	Recruited five technical staff for the factory and underwent two months training in Korea on operations and maintenance of the equipment.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Board meetings held	1	6,000,000	0	0.00	Board not yet constituted
Administrative expenses	4	634,554,960	4	14.48	Funds spent on administrative roles
IT equipment procured	4	305,500,000	4	9.26	Heavy duty printer, photocopier projector procured for the plant
Furniture and fixtures for the plant procured	1	120,000,000	0	0.00	Footsteps Furniture supplied furniture at the end of July, 2017.
Water pumps and accessories for water line procured	1	25,000,000	0	0.00	Water line was constructed from the borehole to the pump house. Testing and commissioning of the water line done in July.
Factory earthing and substation upgraded	1	55,000,000	0	0.00	Works yet to commence.
Factory staff insured	1	500,000,000	0	0.00	Inadequate funds to execute this activity. Factory not yet completed.
offices partitioned	1	100,000,000	0	0.00	Inadequate funds to execute this activity
Landscaping outside perimeter wall done	1	30,000,000	0	0.00	Not yet done
Clearing firms to clear machinery , equipment ,CCTV camera for the panels procured	1	50,000,000	1	2.85	Blink Logistics LTD was contracted to clear the machinery and equipment for the factory. By 13th July 2017, 21 container shades were delivered and installation was expected to be completed in September.
EIA certificate for the waste disposal site obtained	1	38,602,280	0	0.00	NEMA to conduct EIA
Security firm to provide services at the factory procured	1	16,300,000	1	0.47	Saracen Security Company was awarded the contract to provide security at the factory. However the company awaits UDC to hand over the site.
Audit on the project conducted	1	75,000,000	0	0.00	Pending completion
Maintenance and electrical tools procured	1	140,000,000	0	0.00	Process ongoing
Personnel Protective Equipment procured		70,000,000	0	0.00	Company identified to provide the equipment and delivery expected end of June.
Operations of the fruit factory		982,722,261	0	0.90	Cannot commence without factory being fully operational.
Total		**4,382,538,867**		**66.4**	**Fair performance**

Source: Field Findings and Authors Compilation

Trucks containing some of the equipment delivered at Teso Fruit Factory, Soroti District

The overall physical performance was 66%. The construction of the factory was 100% complete. The contractor was rectifying identified snugs. A total of 21 containers of equipment were delivered during the month of July 2017 pending installation. The UDC was in the process of acquiring a demonstration farm in Soroti to serve as a fruit growing demonstration and Multiplication Centre of the appropriate industrial citrus varieties. It was observed that the factory shall consume less than 5 percent of the current citrus volumes produced.

Challenges

- **Inadequate volumes of industrial appropriate varieties.** Although the Teso region is blessed with a number of varieties of citrus, there are low volumes of the varieties that are appropriate for juice processing. Therefore, obtaining raw materials might pose a challenge during factory operations.
- **Presence of poor quality seedlings**. It was noted that the farmers in the region obtain poor quality seedlings form suppliers including those prequalified under Operation Wealth Creation.

Recommendations

- The MoTIC should expedite the multiplication of industrial appropriate varieties in the Teso region.
- The MAAIF should endeavor to inspect certified nurseries to ensure that high quality seedlings are supplied.

C: Value Addition Tea

The GoU through the Uganda Development Corporation and Kigezi Highland Tea entered into a partnership to construct tea factories in the districts of Kisoro and Kabale. The role of UDC was to procure, install and commission equipment for the two factories under a turnkey arrangement while the proprietors would construct the factories. By June 2016, construction of the factories was over 60% complete and procurement of key processing equipment was completed. Table 10:7 shows the overall performance of the Value Addition to Tea Project.

Table 10.7: Overall performance of the Value Addition Tea by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Advertisement for provider of equipment and machinery made	1	85,000,000	1	2.23	Completed
Water supply reservoirs for Kigezi Highland Tea constructed	4	56,000,000	4	1.29	Completed
Trucks procured for Kigezi Highland Tea Limited	16	2,066,713,000	14	47.49	14 vehicles were delivered. Procurement of 2 was underway.
750 KVA electricity transformers supplied.	2	899,543,358	2	23.62	Contract was issued. Completion of work is dependent on completion of electrical works.
Standby generators procured and installed for Kigezi Highland Tea (500KVA)	2	530,621,283	0	0	Contract was issued. Completion of work is dependent on completion of electrical works.
Standby generators procured and installed for Kigezi Highland Tea (80KVA)	2	170,000,000	0	0	Contract was issued. Completion of work is dependent on completion of electrical works.
Project activities monitored	1	125,000,000	0	0	
Tea processing equipment and machinery procured for Kayonza Tea	1	2,017,122,359	0	0	Not yet done
Tea processing equipment and machinery procured for Mabaale Tea	1	0	0	0	Not yet done
Due diligence and post qualification exercise for Kayonza and Mabaale tea conducted	0	-	0	0	Completed
Total		**6,000,000,000**		**74**	**The physical performance was poor**

Source: Field Findings and Author's Compilation

L-R: Withering fan missing blades and a transformer installed at Kigezi Highland Tea Factory in Kisoro District

The overall physical performance was rated at 48%. The project was extended to cover one additional tea processing line for Kayonza and Mabaale tea factories each. By 7th July 2017, the contractors to supply Kayonza and Mabaale tea factories with processing machinery had been identified (M/s Mesco Equipment Ltd and M/s Vikram India). However, due to inadequate resources, UDC prioritized supply of additional equipment and machinery for Kigezi Highland Tea Factories. This included trucks for transporting green leaf, power generators, transformers and water reservoirs among others. It was observed that the supplier's capability to deliver was weak as several of the equipment delivered were either defective or missing critical parts. For example the boiler at Kabale Factory, and the conveyor belts and dampers at Kisoro Factory were not changed as agreed and the four control panels and a transformer were yet to be delivered at the Kisoro Factory. The project was eight months behind schedule.

L-R: Boiler and power control panels under installation at Kigezi Highland Tea Factory in Kabale District

Challenges

- Delays in completion of the tea factories of Kisoro and Kabale as some works vital to the installation of equipment had not yet been completed. For example, electrical cabling of the factories and cabling of transformers was incomplete.

- Some of the delivered equipment was defective (blades and conveyors) and didnot meet the requirements of the client. This was attributed to the fact that the team that inspected the equipment before importation lacked the required competency.

- Poor quality tea seedlings: Although there were certified nurseries licensed by MAAIF, farmers still obtained poor quality tea seedlings and this was attributed to lack of functional quality control mechanisms by MAAIF.

Recommendations

- The UDC should at all-time form pre-shipment inspection teams with relevant expertise to assess the quality of equipment.
- The MAAIF should strengthen its seed quality control function to ensure that certified nursery bed operators provide the required quality of seedlings.
- The UDC should adequately supervise the equipment supplier to ensure that no further delays are experienced.

D: Sheet Glass Project- Masaka

The Government of Uganda with a prospective partner - The Heibei Group of China is planning to engage in sheet glass production. This is premised on the presence of silica sand a vital ingredient in glass production at Ddimu Lake shores in Masaka District. A benchmarking visit to China was undertaken by UDC with potential partners.

In 2017, a study was commissioned to ascertain the quantity and quality of the raw material required to produce glass in Uganda. A Special Purpose Vehicle (SPV); the Lake Victoria Glass Manufacturing Company was formed by the GoU and the Heibei Group of China to undertake this venture.

Financial Performance

The approved budget for the project was Ug shs 477 million, all of which was released, however, Ug shs 80 million (17%) was spent by 30th June 2017 representing poor absorption. Table 10:8 shows the overall performance of the Sheet Glass Project.

Table 10.8: Overall Performance of the Sheet Glass Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Undertake land surveying and mapping of the proposed exploration areas around Ddimu Beach	1	182,000,000	0.50	19.08	Mapping exercise has started but yet to be completed. Also UDC conducted a benchmarking visit to the premises of Hebei Group to get acquainted with glass production.
Undertake an exploration study	1	295,000,000	0.00	0.62	ToRs were completed and the study was expected to be completed in August 2017.
Total		**477,000,000**		**19.7**	**Poor physical performance**

Source: Field Findings and Author's Compilation

The physical performance of the project was poor (19.7%). This was because the project was approved during the financial year and the funds to execute activities released in Quarter 3.

10.3.2 One Village One Product

The One Village One Product 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 was 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, whose vision is trading out of poverty into wealth and prosperity.

Objectives of the Programme

The overall objective of the programme is to promote the production, processing and marketing of local products for wealth creation.

The specific objectives are to;

- 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%.
- 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.

Performance

The approved budget for the OVOP project was Ug shs 488,264,345, of which Ug shs 329,744,471 was released (79%) and all funds expended representing good release and very good absorption of funds. Table 10:9 shows the overall performance of the One Village One Product.

Table 10.9: Overall Performance of the One Village One Product Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
15 model processing facilities established by June 2015	15	322,640,000	8	67.93	Eight groups were supported in the FY. These included; Value Addition Hub, Chicken Products Limited, Bubaale Innovation Platform, Mikwano EV, ECO Friendly Innovations, Bevron Investments, Kiwenda Horiculture Group and Nyakigufu Farmers Group. However by end of the FY, equipment had not yet been delivered to Rwabs Foods and Beverages and Kaganja Bee Keepers Savings Cooperative Society. Also equipment was not functional in the groups of Bubaale Innovations Platform, Value Addition Hub and Kiwenda Horticultural.
Product packaging, certification and establishing market linkages for 8 cooperatives	8	0	0	0	The process of certification was initiated in the groups of Kwegatta on Mpigi and Bevron Investments.
Group skills development through training on value addition, business management and value addition	6	1,060,000	1	0.052	Kololo Progressive Farmers Cooperative trained in principles of cooperative governance.

Needs assessment report for 48 cooperative s from 16 districts of western, northern, central and eastern Uganda	48	9,292,500	18	1.03	Eighteen enterprises were assessed in the districts of Kiryandongo, Kyenjojo, Wakiso, Mbarara, and Rubanda.
Monitoring report on the progress of supported OVOP beneficiaries	1	5,393,800	1	1.59	Monitoring of beneficiary enterprises was conducted in Kayunga, Kaliro, Iganga and Kamuli districts.
Minutes with resolutions of steering committee	1	1,083,000		0.32	One meeting conducted
Total		**339,469,300**		**80.7**	**Physical performance was good**

Source: Field Findings and Author's Compilation

The overall physical performance was good rated at 80%. During the course of the FY 2016/17, the OVOP project was reviewed and transformed into the Rural Industrial Development Strategy (RIDS). The MoTIC through OVOP delivered agro processing equipment to most of the selected beneficiaries during the FY 2016/17 and some beneficiaries had started utilizing the equipment. All the monitored beneficiaries lacked strategic and business plans to guide their operations. It was observed that beneficiaries lacked adequate raw materials to exploit the full potential of the equipment received. Issues of sustainability were observed in Kiwenda Horticultural Group and Value Addition Hub both in Wakiso District.

L-R: Solar dryers costing Ug shs 7 million each at Nyakigufu Group-Ntungamo and installed coffee huller at Kololo Farmers Group in Mpigi District

L-R: Milling machine under installation in Kiwenda-Wakiso and laboratory equipment at Bevron Limited Kaliro all supplied under OVOP

Challenges

- Inadequate budget allocation compared to the objectives.
- Supply of low quality equipment to some groups, for example the maize mill supplied to Kabale District.
- Limited production of raw materials by most groups.
- Failure to adhere to selection criteria which require beneficiaries to have business and strategic plans. The beneficiary groups lacked direction and signs of false start were observed at Kiwenda Horticultural Group and Value Addition Hub.
- Lack of cost effective packaging options. Currently, the high quality packaging material for products like wine are imported into the country from countries like South Africa. This increases the costs of production for these SMEs.

Recommendations

- The MoTIC should prioritize funding to the project to enable it realize its objectives.
- The MoTIC should ensure that suppliers of equipment comply with the terms and conditions of the contracts.
- The MoTIC should conduct needs assessment of its beneficiaries and prepare them with adequate training in business skills and ensure that strategic and business plans are developed to ensure sustainability.
- The MoTIC through its business arm of UDC should attract investors in the packaging industry to promote export growth which is one of the key pillars in attaining middle income status.

10.4 Uganda National Bureau of Standards

Introduction

The Uganda National Bureau of Standards (UNBS) is a statutory body under the Ministry of Trade, Industry and Co-operatives established by the UNBS Act Cap 327. The mandate of UNBS is formulation and promotion of the use of standards; Enforcing standards in protection of public health and safety and the environment against dangerous and sub-standard products; Ensuring fairness in trade and precision in industry through reliable measurement systems; and Strengthening the economy of Uganda by assuring the quality of locally manufactured products to enhance the competitiveness of exports in regional and international markets.

The UNBS acquired 6.9 hectares of land in Bweyogerere Industrial Park for the construction of its office block, laboratories and other support facilities. The project was staggered into phases. By 30th June 2016, Phase 1 (1A, 1B & 1C-Construction of UNBS Headquarters) had been successfully completed. In FY 2016/17, the

UNBS planned to start on Phase 2 - Construction of UNBS laboratories (food safety and testing laboratories) for a period of 40 months (3 years).

Performance

The approved budget for the project; Strengthening UNBS was Ug shs 3,659,748,374 of which Ug shs 1,911,401,837 (54%) was released and all was spent. The release performance was fair while absorption was very good. Over 60% of the expenditures were on clearance of arrears accrued on completion of phase 1. The overall physical performance was poor rated at 29%. Table 10:10 shows the overall performance of the Strengthening UNBS Project.

Table 10.10: Overall performance of the Strengthening UNBS Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score (%)	Remark
Construction of laboratory block comprising of ; food safety lab, petroleum/ Engineering lab and electrical laboratory	1	2,499,748,000	0	0	Construction works under phase 2 had not yet started, however the balance on Phase IC was cleared to zero. Additional partitioning was done to create conducive office space. The procurement for a supervising consultant for phase 2 was initiated and the consultant was to assist in the procurement of the contractor. Actual implementation was differed to FY2017/18. An additional Ug shs 1,500,000,000 was paid to the contractor using funds collected as AIA.
ICT equipment purchased	5	300,000,000	5	8.2	Equipment purchased included; 5 servers, 16 laptops, 4 projectors, network storage of 40 tetra bytes capacity and Internet bandwidth. UNBS topped up an additional Ug shs 600,000 for the purchase of ICT equipment from AIA.
Specialized equipment purchased	1	100,000,000	0	0.03	Equipment bought with an additional Ug shs 600,000 from AIA.
Motor vehicles procured	5	570,000,000	5	15.57	Four field vehicles and a station wagon for ED were procured. An extra Ug shs 580,000,000 from AIA was used in the purchase of AIA.
Furniture and fittings	1	190,000,000	1	5.19	Furniture including desktops, chairs procured.
Total		**3,659,748,000**		**29**	**Poor physical performance**

Source: Field Findings and Author's Compilation

L-R: Partitioned offices on third floor of UNBS headquarters, some the new furniture and servers all procured during FY 2016/17

10.5 Uganda Industrial Research Institute

Uganda Industrial Research Institute (UIRI) is the lead agency for the promotion of Industrialization in Uganda. The institute is a parastatal under the Ministry of Trade Industry and Cooperatives. UIRI traces its roots to the East African Federation of the 1970s, as a precursor of the then East African Research Organization (EARSO) which was headquartered in Nairobi and served as a regional Research and Development (R&D) institution for Kenya, Tanzania and Uganda. Upon the collapse of the East African Federation, the EARSO disbanded in 1997, and later transformed into the Kenya Industrial Research and Development Institute.

The establishment of UIRI was at the behest of GoU negotiations with the Chinese Government which offered a grant to build and equip the institute.

Objectives

UIRI's primary objectives are:

- To carry out applied research for the development of products and provide platforms for innovation, application of science and technology.
- To develop and acquire appropriate technologies in order to create strong, effective and competitive private sector.
- To promote value addition activities so as to transform local raw materials into competitive marketable products.
- To bridge the gap between academia, government and the private sector and to enhance commercialization of R&D.

Performance

For the FY2016/17 the approved budget for the Institute was Ug shs 8,322,619,780. Release performance was good as Ug shs 6, 2724,178,953 was expended (75%) and absorption was every good as all funds were expended (100%). Table 10:11 shows the overall performance of the Support to UIRI project

Table 10:11 Overall Performance of the Support to UIRI Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Research and Development	3092	2,000,000,000	1734.00	16.18	Under Research and Development a number of activities were ongoing such as; Provided analytical services to the members of Fermented Food for Life and analyzed 55 Yoba forlife probiotic yogurt under the UIRI/Heifer International MoU, to enhance dairy development and access to probiotic bacteria. Isolated and screened 30 oil producing yeast strains. Optimized conditions for the best producing yeast strains. Developed Kanyimure a fermented beverage made out of simsim. Trials were made using three stabilizers. Analyzed 98 samples for microbial. Filler material was processed for utilization in paint and plastic industry. Terra cotta tiles were formulated by quarry tiles. However a number of research activities were halted or stalled due to inadequate funds.
Industrial and Technological Incubation	40	1,600,000,000	31.00	20.20	Under Industrial and Technological Incubation the following were the achievements ; UIRI provided technical support to Amagara Skin Care Ltd and have acquired a UNBS Q-Mark for seven (7) brands of Amagara Skin Care Products. Afrimush Companies (U) Ltd made substantial improvement on the quality of mushroom spawn produced for the farmers. Two incubates Vashkan Ltd in Bakery and confectionary producing queen cakes, cookies, doughnuts and specialty cakes, and Trade Masters (U) Ltd producing products such as bread, buns, mandazi, and briquettes were taken on. BRENTEC KUKUSTAR also continued with production and distribution of Newcastle Vaccine in different parts of Uganda.5,450,925 doses were distributed in the districts of Jinja, Iganga, Busia, Mbale, Tororo Bukedea, and Paliisa.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
					BRENTEC also managed to find a reliable Agrovet Outlet in Nothern Uganda based in Lira and so far 680,000 doses have been supplied. Approximately 62% of sales were to big distributors based in Container Village in Kampala. Premier Dairies Limited processed 157,264 liters of pasteurized milk and 13,000 liters of yoghurt, Z-plus Ltd processed 3,600 liters of yoghurt, Grace K.Magumba processed 1,700 liters of yoghurt, Model Professional Consult processed 1,800 liters of yoghurt, Kabeihura Farmers (Virtual) 5,000 liters of yoghurt and Del Agro Business EnterpriseLtd 1,200 liters of yoghurt. Some activities under this output were not supported due to resource constraints.
Model Value Addition Centers Established	94	1,110,000,000	107.00	14.01	Construction works at Arua Meat Processing Plant in Arua District. However the facility is not yet fully functional. Construction works at Karubuga Model Dairy Farm inNtungamo District are complete but facility was not functional. Construction works at Itojo Fruit Juice Processing Plant are at partially complete. Installation of electricity and machinery at the facility was ongoing. Construction works at Palm Oil Production Facility in Kanungu District was substantially complete. Construction works at Kika Farm Juice Processing Facility at 95% completion. Construction works at the Distillation Plant for Essential Oils in Luweero are at 75%completion pending finishing works. Construction of the tile manufacturing facility in Wakiso is at roofing stage. Bidding documents for the proposed Animal feeds Facility in Busiika for production of quality animal feeds were issued to the contractor and awaiting response. Proposed Factory of Poultry Feeds in Mbarara is at design stage. Proposed Lemon Grass and Soap Processing Plant in Kabale Industrial Area for Yildi Enterprises is at design stage.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Industrial skills Development and Capacity Building	1280	120,000,000	1369.00	1.51	A total of 270 Industrial training students were taken on during FY16/17, 20 staff members attended various. Training courses, seminars or conferences and consortium during the FY 16/17,1450 people have been trained in business studies and computer. Trained 78 in production of cosmetics, soap, detergent and toiletry products. Trained 110 in milk and milk product processing. Trained 45 in Bakery and confectionery production. Trained 17 in Bamboo processing. Trained 72 in Fruits and Vegetable processing. Trained 89 in Tailoring and Embroidery. Trained 6 participants from Victoria clusters development initiatives, 8 from Pamoja Investments Ltd, 11 from Kawanda Out-growers in Production of Passion Juice and Pineapple Juice. Trained 12 participants from Agro strectch limited in Tomato paste processing. Trained 6 participants from in Hot Pepper Processing. One staff attended the seminar on Green Economy and Environmental protection for officials from developing countries in Beijing province, China from 22nd June to 13th July 2017. 1 Two staff participated on the study tour to Malaysia on Malaysia's MOSTI Structures, Legal and Policy framework3rd June to 10th June 2017. 1 staff trained in Industrial scale mushroom spawn production from Mycelia 12th to 22nd June 2017. 20 people were trained in Pre-Enterprise development services, 21 were trained in enterprise business development services and 216 people were trained in Introduction to computers and databases. Trained 2 students in mechanical and electrical installations.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
					Trained 27 students from African Institute for strategic resources services and Development (AFRISA) in Milk and dairy products technology - Yoghurt, ice cream, pasteurized milk and 23 students from MUK, KYU, and IUIU. The institute failed to conduct more trainings for entrepreneurs and students due to lack of funds.
Technology, Innovation Transfer and Development	14	45,000,000	14.00	0.57	Eight shaft table loom developed, Electronically Gravity Controlled Feed Infusion Set developed, an Aflatoxin developed, ICT software initiatives to ease access to UIRI resources for android phone users developed, Designs for Biogas production and packaging pilot plant are being developed, Different formulation for cultivation of white button mushrooms using oyster substrate developed. An inoculation technique using wooden toothpicks instead of the media block widely used in Uganda was developed. Mushroom spawn producer and can done. Modification of juice dispenser done. Yoghurt modified. Pasteurizer was fabricated and battery metal casing fabricated. However there were few innovations in the year due to inadequate funding. ECF infusion set was done, distillation unit for biofuel designed. Installations at paper pilot plant completed. However there were few innovations in the year due to inadequate funding.
Facility repair and maintenance	16	500,000,000	3.00	1.18	Renovation and repairs conducted on some of the incubation facilities at the Headquarters.
Government Buildings and purchases	4	800,000,000	4.00	10.10	Completed construction of Arua Meat Processing Facility in Arua District, Completed construction of Karubuga Model Dairy Farm in Ntungamo District, completed construction of Itojo Fruit Juice Processing Plant completed, Completed construction of Palm Oil Production Facility in Kanungu District, Completed construction of Kika Farm Juice Processing Facility.
					75% completion of Luweero Essential Oil Distillation Plant, 70% completion of tile manufacturing Facility in Wakiso District.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score (%)	Remark
Purchase of ICT equipment	1	100,000,000	1.00	1.26	ICT equipment procured.
Purchase of specialized Machinery	13	1,647,620,000	13.00	20.80	Received Part 1 of shipment for undertaking of Printing of Circuit Boards for the ECGF Infusion Set Project. Received shipment of supplies for undertaking CNC Drill bits for fabrication of Printed Circuit Boards for Instrumentation Division Projects. Handmade paper machinery and equipment was delivered. Installed & tested the newly procured two Head Computerized embroidery machine Extractors for Fruit Juice equipment's 6 Cold room for Itojo delivered, Peanut Butter Processing Machine delivered, Palm Oil Processing Equipment delivered Stepdown Transformer delivered, Overhead power line Compressor delivered Air handling unit delivered. However a number of planned equipment was nor procured due to insufficient resources.
Total		**7,922,620,000**		**85.8**	**This is good performance**

Source: Field Findings and Author's Compilation

Although the performance of UIRI was good (85%), a number of projects had stalled due to inadequate releases. The institute had resorted to carrying out simple maintenance and repairs on existing projects particularly those at the headquarters. Projects such as; Mbarara grape wine factory, Essential Oils in Luweero, Lira Peanut Processing and Research Center, Dairy in Ntungamo, Bamboo and peanut processing in Kabale registered very minimal progress. Inadequate releases curtails the innovativeness of researchers. It was further observed that such a situation had rendered many of the organization staff redundant and no new research undertakings were conducted which undermined the mandate of the institution as a lead agency for industrial research in Uganda.

The model processing centres face varying concerns including limited capital for *incubatees* to take off and last mile support to complete projects. For example, Arua Fruit Juice Plant, Arua Classic meat, Maziba wine, Nabusanke fruit juice, Mbarara grape wine remain idle after years of investing in infrastructure development.

On a good note, during the FY 2016/17, one of the UIRI Scientist won a global award for the innovation of low cost electrically controlled gravity infusion machine to safely administer fluids to children of five years and below.


L-R: UIRI staff helping Ahem Sokoni Group to process peanut butter at Lira Peanut Processing and Research Centre, and some of the finished products awaiting labeling


L-R: New paper smoothening machine and workers packaging meat products at UIRI Incubation Centre in Nakawa

Challenges

- **Inadequate funding:** The funds disbursed for execution of activities are inadequate yet research is a unique area because inputs used such as lab reagents have a short shelf life and its activities are largely sequential in nature. However with poor releases, activities often come to a standstill, and UIRI has opted to maintain and improve current innovations rather than working on new ones.
- **Poor inter-sectoral linkages:** Although there are a number of working prototypes at UIRI developed locally by Ugandan scientist across many sectors, there are poor inter sectoral linkages between MDAs to ensure such technologies are adopted and replicated.
- **Lack of commercialization of technologies:** Technologies developed at the center are laying on the shelves leaving scientists frustrated because their prototypes are not adopted for mass production and hence rendered redundant.

Recommendations

- The MFPED should priortitse funding to UIRI to enable it achieve its objectives and fulfil its mandate.
- Inter sectoral linkages between Government should be strengthened and harnessed to enable different agencies realize impact of their activities through collective effort.
- The UIRI and other stakeholders such as Ministry of Science and Technology should institute mechanisms that support innovations to attain commercial success.

Overall Sector Performance

The overall performance of the Industrialization sub-sector for the FY2016/17 was fair (65%). Table 10.12 shows the performance of the sub-sector.

Table 10.12: Overall performance of the sub-sector by 30th June, 2017

Project/ Institution	Budget Outturn (Ug shs)	Physical Performance (% age)	Rating
United States African Development Foundation	3,600,109,810	90	Very good
Presidential Initiative on Banana Industrial Development	25,681,128,025	87	Good
Support to Uganda Industrial Research Institute	6,274,178,935	85	Good
One Village One Product	329,744,471	80	Good
Value Addition to Tea	6,000,000,000	74	Good
Soroti Fruit Factory	3,008,315,993	68	Fair
Development of Industrial Parks	6,240,000,000	66	Fair
Kiira Motors Corporation	3,660,038,170	63	Fair
Support to UNBS	1,911,401,837	29	Poor
Sheet Glass Project	477,000,000	19	Poor
Average performance	**57,181,917,241**	**65**	**Fair**

Source: Author's Compilation

CHAPTER 11: MICROFINANCE

11.1 Introduction

Microfinance is an important financial instrument for reaching low-income households in Uganda. The focus of the Microfinance sub-sector is to ensure financial inclusion of all Ugandans. In the last 10 years, the sub-sector has been experiencing significant growth. Two providers[47] of microfinance services are in the category of Tier I, two[48] are in Tier II and four[49] Microfinance Deposit taking Institutions (MDIs) in Tier III. Additionally, Savings and Credit Co-operative Societies (SACCOs) and unregulated Micro Finance Institutions (MFIs) serve the microfinance market. These institutions are broadly captured as Tier IV institutions. Furthermore, there are commercial banks offering specific products for low-income households and community-based organizations and groups which are operating in villages.

The Microfinance Support Centre Ltd (MSCL) was established to provide financial services to the economically active poor Ugandans through SACCOs, Small and Medium Enterprises (SMEs), MFIs, Co-operative Unions, Producer and Marketing Co-operatives, and Teachers' SACCOs. Through the Government of Uganda's Rural Financial Services Strategy (2006), the MSCL has attained the linchpin status of GoU microfinance programmes, hence a wider role to play in financing the whole value chain and promoting the sustainability of rural financial enterprises.

11.2 Microfinance Support Centre Limited

Background

The Microfinance Support Centre Limited (MSCL) was established in 2001 as a Company Limited by guarantee, fully owned by GoU with the mandate to manage the Rural Microfinance Support Project (RMSP) and any other Government supported microcredit programmes. It is governed by a Board of Directors appointed by Government. 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.

MSC is currently in Year 3 of the five year Strategic Plan (2014-19). The SP mainly focuses on organizational efficiency, relevance & sustainability. More efforts are underway to mobilize more funding from JICA, Islamic Development Bank and introduction of new services and products to cater for specifically vulnerable groups, women, and special interest areas.

MSC's first Strategic Plan (SP) ran from 2003 – 2008 and at end of the period, it provided lessons and experiences that guided the development of the second Strategic Plan (2009 – 2014).

The previous MSC Strategic Plan (2009 – 2014) also came to an end on 30th June 2014; after which a detailed performance report was developed, which guided the formulation of the current Strategic Plan (2014 - 2019). This Strategic Plan was developed after a series of stakeholders' workshops and discussions between the Board and the Shareholders of MSC. As planned in its M&E Framework, the Centre has conducted a Midterm review of its Strategic Plan to;

a. Track overall performance of MSC as at June 2016 during the Strategic Plan period.

b. Establish the current performance of the Strategic Plan objectives in reference to Tier 1 Strategic Action Plan (SAPs).

c. Review the current Strategic Plan objectives and targets, and make projections for the next 3 remaining years of the Strategic Plan.

The above guided the refinement of the Strategic objectives and targets for FY 2016/17 - 18/19.

47 Centenary Bank and Equity Bank
48 Post Bank and Opportunity Bank
49 PRIDE, FINCA, Uganda Finance Trust and UGAFODE

The 5 year Strategic Plan was cascaded into Tier 2 and subsequently Tier 3 for effective implementation.

The MSCL targets the provision of affordable financial services to SACCOs, MFIs, SMEs and more importantly financing of agricultural chains including assets, inputs, and purchase of crop and other produce. Thus, the Centre aims at reaching a mass of rural enterprises to deliver services.

In order to take services nearer to the communities, the Centre offers its services through 12 zonal offices[50] across the country, with each office serving an average of 10 districts. Some of the products include; Agricultural loans, Environmental loans, Special interest group loans, Commercial loans and SME loans for trade, commerce and agriculture.

Scope

The review focused on the annual performance of MSC for the FY2016/17 against identified criteria from the Strategic Plan 2014-2019. The MSC headquarters and zonal offices of Jinja, Kabarole, Kampala, Lira, Mbale and Masaka were visited. As well, Savings and Credit Co-operative organizations (SACCOs) from the districts served by the respective sampled MSC zonal offices were sampled and visited. Discussions were held with MSC headquarter staff and the zonal managers, findings obtained from the zonal offices were corroborated with the clients served in the SACCOs, overall MSC annual report as well as its Strategic Plan.

Findings

MSC Headquarters

(a) Assessment of MSC source of funding

A total of Ug shs 60,095billion was realized as funds for credit as at 30th June, 2017 representing 88% of the budget. Ug shs 12.11billion (20% of available credit funds) were funds brought forward after credit operations, Ug shs 31.655 billion (53% of available credit funds) were funds from International Development Bank and Ug shs 16.329billion were reflows for credit. MSC did not receive any GoU credit funds in the FY2016/17. A summary of funding sources is presented Table 11.1.

Table 11.1: Sources of funding for MSCL for the FY 2016/17 (millions)

	Planned FY 2016/17 Ug Shs '000,000)	Actual Ug shs '000,000)	Release Performance %
Funds brought forward after credit for operations	12,832	12,111	20.15
GoU credit support funds	-	-	-
IDB Funds (carried forward)	31,280	31,655	52.5
Reflows[3] for credit	24,000	16,329	27.1
Total Funds Available	**68,112**	**60,095**	**88.2**

Source: MSCL Headquarters

Interest rates

The MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for SACCOs-Agricultural loans, 13% for SMEs, 17% for the commercial loans and 11% for teachers' SACCO. This is below the going market rate ranging between 20 to 24% by commercial banks.

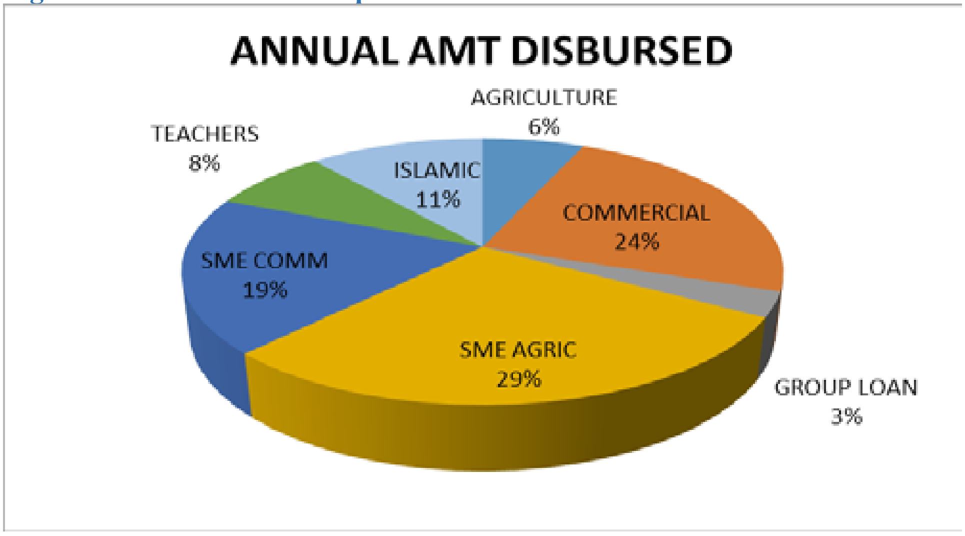
Credit Disbursement

The MSC disbursed loans worth Ug shs33.417billion in the FY2016/17 representing 56% of the available funds for credit (Ug shs 60.095billion). The targeted lead time for loan processing was 30 days in however, on average the lead time for new client's ranged between one to two months.

50 Arua, Hoima, Jinja, Kabale, Kabarole, Kampala, Lira, Masaka, Mbarara, Moroto, Kampala and Soroti [42] Exclusive of interest income but including opening balances from FY 2014/15.

The highest number of client segment reached was SME agriculture and environment which absorbed 29%, followed by commercial loans at 24% and the least performance registered under group loans at 3%. The disbursement per product as at 30th June, 2017 is shown in figure 1.

Fig 1.Credit Disbursements per Product



Source: MSCL Headquarters and Field Findings

Zonal Disbursements

In terms of zonal disbursements; Kampala zone with the biggest region to cover had the highest value of loans disbursed of Ug shs 8.996billion which was 14% (7.898billion) increase from the FY 2015/16. This was followed by Kabarole zonal office with total disbursements of Ug shs 7.010billion representing 14% (Ug shs 6.125billion) increase from the FY2015/16.

The poorest performing zone was Soroti with total disbursements of Ug shs 156billion, which was a 73% decrease from the FY 2015/16 performance. This was attributed mainly to low SACCO base in the region and two defaulting clients whose combined outstanding totals was Ug shs 222million (31%) of the loan portfolio. Details of the zonal performance are shown in Table 11.2.

Table 11.2: Loan Disbursement Performance by Zone FY2016/17

Zone	No of loans			Value of Loans (Ug shs)		
	2015/16	2016/17	% achieved	2015/16	2016/17	% Achieved
Arua	18	7	38.8	1,260,000,000	886,177,000	(30)
Lira	14	40	285.7	615,000,000	737,000,000	20
Head Office	39	34	87	619,600,000	800,000,000	29
Hoima	21	13	61	1,710,000,000	860,000,000	(50)
Jinja	17	27	158	1,040,000,000	1,171,000,000	13
Kabale	21	35	166	4,115,000,000	3,671,000,000	(11)
Kabarole	37	47	127	6,125,000,000	7,010,000,000	14
Kampala	32	46	143	7,898,429,883	8,996,795,117	14
Masaka	16	10	62.5	1,880,000,000	790,000,000	(58)
Mbale	37	16	43.2	1,186,000,000	540,000,000	(54)
Mbarara	37	57	154	6,505,000,000	6,982,820,000	7
Moroto	27	15	55.5	929,000,000	877,000,000	(6)
Soroti	11	9	81	572,000,000	156,000,000	(73)
Total	**364**	**356**	**97**	**34,455,029,883**	**33,417,793,037**	**(3)**

Source: MSCL Headquarters and Field Findings

Growth in Portfolio

The portfolio[51] grew from Ug shs 61.262billion to Ug shs 65.764billion translating to 7% (Ug shs 4.5billion) growth in FY2016/17. The growth in portfolio was contributed to by the different zones; the highest growth rate of 47% was registered under head office. In terms of value, Kampala Zonal Office had the highest growth performance of Ug shs 2.889billion. Overall growth in portfolio was affected by incomplete submissions of documents by clients applying for loans as well as insufficient credit funds from the MSC. The portfolio growth performance for the last 3 Financial Years is shown in Table 11.3.

Table 11.3: Growth in Portfolio for FYs 2014/15, 2015/16 and 2016/17

ZONE	FY 2014/15	FY 2015/16	FY 2016/17	Growth/Decline
Head Office	371,802,150	453,273,009	666,339,024	213,066,015
Kampala	16,735,856,861	18,343,431,563	21,233,416,022	2,889,984,459
Jinja	667,201,438	1,192,124,907	1,447,417,418	255,292,511
Mbale	534,483,310	1,335,016,981	1,124,974,933	-210,042,048
Soroti	883,302,970	1,050,650,042	658,416,761	-392,233,281
Moroto	508,802,648	1,102,136,107	1,221,486,891	119,350,784
Lira	449,711,325	762,930,508	906,985,405	144,054,897
Arua	1,016,063,916	1,795,393,963	1,728,934,172	-66,459,791
Hoima	683,293,336	1,903,221,924	1,618,388,572	-284,833,352
Kabarole	11,861,267,896	12,533,710,899	12,641,137,568	107,426,669
Masaka	2,519,518,406	3,037,792,788	1,818,636,866	-1,219,155,922
Mbarara	8,711,771,310	11,382,540,784	13,176,661,096	1,794,120,312
Kabale	3,414,715,196	6,370,230,776	7,521,684,006	1,151,453,230
TOTAL	**48,357,790,762**	**61,262,454,251**	**65,764,478,734**	**4,502,024,483**

Source: MSCL Headquarters and Field Findings

Steady growth in portfolio was realized in Jinja, Kabarole and Lira zones. Attention was drawn to Masaka, Arua, Mbale and Soroti zones whose portfolio dropped sharply. The sharp decline in portfolio of the said zones is explained by the failure of the zones to balance disbursement with recovery.

Quality of Portfolio

Portfolio at Risk (PAR)[52] as at end of June 2017 declined. The target PAR was 10% and the overall PAR registered was 14%. This indicates a high risk of non-recovery of loaned funds.

The MSC achieved a repayment rate on time for loans issued of 57.5% by 30th June 2017, a decline from 72% achieved as at June 2016. This was due to low repayments of SACCOs on account of poor governance and drought that affected agricultural loans.

Increase coverage of MSC services

As at the end of June 2017, 89 districts had at least one reference SACCO representing 82% of districts with reference SACCOs. This was below the target set of 85%. Clients served increased by 2.5% between June 2016 and June 2017. This is partly attributed to the new clients accessing loans majorly in the category of groups and the Islamic financing.

Performance of SACCOs

A total of 27 SACCOs were visited; it was observed that the average loan processing time by MSC for the loan applications received was one to two months, 47% of SACCOs had received business development services-training from MSC while 53% had not. 35% of the SACCOs know about PROFIRA and services it renders.

51 Portfolio is the total credit funds disbursed to clients after appraisal of loan applications from clients.
52 PAR measures the value of funds loaned out to clients with unpaid arrears due. The arrears then turn the whole loan value into a risk

It was noted from 65% of SACCOs that the District Commercial Officers (DCO) from the respective local governments carried out supervisory roles over their activities.The assessment of the performance of the MSCL was extended to some SACCOs to find out if the SACCOs,

- Obtained a loan (s) from the MSCL.
- The adequacy and relevancy of any other services received from the MSC.
- Governance of SACCOs that are served by the MSC (board and committees).
- Services received from the Project for Financial Inclusion in Rural Areas (PROFIRA).

Zonal Offices Monitored

The MSC offer a number of products administered through its 12 zonal offices. For the annual review the zonal offices of Jinja, Kabarole, Kampala, Lira, Masaka, and Mbale were monitored.

The products offered to clients included;

- **Agricultural loans:** Target institutions/enterprises supporting or engaged in primary agricultural production, agro processing and marketing. The loan period ranges between 2-4years with a grace period of 6-12 month and an interest rate of 9% per annum.
- **Small and Medium Enterprises (SME) Development fund**: This fund includes loans and leasing options for SMEs. It has a maximum loan period of four years with a 6-12 month grace period and interest rate of 17% per annum for trade and 9% for agriculture.
- **Commercial loan**: It targets SACCOs, MFIs and is offered at an interest rate of 13% with a maximum loan period of 2 years.
- Others were Teachers" loans issued at 11%, Environment at 13%, Special interest loans and group loans at 13%.
- **Islamic Finance:** this fund is open to anyone and is guided by the principles of Islamic (*shari'ah)* law. It emphasizes moral and ethical values in all dealing, prohibiting the payment or receipt of interest (*riba*)**,** investment in businesses dealing in pigs, alcohol, and prostitution and gambling, among others.

(a) Jinja MSC Zonal Office

Jinja MSC zonal office serves 10 districts of Jinja, Kamuli, Iganga, Kaliro, Luuka, Mayuge, Bugiri, Namayingo and Namutumba. The number of loans disbursed in the FY2016/17 was 21 and the value of loans disbursed was Ug shs 1.22 billion, against a target of Ug shs1.2billion (100% performance). The portfolio at risk greater than 90 days was 2.49% against a target of 2%.

The cumulative repayment rate was 73.35% below the target of 80% and the industrial benchmark of 90.5%. The zonal office was able to have a reference[53] SACCO in 7 of the 10 districts (70%). The performance of the zone as at 30th June, 2017 is summarized in Table 11.4.

53 The MSC has a target to develop and support a model SACCO for each District served.

Table 11:4 Jinja MSC Zonal Office Performance as at 30th June, 2017

No.	Indicator	Benchmark	Annual Target	Actual FY 2016/17
1.	Value of loans disbursed during the period in (Ug shs billions)	Not according to the annual work plan	1.2 Billion	1.22billion
2.	Cost Vs Income ratio	Costs < 1	0:8:1	1.2:1
3.	Repayment rate (on time)	95%	80%	73.35%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	1.192 billion	1.472 billion
5.	P.A.R<90 days (Value in Ug shs Billion)	Not> 5% of total o/s loan portfolio	2%	2.49%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	24%	25%
7.	Existence of reference SACCO/ District	1/District	10 of 10	7of 10

Source: MSC Jinja Zone

SACCOs monitored at MSC Jinja zone

KAMULI TWASANIA SACCO

Twisania SACCO is found in Kamuli District and is served by the Jinja MSCL zonal office. The SACCO is duly registered with total membership of 2,000 as at 30th June, 2017 and had a good governance structure with a functional board.

The SACCO received credit funds from the MSCL in 2006 and were duly paid back within the agreed time with no default. Training of staff and Board members in credit management and financial management was received from MSCL as well as periodic technical support and supervision. Staff and Board members received training from PROFIRA. The MSC also linked Kamuli Twisania SACCO to Uganda Revenue Authority for training in filing returns.

SAVENET SACCO

Sevenet SACCO is found in Jinja District and is duly registered with total membership of 587 as at 30th June 2017. The SACCO has total savings of Ug shs 163million and share capital of Ug shs 53million. The SACCO had a functional Board of seven members.

The SACCO received Ug shs 80million in loan funds at an interest rate of 9% in September 2015 and it is expected to be repaid by September 2017. Training of staff and Board members in product development and support supervision was received from MSCL. The SACCO expects MSCL to conduct more trainings to increase awareness and capacity of staff. No training was received from PROFIRA.

b) Kabarole MSCL Zonal Office

Kabalore zonal office serves eight districts of Kabarole, Kasese Kamwege, Bundibugyo, Ntoroko, Kyengwegwa, Kyenjonjo and Mubende. The number of loans disbursed in the FY 2016/17 was 34 translating into a total amount of Ug shs 7.713billion against the target of Ug shs 9billion.

The value of outstanding loan portfolio as at the end of June 2017 was Ug shs 12.641 billion, against the target of Ug shs 13billion. The portfolio at risk greater than 365 days was 0.00% against a target of 1%. The cumulative repayment rate achieved was 75.24% below the target of 95%. The zone cost to income ratio of 2:1 against the target of 1:1 and at least had a reference SACCO in seven out of eight districts. (87.5 %)**.**

The performance of the zone was below the targets set, and is summarized in Table 11.5.

Table 11.5: Kabalore MSCL Zonal Office Performance as at 30th June, 2017

No.	Indicator	Benchmark	Annual Target (Ug Shs)	Actual FY 2016/17 (Ug Shs)
1.	Value of loans disbursed during the period in (Ug shs billions)	According to the annual work plan	9 billion	7.713billion
2.	Cost Vs Income ratio	Costs < 1	At least 1:1	2:1
3.	Repayment rate (on time)	95%	95%	75.24%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	10.9 billion	12.641 billion
5.	Portfolio At Risk (P.A.R)<90 days	Not> 15% of total o/s	1%	0.11%
6.	Existence of reference SACCO/ District	1/District	8 of 8	7 of 8

Source: MSCL Kabalore Zone

SACCOs monitored at Kabarole MSC Zone

BUSAIGA SACCO

Busaiga SACCO is located in Kabalore District with 1,647 fully registered and 1,400 active members,, with savings of Ug shs 406million and share capital of Ug shs 64million. It has a functional board of seven members. The SACCO is still servicing a loan of Ug shs 80 million from MSC at an interest rate of 11%. It received training in financial management and product development from MSCL.

The SACCO enrolled with PROFIRA in April 2017 and received trainings in loan management, financial literacy, record keeping, product development, design and governance.

RWEBISANGO SACCO

The SACCO, located in Ntoroko District was fully registered with 1,055 members with a vibrant board of seven members with the required committees.

The SACCO is currently servicing a loan of Ug shs 70 million from the MSC. Its total savings as at June 30th 2017 were Ug shs 140million and share capital of Ug shs 90 million. Other services received from MSC include technical support on capacity building and training on saving and credit management. The SACCO interfaced with PROFIRA and signed a memorandum. It has also received trainings for members in financial management, credit and default management, savings and other product development for both management staff andboard. More training was expected in August on business skills. The SACCO uses PROFILA templates to report and conduct exchange visits to other SACCOs supported by PROFIRA.

KIHONDO TUKWATANIZE SACCO

The SACCO is located in Kabalore District with 2,097 fully registered members and savings of Ug shs 899millions plus share capital of Ug shs 35million. It has a functional board of seven members. The SACCO did not apply for funds from MSC for the FY2016/17. The MSCL conducted trainings in credit management and support supervision. However more is expected from MSCL in terms of decentralization of all services at the zonal offices, conducting member education and sensitization and reducing the interest rate to 9%.

Kihondo Tukwatanize SACCO has not benefited from PROFIRA.

c) Kampala MSC Zonal Office

Kampala zonal office serves 13 districts of Buikwe, Butambala, Buvuma, Gombe, Luwero, Kampala, Kayunga, Mityana, Mukono, Mpigi, Nakasongola, Nakaseke and Wakiso.

The zonal office disbursed Ug Shs 8.996 billion which was 99% performance of the target Ug shs11 billion. Portfolio at risk greater than 90 days was 22% which was above the target of 15% and points to an increasing risk of bad debts. The cumulative repayment rate was 19% which was below the zonal target of 70%, further pointing to poor loan recovery from clients.

The Kampala Zonal Office cost to income ratio was 0.2:1 and at least had a reference SACCO in 10 out of 13 districts.

The number of loans disbursed was 340 with Agricultural SME being the best performer with 59 loans totaling to Ug shs 10.631billion. The performance of the zonal office is shown in Table 11.6.

Table 11.6: Kampala MSCL Zonal Office Performance by 30th June, 2017

No	Indicator	Benchmark	Target FY 2016/17 (Ug shs)	Actual FY 2016/17 (Ug shs)
1.	Value of loans disbursed during the period in Ug shs billions	According to the annual work plan	11billion	8.996billion
2.	Cost Vs Income ratio	Costs < 1	0:2:1	0.1:1
3.	Repayment rate (on time)	95%	70%	19%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	18.344billion	21.233billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	15%	22%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	15%	50%
7.	Existence of reference SACCO/ District	1/District	13 of 13	10 of 13

Source: MSCL Kampala Zone

SACCOs monitored at MSC Kampala Zone

NAZIGO SACCO

Nazigo SACCO is located in Kayunga District with 4,510 fully registered members as at 30th June 2017 with savings of Ug shs 823million and share capital of Ug shs 214million. It has a functional board of nine members.

The SACCO previously obtained credit of Ug shs 200million at a rate of 11%. Training in risk management and managing delinquency was conducted by the MSC in 2014 and they had a workshop with URA for purposes of learning about taxes for SACCOs. PROFIRA visited and conducted trainings.

KAWEMPE NORTH SACCO

The SACCO has 5,000 members, is duly registered and has a fully constituted Board. Kawempe North SACCO had savings of Ug shs 134 million and share capital of Ug shs 114 million respectively as at 30th June, 2017. It provides both savings and loan products at 2.5% interest rate per month.

It received credit of Ug shs 150 million at an interest rate of 13%. The SACCO received training from MSC on credit management and governance. No services were received from PROFIRA.

f) Lira MSC Zonal Office

Lira Zonal office serves the districts of Alebtong, Agago, Amolatar, Amuru, Apac, Gulu, Kitgum, Kole, Lamwo, Lira, Otuke, Oyam, Nwoya and Pader.

The zonal office disbursed loans worth Ug shs 737million. This was an improvement of 20% from Ug shs 615million in the FY2015/16. Portfolio at risk greater than 90 days was 15.25% which was below the 7% target. This poor performance was on account of default by the largest client with 80% of the portfolio. The cumulative repayment rate was 43.77% which was below the zonal target of 60%. Growth in portfolio was 48% against a target of 50% in the FY 2016/17. Lira zonal office cost to income ratio was 3:1 against a target of 2:1 which was not efficient. The zone had 4 (25%) reference SACCOs out of the 16 districts which was below the target of eight.

Detailed performance of the zonal office as at 30th June, 2017 is shown in Table11.7.

Table 11.7: Lira MSC Zonal Office Performance by 30th June, 2017

No	Indicator	Benchmark	Target FY 2016/17 (Ug Shs)	Actual FY 2016/17 (Ug Shs)
1.	Value of loans disbursed during the period in Ug shs billions	According to the annual work plan	615 Million	737 Million
2.	Cost Vs Income ratio	Costs < 1	2:1	3:1
3.	Repayment rate (on time)	95%	95%	91%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	618Million	912 Million
5.	Portfolio At Risk (P.A.R)<90 days	Not> 15% of total o/s	7%	15.25%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10%	193%
7.	Existence of reference SACCO/ District	1/District	8 of 16	4 of 16

Source: MSC Lira Zone

SACCO monitored at MSC Lira zone

KOLE DISTRICT TEACHERS SACCO

Kole District Teachers SACCO is located in Kole District with 284 fully registered members and a board of nine members.

The SACCO received credit of Ug shs 40million from MSCL, and it received training for staff and Board on recordkeeping, taxation and loan tracking. Kole District Teacher's SACCO looked disorganized and the manager complained of lack of coordination between members and the board which delayed the annual general meeting due in June 2017. The SACCO has not heard about PROFIRA.

NAMASALE TOWN SACCO

The SACCO is found in Amolator District and is fully registered and constituted with 315 members as at 30th June 2017. The SACCO has a sound board who form the different sub-committees and it has six staff members.

It has accessed a loan from MSC, of Ug shs 50million at an interest rate of 9% received in January 2015. By July 2017, there was a balance of Ug shs 24 million.

MSC has offered training in areas of; product development, financial management and monitoring tool like the Till sheet and worksheet. This helped improve the reporting format. MSC offers monthly monitoring and supervision services, and staff and board members were trained by PROFIRA. The training covered loans, fraud, business projections and bookkeeping.

d) Masaka MSC Zonal Office

Masaka MSC Zonal office serves the eight districts of Bukomansimbi, Kalangala, Kalungu, Lwengo, Lyantonde, Masaka, Rakai and Sembabule.

The office disbursed 12 loans valued at Ug shs 1.060billion below the target of Ug shs 2.2billion. The outstanding Portfolio as at 30th June 2017 was Ug shs 1.818billion against the target of Ug shs 3billion. Portfolio at risk greater than 90 days was 7.19% below the target of 5%. The cumulative repayment rate was 46% below the annual target of 85%. Masaka MSC zonal office cost to income ratio was 0:6:1 and had seven reference SACCOs out of eight Districts.

The detailed performance of Masaka zonal office is shown in Table 11.8.

Table 11.8: Masaka MSC Zonal Office Performance by 30th June, 2017

No	Indicator	Benchmark	Target FY 2016/17	Actual FY 2016/17
1.	Value of loans disbursed during the period in Ug shs billions	According to the annual work plan	2.2billion	1.060biliion
2.	Cost Vs Income ratio	Costs < 1	1:1	0.6:1
3.	Repayment rate (on time)	95%	85%	46%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	3.037 billion	1.818 billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	7.19%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	10	5
7.	Existence of reference SACCO/ District	1/District	7	8

Source: MSC Masaka Zone

SACCO monitored at MSC Masaka zone

SOUTH BUGANDA TEACHERS SACCO

South Buganda Teachers SACCO is located in Masaka District and is registered with 4,970 members and a fully constituted Board.

It received funds from MCSL of Ug shs 300million in 2015/16 for teachers at an interest rate of 11%. The SACCOs total savings were Ug shs 1.42billion and it had a share capital of Ug shs 480million. Other services provided by MSCL included technical support, advisory services and also conducted trainings to the manager and staff. The SACCO has not benefited from PROFIRA services.

e) Mbale MSC Zonal Office

Mbale MSC Zonal office serves the 15 districts of Budaka, Bududa, Bukedea, Bukwo, Bulambuli, Busia, Butaleja, Kapchorwa, Kibuku, Manafwa, Mbale, Bududa, Manafwa, Kibuku, Manafwa, Kween, Mbale, Palliisa, Sironko and Tororo.

The office disbursed Ug shs 540million against a target of Ug shs 1.541billion. The zone had an outstanding portfolio of Ug shs 1.124billion against the target of Ug shs1.541billion as at 30th June 2017. Portfolio at risk greater than 90 days was 5.16% which was poor performance against the target of 10%. The cumulative repayment rate was 53.83% below the annual target of 80%. Mbale zonal office achieved a cost to income ratio of 1.2:1 which was inefficient. The detailed performance of Mbale zonal office is shown in Table 11.9.

Table 11.9: Mbale MSC Zonal Office Performance by 30th June, 2017

No	Indicator	Benchmark	Target FY 2016/17	Actual FY 2016/17
1.	Value of loans disbursed during the period in Ug shs billions	According to the annual work plan	1.541billion	540million
2.	Cost Vs Income ratio	Costs < 1	1:1	1:1:2
3.	Repayment rate (on time)	95%	95%	53.83%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	1.335 billion	4,849billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	10%	2.66%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	8%	4.2%
7.	Existence of reference SACCO/ District	1/District	8	15

Source: MSC Mbale Zone

SACCOs monitored under MSC Mbale Zone

BUDUDA DISTRICT TEACHERS AT WORK DEVELOPMENT SACCO

Bududa District Teachers at Work Development SACCOs is located in Bududa district and is served by Mbale MSC zonal office. The SACCO received funds of Ug shs 10million at 11% interest rate and are processing another loan of Ug shs 90million from MSCL. The SACCOs had share capital of Ug shs 10million and total savings of Ug shs 20.7million.

The SACCO is duly registered with total membership of 365, all teachers and only 105 active members. No formal training was received from the MSCL apart from guidance and support supervision. The SACCO has not received any trainings from PROFIRA.

BUSIU SACCO

Busiu SACCO is located in Mbale District with 2,489 fully registered members and a functional Board of seven members. The SACCO has savings of Ug shs 259million, share capital of Ug shs 115million and total loan portfolio of Ug shs 42million.

The SACCO has so far received 5 loans from MSCL and currently servicing a credit of Ug shs 50 million at 13% interest rate. The SACCO received training on credit and MSCL occasionally conducts support supervision. The staff and Board received training on credit management and supervision from PROFIRA.

KAGUMU FARMERS SACCO

Kagumu SACCO is located in Kibuku District. It is fully registered and has 243 individual members and a functional Board. The SACCO's total savings were Ug shs 12million and share capital of Ug shs 17million.

The SACCO received loans from the MSC, the recent being Ug shs 10 million at interest rate of 11%. MSC has offered trainings in financial management and taxation. PROFIRA conducted training in financial management and governance.

Challenges

The SACCOs as MSC clients pointed out to some challenges affecting their performance;

- High interest rate of 13% per annum, this was deemed high and yet SACCOs are required not to go beyond 19.5% per annum.
- Lead time for application of loans was long on average two months which discouraged potential clients.
- High default rate due to multiple borrowing, poor governance, conflict of interest, and lack of adherence to terms.
- Most SACCOs are faced with insufficient loan funds for onward lending to members.

Implementation Challenges

MSC zonal offices experienced challenges that included;

- Poor governance and management in several SACCOs which has resulted in misappropriation of funds, theft, collusion, and endemic fraud. This has greatly affected the MSC portfolio.
- Under staffing at the zonal offices. This was observed in Kabalore and Jinja zonal offices which had one technical officer and three other officers against the six staff required.
- Insufficient funds available to MSCL for onward credit to meet clients demand.
- Stringent requirements that discouraged SACCOs from borrowing.

Recommendations

- The MFPED through PROFIRA should enforce compulsory training of MFI and SACCO managers before accessing credit.
- The Ministry of Local Government (MoLG) should include in their appraisal instrument of districts a target for micro credit performance.
- The MSCL should continue to offer Business Development Services (BDS) 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.
- The GoU through MFPED should consider capitalization of the MSC to enable further disbursements
- The PROFIRA should collaborate with MSCL and recommend the SACCOs monitored for support, build their capacity and also come up with a rehabilitation program for those that are weak.
- The MSC should streamline the requirements especially for follow-on clients and also have approval limits for zonal offices to help speed up the process.

Conclusion

The MicroFinance Support Centre (MSCL) achieved fair performance at 55%, with 50% of planned outputs fully achieved, 17.5% partially achieved and 47% not achieved. The MSC disbursed Ug shs 33.417billion to clients (56% of the planned target) of which disbursements from repayments formed 27.5% (Ug shs 16.329 billion) of the total disbursements.

Percentage growth in portfolio outstanding was 7% (to Ug shs 65 billion) which was below the annual target of 10%. Loan recovery rate was 57.5% declining from the 72% in FY2015/16. The MSC gave loans at favourable interest rates between the ranges of 9% to 17% for the different client categories; Agricultural, Commercial, Teachers, Islamic and Environmental. These rates were below commercial bank rates that remained above 20%. The overall Portfolio at Risk (PAR) greater than 90 days was 14% against a target of 10% pointing to an increased risk of non-recovery of loaned funds.

Although there was growth in number of districts with SACCOs, capacity building support to remained low. Some MSC zonal offices were found to have unrealistic loan disbursement targets exceeding 5% of previous performance without consideration of past economic activities. The duration of loan processing to clients by the MSC averaged at two months against a target of one month. The participation of DLGs in micro credit activities improved as registered from the SACCOs monitored.

Key Challenges

i) Limited capacity of SACCOs to access loans from MSC as many do not meet the requirements.

ii) Inefficiencies and delays in loan processing by the MSC drives would-be clients (SACCOs) to other lending institutions.

iii) Poor communication flow between the MSC head office, zonal offices and SACCOs.

iv Poor governance and management in most SACCOs which has resulted in misappropriation of funds, theft, collusion, and endemic fraud.

v) Under staffing of MSC zonal offices hampers monitoring of implementation of action plans drawn with clients and recovery of funds from clients.

vi) Insufficient funds available to MSC for onward credit to meet client demand.

Recommendations

i) The MFPED in partnership with the MSC should fast-track the operationalization of the recently passed Tier 4 Micro Finance Institutions and Money Lenders Act that seeks to enforce regulation and control of Microfinance institutions including SACCOs. This will involve completion of the regulations and massive sensitization of all stakeholders.

ii) Through the BDS programme of the MSC and in partnership with MFPED-PROFIRA, capacity of SACCOs in loan utilization and management of loan repayments should be developed.

iii) The GoU should capitalize MSC to enable further disbursements.

CHAPTER 12: PUBLIC SECTOR MANAGEMENT

12.1 Introduction

The Public Sector Management (PSM) is responsible for development and control of Public Service delivery systems through promotion of sound principles, structures and procedures. The PSM sector objectives are to:

1) Establish mechanisms that will promote coordinated and harmonized policy, planning, budgeting, monitoring and evaluation at National and Local Government levels.

2) Attract, recruit and retain a highly-skilled and professional workforce.

3) Develop management and operational structures for an efficient and effective decentralized service delivery system.

4) Implement East African integration through implementation of the East Africa Customs Union.

5) Establish the East African Common Market, a monetary union and ultimately the East African Federation.

The sector prioritized the following areas as avenues of contributing to the National Strategic Objectives and the National Vision 2040.

1) Review systems, structures, processes and procedures for effective coordination of service delivery.

2) Harmonize and reform policies, laws and regulations at the national and local government level to bring them in line with regional and international obligations.

3) Spearhead reforms and manage talent to create a well-motivated and competitive public service.

4) Coordinate information flow and resource allocation towards Government priorities.

5) Reduce the impact of natural disasters and emergencies.

6) Spear head comprehensive and integrated development planning at local and National Level.

7) Develop mechanisms for Local Government Financing.

Financing of these priorities is undertaken through nine votes which are responsible for spearheading and managing reforms in Government, managing talent as well as coordinating resources and information flow in the public sector:

(1) Office of the Prime Minister (OPM), (2) Ministry of Public Service (MoPS), (3) Ministry of Local Government (MoLG), (4) Ministry of East African Community Affairs (MEACA), (5) National Planning Authority (NPA), (6) Kampala Capital City Authority (KCCA), (7) Public Service Commission (PSC), (8) Local Government Finance Commission (LGFC) and (9) 133 Votes in the Local Governments (LGs).

12.1.2 Overall PSM Financial Performance

The approved budget for the eight votes (excluding Local Governments) under the PSM sector for FY 2016/17 was Ug shs 498.24 billion (exclusive; external financing, taxes and arrears[54]) of which Ug shs 410.712 (82.4%) was released and Ug shs 408.026 (99.3%) spent. This was good release and absorption. The detailed performance is shown in Table 12.1.

54 MFPED 2016

Table 12.1: Financial Performance of PSM (GoU component) by 30th June, 2017 (billions excluding Arrears and Taxes)

Institution	Approved budget	Releases	Expenditures	% Budget released	% Release spent
Office of the Prime Minister (OPM)	131.851	130.187	130.736	98.7	100.4
Ministry of Public Service (MoPS)	29.803	23.665	22.541	79.4	95.3
Ministry of Local Government (MoLG)	235.744	152.939	151.399	64.9	99
Ministry of East African Community Affairs (MEACA)	29.202	29.289	29.062	100.3	99.2
National Planning Authority (NPA)	22.530	23.030	22.918	102.2	99.5
Kampala Capital City Authority (KCCA)	37.213	39.770	39.553	106.9	99.5
Public Service Commission (PSC)	6.714	6.806	6.791	101.4	99.8
Local Government Finance Commission (LGFC)	5.183	5.026	5.026	97	100
TOTAL	498.24	410.712	408.026	82.43	99.35

Source: MFPED, July 2017

12.1.3 Scope

The report presents annual performance for selected PSM programmes in F 2016/17. The monitoring work covered 14 projects/programmes from eight votes as shown in Table 12.2.

Table 12.2: PSM Projects/ Programmes monitored

Vote	Project/Programme	Sampled institutions/ districts
Vote 003: Office of the Prime Minister	Project 0922: Humanitarian Assistance	Isingiro, Kyegegwa, Masaka, Moroto, Nakapiripirit, Wakiso, Mbarara, Napak, Lira, Alebtong, Omoro, Mubende, Gulu
	Project 1078: Karamoja Integrated Development Programme (KIDP)	Moroto, Nakapiripirit, Amudat, Napak
	Project 0932: Post-war Recovery and Presidential Pledges	Office of the Pime Minister, Omoro, Gulu, Aleptong, Lira, Nebbi, Kole
	Project 0022: Support to Luwero-Rwenzori Development Programme	Kyegegwa, Mubende, Wakiso, Luwero, Mubende
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Ministry of Public Service Headquarters
	Public Service Reforms: Upgrading the Civil Service College; Public Performance Management; Management of the Public Service Payroll and Wage Bill;	MoPS, MoLG, Moroto, Nakapiripirit, Napak, Mukono, Nakasongola, Masaka, Mubende, Luwero, Kayunga, Bushenyi, Kyegegwa, Isingiro, Gulu, Lira, Alebtong
Vote 011: Ministry of Local Government	Project 1292: Millennium Villages Project	Isingiro
	Project 1236: Community Agriculture Infrastructure Improvement Programme-(CAAIP111)	Kyegegwa, Mbarara, Bushenyi, Luwero, Isingiro, Kabale, Kole
	Project 1088: Urban Markets and Marketing Development of the Agricultural Project (UMMDAP)	Masaka, Wakiso
	Project 1307: Support Ministry of Local Government	Ministry of Local Government Headquarters; Kayunga, Kyegegwa, Bulambuli, Namayingo, Luwero
Vote 021: East African Community	Project 1005: Strengthening Ministry of EAC Affairs	Ministry of EAC Affairs Headquarters

Vote	Project/Programme	Sampled institutions/ districts
Vote 108: National Planning Authority	Project 0361: National Planning Authority	National Planning Authority and all planning units in all the above LGs
Vote 122: Kampala Capital City Authority	Project 0115: LGMSD (Local Government Management Service Delivery)	Kampala Capital City Authority Headquarters
Vote 146: Public Service Commission	Project 0388: Public Service Commission	Public Service Commission and all DSCs in the above LGs
Vote 147: Local Government Finance Commission	Project 0389: Support Local Government Finance Commission (LGFC)	Local Government Finance Commission and all above LGs

Source: Author's Compilation

12.1.4 Limitations

1) Lack of detailed quarterly departmental work plans, targets and reports for some sector programmes.

2) Lack of detailed information on contract frameworks and expenditures on some programmes.

12.2 Vote 003: Office of the Prime Minister

Four projects were monitored to assess performance in FY2016/17 namely: i) Humanitarian Assistance Project ii) Karamoja Integrated Development Programme (KIDP) iii) Post-War Recovery, and Presidential Pledges (vi) Support to Luwero Rwenzori Development Programme (LRDP). The performance of these projects is presented hereafter.

12.2.1: Project 0922: Humanitarian Assistance

Background

The project objective is to coordinate timely response to disasters and provide food and non-food relief to disaster victims. The relief food items distributed included maize, beans, rice and other assorted foods; while the non-food items included tarpaulins and blankets. The project period is five years from 1/7/2015 to 30/6/2020). Ten districts were monitored to assess the performance.

Performance

The approved budget for FY 2016/17 was Ug shs 3.626 billion, of which Ug shs 3.216 billion (88%) was released and all spent by 30th June, 2017. This was good release and absorption.

The physical performance was good at 79%. This was attributed to the supplementary budget released to the Department of Disaster Preparedness and Management to procure and distribute relief food to the famine hit areas in Uganda. The detailed performance is shown in Table 12.3.

Table12.3: Performance of Humanitarian Assistance Project as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Relief to disaster victims					
(Procurement and distribution of relief food 1,000 MT(maize, beans, rice); and 2,000 non-food items (tarpaulins and blankets)	1	2.288	1	63.109	This output over achieved its targets as 54,770 bags of 100kgs of maize flour, 10,606 bags of 100kgs of beans and 103,360 bags of 50kgs of rice; and 1,120 items of simsim, boxes of fortified foods, and blankets, 4,100 tarpaulins were procured and distributed to districts across the country hosting victims of famine, windstorms and hailstorms.
Government Buildings and Administrative Infrastructure					
Namanve stores operational with security house; designs for NECOC and relief stores, eviction exercise, backfilling of land	7	0.918	3	10.847	The Namanve store was completed and operational, a security house at site was constructed; completion of BoQs and designs for National Emergency Coordination and Operations Centre (NECOC)building and relief stores were completed. The pending outputs were: Eviction of encroachers and wall fencing of land in Kisugu; emergency backfilling; ground prepared for NECOC.
Purchase of Motor Vehicles and other transport equipment					
2 twelve tonne 6*6 cargo trucks and 2 heavy duty land cruiser hard top wagon cars	2	0.420	1	5.791	Funds worth Ug shs 420 million were used to clear debts of one cargo truck and a heavy duty land cruiser hard top wagon.
Total		3.626			
Overall weighted physical performance score				79.7%	Good performance

Source: IFMS data/MFPED

Monitoring visits to the 13 beneficiary districts confirmed receipt and distribution of relief food and non-food items. Most relief distributed was in the Teso region; while Buvuma Islands received the least as shown in Table 12.4.

Table 12.4: Distribution of food by region during FY 2016/17

Region	Maize flour (bags of 100kgs)	Beans (Bags of 100kgs)	Rice (bags of 50kgs)	Others (Blankets, simsim, boxes of fortified foods)	No. of districts
Acholi	2,420	585	8,670	1,120	11
Ankole-Kigezi	3,340	860	12,350	-	12
Buganda	3,820	1,140	16,600	-	20
Bugisu	700	100	4,900	-	8
Busoga	1,600	600	4,700	-	9
Karamoja	15,040	1,491	1,100	-	7
Lango	-	-	17,800	-	8
Samia	1,200	500	2,200	-	3
Teso	20,100	2,690	17,990	-	12
Toro-Bunyoro	4,860	1,750	8,800	-	7
Buvuma	-	-	500	-	1
Kalangala	-	-	1,700	-	1
West Nile	1,590	810	4,500	-	7
Total	54,670	10,526	101,810	1,120	106

Source: Humanitarian Assistance Progress Reports, May 2017

Workers offloading sacks of maize flour at Namanve stores

There was evidence of construction and functionality of the Namanve Store meant for storage under the disaster programme. Workers were seen offloading maize sacks at the stores.

Challenges

- Much as the relief was appreciated by beneficiary districts, however it was insufficient. Each homestead was given 2 kgs of maize and 2 kgs of beans as starter packs, which is too little.
- Lack of training in disaster management in MDAs, LGs and other stakeholders.

Recommendations

- The MFPED and OPM Disaster Department should ensure that there adequate plans and budgets to cater for disasters.
- The OPM Disaster Department should endeavor to train all stakeholders (in MDAs and LGs) on disaster management.

12.2.2: Project 1078: Karamoja Integrated Development Programme (KIDP)

Background

Karamoja Integrated Development Programme (KIDP) objective is to contribute to human security and promote conditions for recovery and development in Karamoja. The Project period is from 1st July, 2015 to 30th June, 2020. The project is implemented in Abim, Amudat, Moroto, Nakapiripirit, Kotido, Kaabong and Napak districts out of which four (Amudat, Napak, Nakapiripit and Moroto) were monitored to assess the programme annual performance. The findings are presented hereafter.

Performance

The approved annual budget for FY 2016/17 was Ug shs 16.041billion, of which Ug shs 8.311 billion (52%) was released and spent by 30th June 2017. This was fair release and good absorption.

The physical performance was poor at 33%. Out of the Ug shs 2.250 billion, most funds were spent on clearing debts for FY 2015/16 than actual implementation; yet there is still evidence of rolled over projects from FY 2014/15. For example M/s Plan World Ltd, the contractor of Karita and Lolachat primary schools in Amudat and Nakapiripirit districts had not completed construction works due to delayed payments. Overall project performance is shown in Table 12.5.

Table 12.5: Overall Performance of KIDP as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Coordination/ implementation of KIDP					
Meetings, trainings, payments of salaries	8	1.184	7	6.458	Nine meetings (Cross border meetings; 4 KIDP TWG Regional Meetings; 4 National KIDP TWG meetings; 1 Karamoja Policy committee) were held; A Peace building meeting with lango and Karamoja leaders and a peace meeting were held at Lokiriama.
Pacification and Development					
Valley tanks constructed; iron sheets; goats, heifers, oxen, ox ploughs, hand hoes, bulls; irrigation water provided to farmers	9	11.712	2.16	17.523	Thirteen suppliers were procured and the cost of cattle ranged from Ug shs 980 million to Ug shs 1.3 million. Procurements were partial: 500 out of 1,400 oxen; 375 out of 2,000 ox-ploughs; 345 out of 1,500 heifers and 209 out of 500 improved he-goats; and 6 farmers in Karamoja were supported with irrigation equipment. Funds were spent to clear suppliers for FY 2015/16; procure oxen to Nakapiripirit and Amudat; and installation of irrigation equipment.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Transfers to Government Units					
Procurement of seeds,fertilizers,hoes agro chemicals oils and lubricants; fuel expenses; and operational expenses	1	0.7	1	4.364	Ug shs 342 million was disbursed to OPM by MFPED, however only Ug shs 151,204,300 was remitted to Namalu Prisons by Prisons Headquarters for procurement of agricultural supplies and fuel for operations.
Government Buildings and Administrative Infrastructure					
Completion construction of 4 Dormitories; 8 kitchens; and construction of 10 cattle crushes	3	2.250	1	4.675	Works were ongoing at Moroto High School; Karita and Lolachat primary schools girls dormitories. Funds worth Ug shs 2.250billion were spent to clear debts. Construction of six kitchens in Lobalangit and Kopoth P/S in Kaabong; Alerk in Abim; Nakwakwa in Kotido; Lolachat in Nakapiripirit; Karita in Amudat had not yet started. Only materials were deposited on sites. The 10 cattle crushes were not constructed.
Purchase of office and ICT equipment					
Office and ICT equipment	1	0.050	0.15	0.047	Funds worth Ug shs 6 million were used to service all ICT equipment of Karamoja offices (Headquarters and Karamoja Regional Office).
Purchase of Specialized Machinery and Equipment					
Procurement of a tractor	1	0.145	0	0	Funds were not released hence activity not undertaken.
Total		16.041			
Overall Weighted Physical Performance Score				**33%**	**Poor performance**

Source: IFMS data/MFPED and Field Findings

Ready to harvest maize garden in Namalu Prisons, Nakapiripit district

By 30th June 2017, the maize at Namalu Prisons in Nakapiripirit District was ready for harvesting. Preparations for harvesting were underway.

There were ongoing civil works on the girls' dormitories in Amudat, Moroto and Nakapiripirit districts. The dormitory at Moroto Girls School was at super structure level completion pending fixing of doors, windows and finishes on the floor.

Roll over project of girls' dormitory at Karita Primary School in Amudat District

Lolachat Primary School in Nakapiripirit District and Karita Primary School in Amudat District civil works were at 60% super structure level; while the girl's dormitory at Kiru Primary School in Abim District was pending painting.

Challenges

- The project team in OPM lacks training in project management for efficient and effective delivery of service.
- Inadequate information to justify procurement and expenditure on goats, heifers and ox-ploughs under the Pacification and Development output.
- There is a lot of reallocation of expenditures on some outputs. For example instead of coordination and implementation, funds was spent on short term consultancies and travel inland.
- Delayed payments to contractors resulting in roll over of projects to the next FY. For example in Nakapiripirit and Amudat districts, the construction of girls' dormitories in Lolachat and Karita primary schools had stalled from FY2014/15 to FY2017/18 because the contractor M/s Plan World Ltd lacked enough funds to purchase materials for construction.
- Work overload on afew contractors; For instance BMK was awarded most of the civil works in the South Karamoja region and this partly explains why the contractor has delayed construction of kitchens despite the advance paid.

Recommendations

- The Human Resource Department in the OPM should liaise with Civil Service College to have project teams under OPM trained in Project Management.
- The OPM PDU should provide monitoring teams with sufficient information to ease the measuring of performance.
- The project team should prioritize activities in line with the planned outputs. For example, funds for meetings were spent on consultancies whereas under civil works, new projects like construction of school kitchens by M/s BMK were considered leaving roll over projects.
- The MFPED should remit funds directly to Namalu Prisons to avoid misappropriation of funds.
- The OPM PDU should advertise contracts to attract other service providers so that civil works are completed on time.

12.2.3 Project 0022: Support to Luwero Rwenzori Development Programme (LRDP)

Background

The Support to Luwero Rwenzori Development Programme is implemented in 43 districts[55] in the sub-regions of Luwero and Rwenzori Triangle. The project objective is to enhance household incomes by supporting activities that increase agriculture production, value addition, processing, and marketing; small and medium scale enterprises; district infrastructure in the health, roads, and education, energy, water and environment sectors. The project period is 01st July 2015 to 30th June 2020.

55 Bundibujyo, 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, Isingiro, Ibanda, Lyantonde, Sembabule, Buikwe, Kamwenge, Mbarara

Performance

The approved budget for FY2016/17 was Ug shs 3.489 billion of which Ug shs 1.680 billion (48%) was released and Ug shs 1.679 billion (99%) spent by 30th June 2017. This was poor release but good funds absorption.

The physical performance was fair at 60%. There was evidence of implemented outputs such as on going civil works of the LRDP Regional Office in Luwero district, Nalutuntu HCIII in Mubende District; crop nurseries in Buikwe and Mubende; and micro projects in Wakiso and Luwero districts. The detailed performance is shown in Table 12.6.

Table 12.6: Performance of Support to LRDP as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Coordination of implementation of LRDP					
Coordination meetings held and payment of salaries	5	0.928	2.85	15.161	Only 2 out of 6 coordination meetings were held; 4 out of 8 technical and political monitoring visits were undertaken.
Pacification and Development					
Crop nurseries established and regional office operationalized	2	0.706	1.13	11.433	There were partial achievements. Ug shs 354 million was spent, of which Ug shs 85 million was disbursed to 3 out of 8 crop nurseries in Mubende, Buikwe and Kasese districts. Ug shs 31 million was spent on workshops and seminars.
Transfers to Government Units					
Support to micro projects	1	0.800	0.66	15.133	Funds worth Ug shs 246 million were spent. A total of 53 out of the planned 80 projects in Wakiso, Luwero, Butambala, Lwengo and Mubende districts were supported.
Government Buildings and Administrative Infrastructure					
Construction of offices and HCs; and renovations of war monuments	3	0.475	2.25	10.211	The regional office in Luwero district was at 75% completion; Nalutuntu HC III in Mubende district was functional; and 2 out of the 4 planned monuments were renovated in Luwero and Wakiso districts.
Purchase of Motor Vehicles and other transport equipment					
Procurement of a double cabin truck	1	0.130	1	3.726	Funds worth Ug shs 130 million were used to pprocure 2 Tipper trucks for veterans in Kabarole and Luwero districts.
Purchase of Specialized Machinery and Equipment					
Procurement of tractors	3	0.450	1	4.299	Funds worth Ug shs 138 million were used to procure a Tractor and to clear debts on the 2 tipper trucks procured.
Total		3.489			
Overall weighted physical performance score				**60%**	**Fair performance**

Source: IFMS data, OPM Quarter 2 Progress Reports amd Field Findings

Civil works for the regional office in Luwero were ongoing. Wakiso and Luwero districts were visited to assess implementation of activities and beneficiary satisfaction of the projects. The micro projects included bakeries, wine processing small scale factories, SACCOs, piggery, agro businesses and fruit growing. There was evidence of value for money and income enhancement at household level.

Support to Luwero Rwenzori Regional Office at Luwero district Headquaters

Micro project Kambe Wine Processing Factory in Wakiso District

Challenge

- Despite the hefty investment of over Ug shs 500 million, the Nalutuntu HC III is understaffed with only one midwife and a nurse to serve the whole sub-county and yet the HC lacks drugs and delivery beds. On a monthly basis, the staff handle about 400 patients.

Recommendation

- The district and MoH should hasten the approval of the structure of Nalutuntu HC III to ensure its operationalization to achieve its intended objectives.

12.2.4 Project 0932: Post-War Recovery and Presidential Pledges

Background

The project objective is to initiate, design, coordinate and implement special programmes and projects for the troubled and disadvantaged areas of Northern Uganda and Karamoja regions by consolidating peace in the war ravaged area; developing the economy; and reducing vulnerability of Women, youth, PWDs children, ex-combatants, elderly and other groups by supporting them out of poverty. Coverage includes 55 districts and nine municipalities in the greater North covering eight sub-regions of West Nile, Acholi, Bunyoro, Lango, Teso, Karamoja, Elgon and Bukedi.

Performance

The approved budget for FY 2016/17 was Ug shs 27.515 billion, of which Ug shs 15.002 billion (54%) was released and Ug shs 15.001billion (99%) spent by 30th June 2017. This was fair release and good funds absorption.

The physical performance was poor at 42.4%, attributed to clearing debts rather than actual implementation of planned outputs. The detailed performance of the project is shown in Table 12.7.

Table 12.7: Performance of Post War Recovery project as at 30th June 2017

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Implementation of PRDP coordinated and monitored					
Coordination meetings; monitoring and supervision and trainings	4	2.823	4	10.262	A total of 14 meetings including Technical Working Groups; Sub- Regional Planning; Coordination and Monthly meetings on PRDP Implementation were held; Monitoring and Supervision of NUYDC and Lango Chiefs Complex and low cost houses were also undertaken.
Pacification and Development					
Procurement and distribution of Presidential Pledges: (hand hoes, iron sheets, ox ploughs, oxen); bench marking tours undertaken.	5	3.350	2	4.870	Only 10,000 iron sheets and 350 oxploughs were procured and distributed. Distribution of Presidential Pledges procured in FY 2015/16 was conducted. These included: sewing machines (533), cassava chippers (23), bicycles (600) and their repair kits ((200), motor cycles (22), hydra form machines (4), and to West Nile, Lango, Acholi and Teso regions.
Restocking Programme					
Procuring and distribution of cattle, monitoring visits to beneficiary districts	2	20	0.7	22.896	No procurement was done under this output; however, OPM progress reports indicate that released funds worth (Ug shs 10.110 billion) were reallocated to pay for uncleared debts of oxen and improved bulls procured in FY2014/15 and FY 2015/16.
Transfers to Government units					
Support to NUYDC to enhance vocational skills development	1	1.2	1	4.361	Funds worth Ug shs 927 million were transferred to National Uganda Youth Development Center. The centre has 367 enrolled trainees (28% females and 72% males) in various courses.
Government Buildings and Administrative Infrastructure					
Acholi Low cost houses and Lango Chiefs houses constructed	25	2.2	0.16	0.050	A total of Ug shs 465 million was spent on this output. Ug shs 244 million were disbursed to 3 LGs (Nebbi, Moyo, Alebtong) for the construction of 4 out of 24 low cost houses. Part payment was spent on NEMA environmental impact assessment for the Lango Chiefs Complex; completion of Butaleja foundation ware house; BoQs for designs and architectural drawings for Lango Chiefs Complex.
Total		29.573			
Overall weighted physical performance score				**42.4%**	**Poor performance**

Source: IFMS data, OPM Quarter 2 progress reports and Field Findings

PRDP beneficiary of a low cost house Mr. Ayok Martin infront of the old house in Alebtong District

Ongoing civil works on Mr. Ayok's low cost two bed-roomed house, with a toilet and kitchen in Alebtong District

Tailoring class at the NUYDC in Omoro District

Challenge

- Most funds released with highest budgets were spent on clearing debts than actual implementation.

Recommendation

- The Accounting Officer, OPM should in future seek authority from MFPED for re-allocation of funds.

12.3 Vote 005: Ministry of Public Service

Public Service Programmes (Reforms)

Background

Strategic Objectives are 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 approved budget for development and recurrent outputs for FY2016/17 was Ug shs 18.844 billion, of which Ug shs 12.906 billion (68.4 %) was released and Ug shs 12.495 billion (97 %) spent by 30th June 2017. This was poor release and good absorption.

Performance

The physical performance was fair at 61%. There were partial achievements; however the Civil Service College and MDAs and LGs Capacity Building planned outputs are still duplicated under Human Resource Development and Human Resource Management. Detailed performance is shown in Table 12.8.

Table 12.8: Overall Performance of MoPS as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Ministerial and Support Services	4	1.470	2	3.9	A total of Ug shs 831 million was expended on; 510 pieces of corporate wear issued to staff; Q.1, Q.2 and Q.3 Monitoring visits undertaken and reports produced; and assorted data storage devises procured.
Government Buildings and Administrative Infrastructure	1	3	1	15.92	Payments of Ug shs 1.142billion out of the Ug shs 3 billion was paid to the contractor of National Archives and Records Center as part of the outstanding invoices.
Purchase of Motor Vehicles and Other Transport Equipment	4	2	1	2.653	Of the four double cabins planned to be procured for FY 2016/17, only one motor vehicle was procured.
Purchase of Office and ICT Equipment, including Software	1	0.993	1	5.272	A total of Ug shs 287 million was spent on procurement and installment of a Walkthrough machine; 12 months lease fees for the 6 heavy duty multi-purpose printers were paid; 36 computers were procured; ICT consumables were delivered; and 70 pieces of mobile shelves were procured.
Purchase of Office and Residential Furniture and Fittings	1	0.587	1	3.115	Payment worth Ug shs 255 million was made for a fireproof filing cabinet was procured for the Permanent Secretary's office; 1 reception desk was procured; Curtain blinds procured for offices of directors, commissioner were procured.
Upgrading of the Civil Service College Facility	4	2.432	3	9.681	220 new public officers and 30 promoted officers were inducted in supervision skills. 25 Human Resource (HR) officers were trained in balanced score card; 19 HR officers trained in Managing Employee Performance; and 52 in Public Sector Governance and Accountability training programme was launched. However, the Curriculum for HR for Non-HR Managers was not achieved, 3 tracer courses were not conducted and Audio Visual training materials were not developed due to inadequate funds.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
MDAs and LGs Capacity Building	2	1.688	0.2	0.896	3 officers were trained in Chartered Human Resource Analysts Course. Funds were reallocated to draft policies which are not in line with planned output of disseminating gender lens in LGs, however highest expenditures were on general staff salaries amounting to Ug shs 637 million; workshops and seminars Ug shs 39 million; and Ug shs 77 million on Travel inland.
Public Service Performance management	3	0.302	1	0.534	Performance Agreements were rolled out to Heads of Tertiary Institutions and their Deputies, Deputies of Secondary and Primary schools in 12 LGs.
Management of the Public Service Payroll and Wage Bill	2	1.087	1	2.885	Payroll Managers in 27 new Votes (23 MCs and 4 DLGs) were trained in payroll and wage bill management. A concept paper on the Review of the Pay Policy developed. The payroll was matched with the National Identification Register.
IPPS Implementation Support	4	3.447	2	9.147	IPPS was operationalized in 173 out of 215 votes (80%) and 156 IPPS sites were supported out of 215 (72%).
Implementation of the Public Service Pension Reforms	2	0.794	1	2.108	Conducted training on pension processing for the 23 new votes and 4 MDAs; 3 Universities, 1 Department; and all MDAs on full decentralization of pension processing and management;
Organizational Structures for MDAs developed and reviewed	2	0.833	2	4.426	Structures of the Ministry of Education, Science, Technology and Sports and its affiliated Institutions were reviewed and developed; and Structures of newly created districts (9), 19 Municipal Councils, 32 Town Councils and 9 mother districts were reviewed and develop.
Demand for Service Delivery Accountability Strengthened through Client Charters	2	0.207	1	0.550	Technical support and guidance on the development and implementation of client charters was provided to 3 Regional Referral Hospitals of Mbale, Gulu and Masaka and 3 DLGs of Mubende, Mityana, Nakaseke and their Urban Councils. Preparatory activities were carried out to provide technical support to LGs.
Total		18.844			
Overall weighted physical performance score				**61%**	**Fair Performance**

Source: IFMS data/MFPED and Field Findings

The NARC under MoPS, a GoU facility in Uganda was constructed to create sufficient space to accommodate and manage public records/archives, decongest record centers, assure proper retention and disposal of records, and provide secure and economical storage and rapid retrieval service for inactive records to assess progress.

Insufficient mobile shelving for archives as some boxes with files are still kept on the floor. This was also evident in Local Governments visited, for example, Moroto Municipality.

Insufficient space for records keeping in Moroto Municipality

Boxes of records on floor due to inadequate mobile shelving at NARC Building at Nakasero, Kampala

Challenges

- Lack of a clear coordination mechanism between the registries of LGs and the NARC in implementation of archives. For example most registries in LGs lack records centers and the central registries are still congested.

- Inadequate budgets for purchase of more mobile shelves for the pension registry and the NARC hence archives box files are kept on the floor.

- Unpredictable wage bill due to poor coordination, amongst MFPED, MoES, MoPS, MoH, Education Service Commission, Health Service Commissions and LGs. In addition there are no systems, policies on the recruitments transfer/promotions of Secondary teachers in Government Aided Schools and tertiary institutions and as a result teachers with forged appointment letters, posting instructions from MoES have accessed and bloated the secondary teacher's payroll. Irregularities on the salary payrolls with deliberate duplicated payments, overpayments, wrongful payment of salary scales, delays to remove retired staff from payrolls were observed. This is was rampant in the Nakasongola, Nakapiripirit, Wakiso and Bundibugyo districts.

- Non-recruitment of critical staff despite approval of positions by MoPS and release of funding by MFPED to recruit staff, some districts have deliberately not recruited staff because of political interference in the recruitment process and lack of approved District Service Commissions by respective Executive Committees in LGs hence funds remitted to MFPED. This was rampant in Bushenyi, Busia, Amudat, Nakasongola, Buikwe, Bugiri, Nakaseke, and Wakiso districts.

Recommendations

- The MoPS should develop clear guidelines and systems on the coordination of LGs with NARC and make serious follow ups on implementation of circulars by the Accounting Officer on records management.

- MoPS and MFPED should prioritize purchase of mobile shelves for functionality of the pension registry at MoPs and NARC.

- The MoPS, MFPED, MoES, Education Service Commission should carry out a comprehensive validation of secondary teachers in Government Aided schools and tertiary institutions and thereafter develop systems and policies on recruitments posting avoid fraud and wastage of public resources.

- The MFPED, MoLG, MoPS, MoH and PSC should critically analyze recruitment plans from MDAs and LGs and make serious follow ups on implementation of approved recruitments of critical positions especially with the Health Service Commission, Education Service Commission and Local Governments.

12.4 Vote 011: Ministry of Local Government (MoLG)

Introduction

The Vote's Mission is to coordinate and support LGs in a bid to provide efficient and sustainable services, improve welfare of the people and eradicate poverty and constitutes of the following projects: Markets and Agriculture Trade Improvement Project (1088); Community Agriculture and Infrastructure Improvement Project CAIIP III (1236); Uganda Good Governance (1286); Millennium Village Project II (1292); and Support to Ministry of Local Government (1307).

The Community Agricultural and Infrastructure Improvement Project-III; Urban Markets and Marketing Development of the Agricultural Project (UMMDAP); Support to MoLG and Millennium Village Project were sampled and visited.

12.4.1: Project 1236: Community Agriculture Infrastructure Improvement Programme (CAIIP-III)

Background

The Project's overall sector goal is to contribute to poverty reduction and economic growth in Uganda through enhanced commercialization of agriculture. The key components implemented by the project included; community access roads, agro-processing facilities and rural electrification of the agro-processing facilities to enable them function better. CAIIP III is implemented in 68 sub-counties in 31 districts in Western, Northern, Central and Eastern Uganda[56]. The project start date was April 2012 and end date is 31st December, 2017. The monitoring team visited Luweero, Kyegegwa, Isingiro, Mbarara, Bushenyi, Kole and Oyam districts.

Performance

ADB and IDB loan performance

Cumulative expenditures as at 30th June 2017 are shown in Table 12.9.

Table12.9: ADB Loan Statement of Comparative Annual Budget and Actual Amount from 1st July 2016 to 30th June, 2017 (Ug shs)

Category	Budget	Expenditure	Variance	% spent
Goods	8,263,329,453	5,199,065,966	3,064,263,487	63
Works	49,081,200,137	51,914,165,039	(2,832,964,902)	106
Services	1,899,117,448	1,531,052,451	368,064,997	81
Operating costs	1,766,000,000	1,029,419,612	736,580,388	58
Total	**61,009,647,038**	**59,673,703,069**	**1,335,943,969**	**98**

Source: MoLG, CAIIP III Progress Reports July 2017

The IDB loan expenditure of the project by 30th June 2017 is shown in **Table 12.10**.

56 Apac, Bugiri, Kabarole, Kamwenge, Kanungu, Kasese, Buhweju, Bundibugyo, Bushenyi, Busia, Hoima, Ibanda, Isingiro, Kabale, Kiruhura, Kisoro, Kole, Kyegegwa, Luwero, Masindi, Mayuge, Mbarara, Mitooma, Nakaseke, Namayingo, Ntoroko, Ntungamo, Oyam, Rubirizi, Rukungiri and Sheema district.

Table12.10: IDB Loan Statement of Comparative Annual Budget and Actual Amount from 1st July - 30th June 2017 (Ug shs)

Category	Budget	Expenditure	Variance	% spent
Rural Infrastructure	10,599,824,226	7,296,917,057	3,302,907,169	69
Studies and Supervision Consultancy	564,600,000	345,960,000	218,640,000	61
Programme Management and Capacity Building Component	220,000,000	86,463,735	133,536,265	39
Total	**11,384,424,226**	**7,729,340,792**	**3,655,083,434**	**68**

Source: MoLG, CAIIP III Progress Reports July 2017

GoU Performance

Table 12.11: GoU Counterpart funding Statement of Comparative Annual Budget and Actual Amount from 1st July 2016 to 30th June 2017

Category	Budget	Release	Expenditure	% spent	Remarks
Taxes - Civil Works	3,300,000,000	721,845,781	721,627,642		Poor release
Total	**3,300,000,000**	**721,845,781**	**721,627,642**	**99**	**Good absorption**

Source: MoLG, CAIIP III Progress Reports July 2017

Performance

The physical performance of the project was fair at 62%. The Community Access Roads (CARs) and Agro Processing Facilities (APFs) are complete and of good quality, APF machines were installed, others pending testing, the power grid although in place has been connected but in other places there were delays awaiting for approval of network operators and land compensations.The performance of the CAIIP-III is shown in Table 12.12.

Table 12.12: Physical Performance of CAIIP III as at 30th June 2017

Component	Planned output	Achieved	% achieved	Remarks
Rural Infrastructure Improvement component			92	(Average Performance)
Completion of CARs	2,845	2,744.32	96	Good performance. The rehabilitated CARs have been handed over to LGs for use and maintenance under the ADB IDB loans, quality of works was fairly good.
Completed civil works of APF	79	75	97	These were handed over to pave way for installation of agro processing machines. Quality of works on the APFs was fairly good.
Installations of machines	79	67	85	67 sites have machinery installed, of which 16 sites are operational; 49 APF sites had private operators identified and 28 sites are in the process of identifying private operators. All sites with generators and diesel engines are not test run yet. Two sites did not have machines installed due to inaccessibility of the site location that's particularly in Kasese-Kilembe and Sigulu in Namayingo District.
Installation of 100 km Grid extension to APFs sites	58	52	90	58 APF sites had transformers installed. Energy metres were installed on 52 sites. The installation of the remaining 6 sites awaits approval from the network operators.
Community Mobilization			25%	(Average Performance)

Component	Planned output	Achieved	% achieved	Remarks
Gender, HIV/AIDS sensitization and mainstreaming	1	0.5	50	Process is on-going. 323 infrastructure management trainings (IMTs) with 3,146 members (1,441 women, 1,705 men) formed and trained in all the implementing districts.
Organize the training of the Local Artisans in the basics of Operations and Management of the APFs	1	0	0	Activity was not implemented.
Programme Facilitation			70%	(Performance)
Carry out routine monitoring and support supervision	1	0.7	70	Monitoring and technical support provided to all the beneficially districts.
Overall weighted physical performance score			**62%**	**Fair physical performance**

Source: MoLG Progress Reports, February 2017 and Field Findings

Functional maize mill in Zirobwe sub-county, Luwero District

For APFs, the districts visited were; Luwero Kyegegwa, Isingiro, Mbarara, Bushenyi, Busia, Bugiri and Mayuge; Kole and Oyam districts. All civil works in visited APFs were complete and of good quality; machines for these facilities were installed, however Bushenyi, Kole and Oyam were not yet functional as at 30th July, 2017.

The Zirobwe maize mill in Luwero district was functional and it had staff (3 males and 1 female). Its operation started in July 2017 and had so far milled 16 bags of maize each 100 kgs; each sack is sold at Ug shs 170,000.

Grid connection for maize mill at Ayer sub-county, Kole district: The project extended 100Km of national electric power grid to the APFs to enable them function effectively.

Installed power grid on maize mill facility at Ayer sub-county, Kole District

Functional milk cooler in Ruyonza sub-county, in Kyegegwa District

Functional milk cooler at Ruyonza sub-county, in Kyegegwa district: The number of people employed at the facility: (2 males, no females); Farmers using the facility per month are about 1,100 in the peak season; volume of produce handled per month is Ug shs 150,000 litres per month.

Revenue generated by the private operator per month is Ug shs 2,100,000; revenue remitted to sub-county per month is Ug shs 500,000; Population served is 45,205 people (21,059 males, 24,166 females).

Challenges

- Delays in testing of machinery hence affecting functionality of APFs. For example APFs in Lunyo (Busia), Bushenyi (Ibaare, Bitooma, Ruhumuro) and Kole (Ayer) districts were installed but not tested yet construction works on the APFs were completed.
- Delays in connection to the grid. The contractors had applied for energy meters awaiting approval by the networks operators. The districts were still in the process of recruiting private operators. For example, Abok APF in Oyam District.

Recommendations

- The MoLG and the contractor should hasten testing of machinery in completed APFs for functionality.
- The MoLG and contractor of grid connection should hasten the process of energy meters for functionality.

12.4.2 Project 1416: Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP)

Background

The GoU 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 overall objective of UMMDAP is to enhance and develop the agricultural sector by: a) Providing an outlet for the agricultural product, b) Availing opportunities for the smallholders in 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 neighboring countries, hence adding value to their products and facilitating exchange of trade.

The programme has the following components namely Market Infrastructure Development, Market Management and Trade Enhancement and Programme Management and Coordination.

BADEA loan performance

The BADEA loan cumulative financial performance is shown in Table 12.13.

Table 12.13: Budget and Actual Expenditure from 1st July – 30th June 2017 (Ug shs)

Category	Budget	Expenditure	% Performance	Remarks
Civil works	19,251,140,446	9,460,016,494	49	Works are still ongoing, and planned additional works under Phase II have not been undertaken.
Consultancy services	435,016,400	160,650,000	40	Consultancies are low pending the restructuring of the contract.
Total	**19,686,156,846**	**9,620,666,494**	**49**	**Poor Absorption**

Source: MoLG Coordination Office June 2017

GoU Performance

Table 12.14 shows the overall performance of the CAIIP III as at 30th June 2017.

Table 12.14: Budget and Actual Expenditure from 1st July – 30th June 2017 (Ug shs)

Category	Budget	Release	Expenditure	% Performance
Taxes - Civil Works	2,777,973,688	1,031,515,442	1,031,515,442	100
Total	**2,777,973,688**	**1,031,515,442**	**1,031,515,442**	**100**

Source: MoLG Coordination Office June 2017

Performance

The physical performance was fair at 63%. Nyendo market in Masaka District was completed and functional with vendors' relocated; while for Busega market in Wakiso District, only Phase I was completed and non-functional. However despite the hefty investment, the upper section of the Nyendo market was abandoned because of the poor design of the market, lack of power and water. Detailed performance as at 30th June 2017 is shown in Table 12.15.

Table 12.15: BADEA Performance as at 30th June 2017

Component	Output	Achievements	Remarks
Market Infrastructure Development	Complete construction of Nyendo and Busega markets	Construction of Busega Market phase one completed and handed over. Construction of Nyendo Market in Masaka Municipality completed and handed over for use.	Output was 100% achieved
Market management and trade enhancement	Facilitate relocation of vendors back into the re-constructed Nyendo Market	Over 755 vendors were resettled and allocated facilities in Nyendo market. A total of 548 vendors (222 males and 326 females) out of 755 were allocated stalls and pitches while 207 (96 males and 111 female) vendors were allocated lock ups.	50% achieved. Only the lower part of the Nyendo market is occupied.
Programme Management and Coordination	Continue undertaking monitoring and supervision	Monitoring and sensitization was inadequate. Vendors who were to occupy upper stalls of Nyendo market sell their goods at the entrance of the market	Output was 40% achieved. Some vendors are still selling their merchandize outside the market.
Overall weighted physical performance score			**63% Fair Performance**

Source: MoLG Coordination Offices, June 2017 and Field Findings

Unoccupied stalls on the upper floors of the Nyendo Market

The market facilities included lockups, stalls, day care center, community halls, cooking and eating area, banks, toilets and washrooms among others.

Trucks offloading matooke within Nyendo Market

Challenges

- Delayed payments to contractors. For example the contractor of Busega market has an outstanding payment of Ug shs 4 billion (inclusive of VAT).
- The poor design of the market has resulted in vendors allocated the top floor to abandon the stalls and operate from the market compound where customers can easily access them.
- Inadequate sensitization of the project objectives to the stakeholders that is defeating its intended objectives.

Recommendations

- The MFPED, MoLG and project team should address the issue of delayed payments of completed civil works to contractors as well as inadequate release of VAT that has attracted interest.
- In future MoLG should consider the issue of the designs for the market if the project has to achieve its intended objectives.
- The MoLG should train and sensitize stakeholders on the project objectives.

12.4.3: Project 1292: Millennium Village Project II (MVP)

Background

The GoU received US$9.75 million loan financing from the Islamic Development Bank (IDB) towards the consolidation and scaling-up of the Millennium Villages Project (MVP II) in Uganda. The project implementation commenced in December 2013 and ends 31st December 2017. MoLG is the implementing agency.

Performance

GoU Performance

The approved budget of the MVP II GoU counter-funding component for FY2016/17 was Ug shs 500 million, of which Ug shs 0.349 million (70%) was released and all spent by 30th June 2017.

Donor performance

Table 12.16 gives a summary of donor funds allocated, utilized (as at 30th May, 2017) and the balance by project components. Funding comprised of Islamic Solidarity Fund for Development (ISFD) and Islamic Development Bank (IDB).

Table 12.16: Summary of donor fund utilization by MVP II as at 30th June, 2017

Component	Allocation (US$)	Utilized (US$)	Balance (US$)
Increased agricultural production and enhanced nutrition	980,000	896,890	83,110
Business development and micro-finance	1,460,000	487,650	972,350
Promoting access, retention and quality of education	1,170,000	988,257	181,743
Strengthening health service delivery systems for improving access to basic health care	1,930,000	1,698,750	231,250
Infrastructure Development & Innovation Promotion	1,170,000	1,035,045	134,955
Water for domestic consumption & sanitation	780,000	490,350	289,650
Design and technical support from MDG Centre and audit	1,180,000	1,438,170	-258,170
Contingency	1,080,000	0	1,080,000
Total	**9,750,000**	**7,035,112**	**2,714,888**

Source: MVPII Progress Report, May 2017

The physical performance of the loan component was good (70.2%). There was evidence of completed and ongoing civil works; however details for expenditure on the GoU component amounting to Ug shs 349 million were not availed to the monitoring team. Detailed performance for the donor component is shown in Table 12.17.

Table 12.17: Performance of MVP II donor component as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (US$)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Increased Agricultural production and enhanced nutrition	5	980,000	3.4	8.897	Component involved: Soil and irrigation water management, agronomic practices with focus on tillage, improved seeds, combining organic and mineral fertilizers; agriculture extension and monitoring services; crop and livestock diversification for income and nutrition; and reduction in post-harvest losses. Completed works include: 3 out of 18 micro-irrigation kits for on-farm demonstration and training centers. 1,100 Kgs of tree seeds planted over 5 million tree seedlings; 100 out of 200 tons of fertilizer [DAP and UREA] to farmers; 60 tons of improved seeds of maize and beans; 1,400 reference books were procured and distributed to lead farmers; 10,100 out of 13,085 farmers (F4,100 & M 6,000) farmers were trained in crop agronomy and husbandry; and 10 on-farm demonstrations gardens were established.
Business Development and Micro Finance	5	1,460,000	3.4	13.255	Activities included: Strengthening the capacity of SACCOs; Establishment and functioning of microfinance institutions; training of communities on pre and post-cooperative formation; registration of cooperatives and strengthening their capacity. Completed works included: establishment of 6 SACCOs; Trainings in pre-cooperative formation; Registered 10 cooperatives; and construction of the 2 SACCOs was on-going in Kamwema and Nyamuyanja.

Output	Annual Planned Quantity or Target	Annual Output Budget (US$)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Promoting universal access, retention and quality of education	3	1,170,000	2.5	13.017	Activities involved: Improving quality of education to ensure completion, Increasing school attendance and appropriate-age enrolment, Improving gender parity in schools. Completed works included: Professional development trainings and refresher courses for 400 teachers; establishment of community led school meals in 25 schools; Construct, rehabilitate and maintain school infrastructure (4 classrooms and 6 apartment staff houses). 2 maize processing factories constructed, while construction of the coffee processing factory was ongoing.
Strengthening health service delivery Systems for improving access to basic health care	4	1,930,000	3	19.326	Activities involved: Strengthening and supporting health facilities, infrastructure and laboratories; interventions to control malaria and HIV/TB, improve nutrition, promote family planning, and increase immunization; Develop and strengthen health information systems; and support the community health worker system. All done through trainings, construction of OPD, maternity, general ward and grid connections. Completed works included: trainings, distribution of delivery beds, resuscitation kits, HIV kits, anti-malaria drugs; and construction of staff housing block, OPD, maternity, general ward and grid connections.
Infrastructure development and Innovation	3	1,170,000	2	10.414	Component included: Increasing access to all-weather motorable roads; connection to energy sources; and enhancing ICTs for rural development. Completed works included: 290 out of 350 all-weather motorable roads were constructed, rehabilitated and maintained; Constructed 1,500 energy saving stoves; and 75 out of 200 biogas units.
Water for domestic consumption, production and sanitation	2	780,000	1	5.206	Component included: Increased access to clean water for domestic consumption and improved sanitation and hygiene through construction of water schemes, latrines. Completed works include expansion of Nyamuyanja gravity flow scheme with 1,600 household latrines constructed.
Total		7,490,000			
Overall weighted physical performance score				**70.1%**	**Good performance**

Source: MVP II Progress Reports January 2017 and Field Findings

Cumulatively, since inception the project has completed 21 projects, of which four were handed over to the district.

Newly constructed Kihihi HC II in Isingiro District **Old Kihihi HC II in Isingiro District**

The project has 18 ongoing projects as shown in Table 12.18. However, the contractors had not yet been paid a total of Ug shs 5.043 billion.

Table 12.18: Update of on-going Infrastructure Projects as at 30th June, 2017

No.	Name of Contract	Service Provider	Total Contract Amount (Ug shs)	Certificate Paid to date (Ug shs)	Balance (Ug shs)	Financial Progress (%)	Physical Progress (%)	Expected Date of Completion
1	Construction of a 3 classroom block with staffroom and modern kitchen at Endizi Primary school in Ndizi sub-county	M/S Jil Company Limited	216,598,741	37,707,471	178,891,270	17%	80%	31st August 2017
2	Construction of a 6 apartment staff house and a modern kitchen at Karungi Muslim Primary school in Maasha sub-county.	M/S Bushenyi Propoerty Consultants & Commission Agents	213,077,743	42,615,549	170,462,194	20%	60%	31st October 2017
3	Construction of a 6 apartment staff house and a modern kitchen at Ngarama Primary school in Ngarama sub-county.	M/S Rinack Holdings Limited	216,011,181	55,357,334	160,653,847	26%	45.0%	31st October 2017
4	Construction of a 3 classroom block with staffroom and modern kitchen at Rugaaga Primary school, Rugaaga sub-county.	M/S RMF Engineering Contractors Limited	209,924,045	45,225,624	164,698,421	22%	45.0%	31st October 2017
5	Completion of Ntungu Coffee Factory in Nyakitunda sub-county,	M/S Drens Enterprises Ltd.	398,870,372	79,774,074	319,096,298	20%	40%	30th November 2017
6	Maintenance of Kyeera-Kasana-Kibona-Mpambazi road (17km) Mirere-Nyamuyanja sub-counties	M/S MF Friend Interlocking Tiles & Construction Company	240,123,156	128,650,444	111,472,712	54%	85%	31st July 2017
7	Opening of Kibwera Access road (8km) in Nyakitunda sub-county	M/S AM & ML Investments Limited	167,401,290	48,875,600	118,525,690	29%	85%	31st July 2017
8	Construction of Galvanised Pressed Steel tank in Kashumba and Mbaare sub-county	M/S RMF Engineering Contractors Limited	277,040,400	0	277,040,400	0%	50%	31st December 2017
9	Construction of an OPD and Maternity ward at Kyabinunga HCII in kabingo sub-county.	M/S Jil Company Limited	243,978,879	49,669,716	194,309,163	20%	65%	31st July 2017
10	Construction of 30 Bio-gas Units in Rushaasha, Endizi, Mbaare and kashumba sub-counties	M/S Geses (U) LTD	152,460,000	47,101,463	105,358,537	31%	70%	31st August 2017
11	Completion works and Furnishing Kamwema-Kwebishaho Saaco Building in Endizi sub-county	M/S Jil Company Limited	151,051,862	67,002,170	84,049,692	44%	85%	31st August 2017

No.	Name of Contract	Service Provider	Total Contract Amount (Ug shs)	Certificate Paid to date (Ug shs)	Balance (Ug shs)	Financial Progress (%)	Physical Progress (%)	Expected Date of Completion
12	Construction of Nyamuyanja SACCO Building in Nyamuyanja sub-county	M/S Allied Enterprises & Construction Co. Ltd	224,306,973	42,875,425	181,431,548	19%	70%	31st August 2017
13	Construction of 4 Solar mini grid systems in Maasha, Nyakitunda and Nyamuyanja sub-counties	M/S Zatec (U) Ltd	440,003,592	0	440,003,592	0%	0%	31st December 2017
14	Construction of the Kyenyanga Water Scheme in Nyakitunda Sub County	M/S Zatec (U) Ltd	1,775,631,077	0	1,775,631,077	0%	0%	31st December 2017
15	Construction of Irrigation Demonstration sites in Maasha, Kabingo, Birere and Kabuyanda sub-counties	M/S Kheny Technical Services Ltd	311,071,200	62,214,240	248,856,960	20%	50%	31st August 2017
16	Periodic Maintenance of roads (30kms) in Nyakitunda,Kabuyanda,Nyamuyanja and Maasha sub-counties	M/S MF Friend Interlocking Tiles & Construction Company	162,144,461	0	162,144,461	0%	50%	31st July 2017
17	Construction and installation of 1520 cook stoves In Bukanga, Isingiro South & Isingiro North Counties,	M/s Technology for Tomorrow	69,916,770	49,357,630	20,559,140	71%	66%	30th September 2017
18	Construction of the Murema water scheme in Kashumba sub-county	M/S RMF Engineering Contractors Limited	983,692,925	653,286,948	330,405,977	66%	56%	31st December 2017
	TOTAL AMOUNT FOR ALL CONTRACTS		6,453,304,667					
	TOTAL AMOUNT PAID FOR CONTRACTS			1,372,006,218				
	TOTAL BALANCE AMOUNT FOR ALL CONTRACTS				5,043,590,978			
	AVERAGE FINANCIAL PROGRESS FOR RUNNING PROJECTS					25.5%		
	AVERAGE PHYSICAL PROGRESS FOR RUNNING PROJECTS						**56%**	

Source: MVP II progress report June 2017

The Murema Water Scheme source protection with all the required chambers and the fencing of the catchment source was complete and the source tank at 90% completion with 100m3 capacity; the SACCO building was completed and quality of works was good. There were ongoing civil works at Rugaaga Primary School and Ntungu Coffee factory.

Murema water scheme in Kashumba sub-county, Isingiro District

Nyamuyanja SACCO building in Nyamuyanja sub-county, Isingiro District

A three classroom block with staffroom at Rugaaga Primary school, Rugaaga sub-county

Ntungu Coffee Factory in Nyakitunda sub-county, Isingiro District

Challenges

- Insufficient release of the donor funding by MoLG by 30th June, 2017. For example out of the US$ 9,750,000 released funds sent by IDB, only US$ 6,617,152.59 was sent to Isingiro District by MoLG as at 31st July, 2017 and yet so many contractors had not been paid. This is bound to attract legal litigation from the contractors since the project is soon closing.

- The GoU counterfunding component has no workplans related to the project against funds released and this made it difficult to measure performance.

Recommendations

- The IDB donors in liason with the MoLG should ensure timely release of funds for implementation of project activities on schedule.

- The Accounting Officer, MoLG should review the workplans for GoU funding under MVP II, and ensure that funds are expended as per the workplan.

12.4.4 Project 1307: Support to Ministry of Local Government (MoLG)

Background

The project objectives are to: (1) Provide facilities to support effective implementation of the Decentralization Policy; (2) Support LGs in mobilizing resources for implementation of the decentralization policy within the context of the MTEF; (3) Ensure resources are channeled to core programs and activities to support implementation of decentralization policy; (4) Ensure coordinated and effective delivery of service at the local levels.

Performance

The approved budget for FY2016/17 was Ug shs 5.024 billion, of which Ug shs 4.024 billion (80%) was released and Ug shs 3.484 billion (86%) spent by 30th June, 2017. This was good release and absorption.

Physical performance was fair at 68%. Detailed performance of the project is shown in Table 12.19.

Table 12.19: Overall Performance of Support to MoLG as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Government Buildings/ Administrative Infrastructure	1	1.800	0.8	28.658	Funds worth Ug shs 950 million were remitted to 9 LGs for completion of their Administrative blocks: Kayunga district; Bumasobo sub-county; Lushya sub-county and Bulambuli district; Kigolobya sub-county in Hoima district; kigando sub-county; Kibalinga sub-county; and Kitumbi sub-county in Mubende district; Buvuma; Namayingo district; Lugazi Municipal Council; and Kasangati Town Council in Wakiso district. Ruyonza sub-county in Kyegegwa distrct; Luwero district; Bitooma sub-county in Bushenyi district.
Purchase of Motor Vehicles and Transport Equipment	1	2.374	0.8	37.809	Released funds were spent on clearing payments for vehicles of the LCIV Chairman and MoLG Headquarters procured as shown below: Cooper Motors Ug shs 139,814,448; Toyota Ug shs 91,364,800; Victoria Motors Ug shs 1,885,263,230; Ug shs 209 million was remitted to Nissan Motorcare for a station wagon Nissan Pathfinder for US F&A; Ug shs 48,760,764 million on taxes for 31 new Yamaha motorcycles.
Purchase of Office and ICT Equipment, including Software	3	0.50	2	0.663	Funds worth Ug shs 50 million were spent on: procurement of a computer, printer, a UPS and accessories to Drencher Consult Ltd Ug shs 4,985,500; Genius Computer Solutions was paid Ug shs 4,970,200 for a computer, desktop UPS, software and printer.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
					Mughecom Technologies Ltd was paid Ug shs 7,870,600 for supply of telephone sets; Haptech International Ltd was paid Ug shs 32,173,700 for electronic data processing equipment.
Purchase of specialized machinery and equipment	45	0.700	0.018	0.006	Ug shs 10 million out of Ug shs 550 million was spent on advertising and facilitation to conduct verification exercise for supply and installation of solar equipment.
Purchase of Office and Residential Furniture and Fittings	1	0.100	0.5	0.995	Funds worth Ug shs 100 million were spent on cabinets; vertical blinds accessories; replacement of door locks, purchase of a water dispenser; furniture and office equipment; secretarial chairs.
Total		5.024			
Overall weighted physical performance score				**68%**	**Fair Performance**

Source: IFMS Data/MFPED and Field Findings

Inside view of completed council hall at Kayunga District Headquarters

Challenge

Delayed payments: The MoLG still owes M/s Victoria Motors Uganda Ltd Ug shs US$ 818,989.97 as at 30th June 2017.

Recommendations

The MoLG should adhere to conditions of the Contract Agreement where structure of payments was 70% upon delivery and 30% by June 2017.

12.5 Vote 122: Kampala Capital City Authority (KCCA)

KCCA is mandated to facilitate the delivery of quality services to the people of the City in a manner that ensures value for money. Under PSM, Human Resource Development and Organizational restructuring; Policy, Planning and Legal Services; Purchase of Office and ICT Equipment, including Software were monitored.

12.5.1: Project 0115: Local Government Management Service Delivery Programme (LGMSD)

Background

The Local Government Management Service Delivery Programme (LGMSD) is a continuation of the first and second Local Government Development Program. It was initiated to support implementation of the decentralization policy and enable Local Governments to provide services to the communities. The objectives under PSM are to; i) build capacity of KCCA staff; and (ii) retooling of KCCA. The project period is five years from 1/7/2015 to 30/06/2020.

Performance

The approved budget was Ug shs 1.547billion which was all released and Ug shs 1.511billion (97%) spent by 30th June 2017. This was good release and absorption.

The physical performance was fair at 69%. Despite both release and absorption being good; activities implemented were not in line with the planned outputs. For example under the Human Resource Development and Organizational restructuring output, the activities included civil works which included; renovations, constructing and maintaining KCCA assets and structures. The overall performance of LGMSD is shown in Table 12.20.

Table 12.20: Overall Performance of LGMSD as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Human Resource Development and organizational restructuring					
Carrying out training needs analysis, designing and implementing training Programs to enhance staff capacities. Renovating, constructing and maintaining KCCA assets and structures	2	1.056	1.5	51.211	Funds worth Ug shs 500 million were spent on 60 trainings both internal and external were conducted. Paving of the Mayor□s Parlor and city Hall court yard was done; Completed the renovation and installation of three new lifts at city hall; and the 2nd floor wing A and B construction works. Constructed three sample ramps to be used by the PWDs to access the Lord Mayor□s Parlor. Most funds (Ug shs 1.265 billion) were spent on civil works.
Policy, Planning and Legal Services					
Kampala Development Corporation established (KDC); Finalizing project proposals and set up activities for KDC	3	0.328	1	7.063	Although establishing Kampala Development Corporation (KDC) was planned for, Ug shs 156 million was spent on hiring of venues and chairs; printing and stationary; and consultancy services (Ug shs 130 million). Funds were spent on finalising project proposals for KDC.
Purchase of Office and ICT Equipment, including Software					
Replacement of Office Working Tools (Retooling)	1	0.163	1	10.530	Funds worth Ug shs 161 million were spent on hardware purchases, installations and repairs, network services, systems administration, network security and business support.
Total		1.547			
Overall weighted physical performance score				**69%**	**Fair performance**

Source: IFMS Data and Field Findings

PWD ramp used to access the Lord Mayor's Parlour at KCCA offices in Kampala

Fully equipped client care shade at KCCA

Challenges

- There was lack of a clear comprehensive needs assessment, capacity building plan, M&E framework, and training reports to determine the relevance of the training and impact of training.
- Re-allocation of funds to implement activities not planned for. For example funds for training under the Human Resource Development output were reallocated to civil works.
- There is duplication of planned outputs and budgets. For example Human Resource Development and Organizational Restructuring output is duplicated in both the development and recurrent component under the Administration and Human Resource sub-programme with different budgets and expenditures.

Recommendations

- The KCCA through Human Resource Department should develop a training needs assessment report, capacity building plan and M&E framework to determine return on investment.
- The KCCA should get authority from MFPED for reallocation of funds to implement other non-planned outputs.
- The KCCA should harmonize the Human Resource Development and Organizational Restructuring output under both the recurrent and development to avoid duplication of resources and outputs.

12.6 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, sectorial 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.

Performance

The approved budget was Ug shs 1.708billion, of which Ug shs 1.686billion (98%) was released and Ug shs 1.663billion (98%) was spent by 30th June, 2017. This was good release and funds absorption.

The physical performance was fair at 53%. Some activities were not in line with the planned outputs. Most funds were spent on meetings. The overall performance of MEACA is shown in Table 12.21.

Table 12.21 Performance of MEACA as at 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Harmonized Policies, Laws and Strategic Frameworks developed	2	0.140	1	4.105	This output had partial achievements. A sub-committee meeting on harmonization of laws was carried out. Under national policy, ESC meeting on harmonization of laws was held; and 7 laws were amended. The other implemented activities were not related to the output.
Compliance with implementation of EAC decisions and directives Monitored and Evaluated	2	0.097	1	2.845	There was a Bi-annual follow up on the implementation of council decisions related to agriculture and climate change; and tourism and wildlife management and report progress.
Strategic leadership, Guidance and Support for EAC regional Integration strengthened	5	0.849	1	9.943	The strategy/dialogue meeting on mainstreaming the National Policy on EAC Integration in the peace and security sector were held on 26th October 2016.
Statistical Coordination and Management	1	0.035	1	2.048	Ug shs 31 million was spent on travel inland activities which is more of a recurrent activity.
Purchase of Motor Vehicles and Other Transport Equipment	1	0.433	1	25.380	Payments worth Ug shs 518 million were spent on purchase of the Director's vehicle.
Purchase of office and ICT Equipment	1	0.075	1	4.389	Ug shs 55 million was spent on software equipment, 10 computer sets, 1 camera, 1 projector.
Purchase of office and residential furniture	1	0.078	1	4.565	Ug shs 77 million was spent on (40 boardroom chairs, 12 orthopaedic chairs, 14 office chairs, 10 filing cabinets and 05 metallic chairs
Total		1.708			
Overall weighted physical performance score				**53%**	**Fair performance**

Source: IFMS Data/MFPED and Field Findings

Challenges

- Limited awareness among various stakeholders on the progress, benefits and challenges of the EAC Regional Integration. The current budget of about Ug shs 571million is too inadequate to popularize EAC integration activities in the country, using the various channels of communication.
- Inadequate resources to implement EAC Regional Integration decisions, & directives in Uganda. This has slowed the pace of mainstreaming EAC Integration into sector plans and Budgets hence affecting implementations of EAC decisions and directives.

Recommendations

- The MEACA should expedite the process of approval of the National Communications Strategy on EAC and limit meetings and workshops travels abroad in order to allocate resources to strategic outputs.
- The MEACA should re-focus its efforts towards developing resource mobilization strategies that could help create sources of funding, so that key programs are not derailed.

12.7: National Planning Authority (Vote 108)

Background

The Strategic Objectives of NPA are to strengthen and establish additional systems for a comprehensive, participatory and inclusive integrated development plans and frameworks; 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.

Performance

The approved budget was Ug shs 22.530 billion which was all released and Ug shs 22.446 billion (99%) spent by 30th June 2017. This was good release and funds absorption.

The physical performance was rated fair at 58%. NPA had no quarterly departmental work plans and performance targets. Most funds are spent on consultancies under all outputs. Overall performance of the National Planning Authority is shown in Table 12.22.

Table 12.22: Performance of National Planning Authority by 30th June, 2017 (Ug shs)

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Functional Planning Systems and Frameworks/ Plans	3	4.543	1	6.722	The Human Resource Framework was developed. Most funds were spent on workshops and seminars (Ug shs 201 million); consultancy services (Ug sh 320 million).
Functional Think Tank	4	5.584	0.6	3.718	Prepared Draft Annual National Development reports for FY2014/15 and FY2015/16, pending printing and dissemination. However, a total of Ug shs 2.104 billion was spent on workshops, consultancy services, and travel inland.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Strengthening Planning capacity at National and LG Levels	3	0.271	1.2	0.482	The capacity building project document for strengthening planning capacities in MDAs and LGs was developed. Trained 14 out of 75 LGs on the use of Planning Guidelines and preparation of Development Plans. However Ug shs 251 million was spent on workshops.
Coordination of Global, Regional and Cross-Sectorial national Initiatives	2	2.683	1	5.955	The APRM Report 2017 was developed, however most funds were spent on travel abroad (Ug shs 684 million); workshops and seminars (Ug shs 346 million); consultancy (Ug shs 760 million); printing (Ug shs 417 million).
Finance and Administrative Support Services	1	7.949	1	35.282	There were no clear planned outputs and performance targets. The highest expenditures were on salaries allowances (Ug shs 478 million); welfare and entertainment (Ug shs 319 million); training (Ug shs 199 million); travel abroad and inland (Ug shs 443 million); and fuel (Ug shs 600 million).
Government Buildings and Administrative Infrastructure	1	1	1	4.438	Ug shs 1.579 billion was spent on Engineering and Design Studies and Plans for capital works for NPA offices. Environment Impact Assessment for Capital Works; and Non-Residential Buildings.
Purchase of Motor Vehicles and Other Transport Equipment	1	0.498	1	2.211	Procured 3 vehicles (2 station wagons and 1 double pickup.
Total		22.530			
Overall weighted physical performance score				**58%**	**Fair performance**

Source: IFMS/MFPED and Field Findings

Challenges

- Despite having a strategic plan, NPA lacks clear departmental work plans, and performance targets and a clear effective performance appraisal system for staff.
- Most of the funds are spent on hiring consultants to do technical work and travels abroad.

Recommendations

- The NPA should develop clear departmental quarterly workplans in line with the planned outputs.
- The NPA is a think tank of this country, the technical staff should have capacity of doing the work instead of hiring expensive consultants where Government is spending a lot of public resources.

12.8: Vote 146: Public Service Commission

Background

The Public Service Commission (PSC) is a Constitutional Body established under the provisions of Article 165(1) of the 1995 Constitution of the Republic of Uganda. The 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.

Performance

The approved budget was Ug shs 3.060 billion, of which Ug shs 1.745 billion (57%) was released and Ug shs 1.557 billion (89%) spent which was good release and absorption.

The performance was good at 71%. Planned outputs were achieved with clear performance targets. For example 41 out of 50 DSCs with critical capacity gaps were identified, monitored and technical guidance provided; 74 Selection tests were administered to 17,444 applicants; 1,241 appointments concluded. The performance of the project is presented in Table 12.23.

Table 12.23: Performance of Public Service Commission as at 30th June 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
DSC Capacity Building	4	0.461	2	7.539	Inducted 110 members and secretaries (84 DSC Members and 26 Secretaries/ PHROs). Also mentoring of secretaries in 19 districts was conducted.
Recruitment Services	3	0.690	2.5	18.812	1,241 appointments concluded including 9 Permanent Secretaries Vacancy submissions processed and concluded; 151 officers appointed under the Graduate Recruitment Exercise.
Selection Systems Development	3	0.621	1.8	12.183	A total of 74 Selection Tests were administered to 17,444 applicants. 46 Competence Selection Tests were developed
DSC Monitored and Technical Assistance provided	3	0.502	1.85	10.132	41 out of 50 districts were visited and onspot technical support provided; 52 appeals were completed, investigated, determined and decisions communicated; Performance audits were undertaken in 16 out of 30 priority DSCs. Much as the activities were implemented, there were no performance targets and most of the funds were spent on travel abroad (Ug shs 60 million).
Government Buildings and Administrative Infrastructure	1	0.020	1	0.654	Funds worth Ug shs 19 million were spent on minor repairs in the Deputy Secretary's office and commissioner's office and replacing taps.
Purchase of Motor Vehicles and Other Transport Equipment	1	0.502	1	16.403	Funds worth Ug shs 501 million were used to purchase 2 Mitsubishi Pajero Station Wagons and 1 Honda Motorcycle.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Purchase of Office and ICT Equipment, including Software	6	0.128	1	0.697	Funds worth Ug shs 128 million were spent on procurement of the following: A heavy duty photocopier, A 15 KVA-24 Batteries Inverter for Servers, 12 Desktop Computers, 10 CPU Batteries, 01 Laptop, A paper shredder, 06 desk printers; Procured the bandwidth for Internet for the Commission through NITA (U)s.
Purchase of Office and Residential Furniture and Fittings	1	0.133	1	4.373	Funds worth Ug shs 133 million were used to procure the following: 01 Executive Sofa Set; 01 Executive office Waiting Chair; 01 Office sofa set leather; 02 Office sofa set WK; 05 Executive office leather chair; 03 Executive office chairs; 02 Ordinary chairs; 04 Visitor's chairs; 02 Filing Cabinets; 01 Work Station (4 Seater 4 Table); 03 Executive tables; 03 Secretarial tables.
Total		3.060			
Overall weighted physical performance score				**71%**	**Good Performance**

Source: IFMS Data/MFPED and Field Findings

Challenges

- The activities for developing the training module for use of competence based recruitments and selection as well as competency profiling guidelines were differed.
- Slow pace of computerization of PSC activities since the commission operates both computer and manual systems which delay the business processes and outputs.
- Incompatibility of IPPS and the Commission HR management system: The IPPS is supposed to ease human resource management in Public Service, but the system lacks basic functions to carry out day-to-day commission activities, and it also does not support online applications.

Recommendations

- The MFPED should revise the budget of the Public Service Commission to enable it meet its increased demands.
- The PSC should prioritise funds for ICT processes and innovation in order to develop computer-based selection tools to support the Commission, take care of huge numbers involved and growing demand for services.
- The MoPS should ensure IPPS compatibility with PSC on human resource management issues.

12.9 Vote 147: Local Government Finance Commission (LGFC)

Background

The Local Government Finance Commission (LGFC) was established under Article 194 (1) of the Constitution of the Republic of Uganda. The Strategic Objectives are to**:** (i) Contribute to Improvement of the state of funding for LGs in the National Budget; (ii) Promote Equity in Resource allocation among LGs; (iii) Support LGs to improve Local Revenue Performance; (iv) To Enhance the Institutional Capacity of the LGFC to effectively perform its mandate.

Performance

The approved budget was Ug shs 4.888billion, of which Ug shs 2.567billion (52%) was released and Ug shs 2.483 billion (96%) spent which was good release and absorption by 30th June 2017.

The physical performance was good at 70% as shown in Table 12.24. Over 50% of the planned outputs were implemented.

Table 12.24: Performance of Local Government Finance Commission as at 30th June 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
LGs Budget Analysis	4	0.231	3	3.544	Fiscal data validation and verification Exercise was conducted in 10 LGs; 6 Task Force meetings were conducted; Feedback on the results from budget analysis was provided by 16 districts; 156 LGs budgets were analyzed for compliance with legal requirements.
Enhancement of LG Revenue Mobilisation and Generation	3	0.644	2	8.787	32 LGs and 20 Urban Councils were provided with skills to establish Local Revenue Databases. 2 Local Revenue Coordinating Committee meetings were conducted to discuss policy issues on the performance and management to amend legal provisions for management of local revenues.
Equitable Distribution of Grants to LGs	4	0.624	3	9.580	20 DLGs were supported on budget formulation and were equipped with skills in planning, budgeting; and guidelines for the Local Government Budget Process. 2 Local Government Budget Committee meetings were conducted to discuss the report from the Local Government Budget Frame Work Paper Consultative workshop and the preparation for sector conditional Grants negotiations. The task force of representatives from LGFC, all sector Ministries, cross cutting MDAs were held.
Institutional Capacity Maintenance and Enhancement	4	2.817	3	43.219	20 LGs of Bukedea, Mubende, Masaka, Mpigi, Kiboga,Hoima, Nebbi, Arua, Rukungiri, Ntungamo, Kyotera Tc, Kalisizo, Pallisa, Bugiri, Kiruhura, Rakai, Ngoma, Kazo, Ngora,Rakai were

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
					monitored to track the implementation of Local revenue databases. Monitoring the progress on Local Revenue Enhancement uptake of activities in supported urban councils for FY 2015/16 was undertaken. Budget working group committee meetings; Technical staff meetings;were held to discuss the strategic plan development and progress reports.
Purchase of Motor Vehicles and Other Transport Equipment	2	0.505	1	5.167	Two 4WD vehicles, tyres and tubes were purchased and funds worth Ug shs 385 million were spent.
Purchase of Office and ICT Equipment, including Software	6	0.066	4	0.907	6 Computers, 2 Printers, 1 Projector, 2 Office Furniture chairs were Purchased and funds worth Ug shs 30 million were spent.
Total		4.888			
Overall weighted physical performance score				**71%**	**Fair Performance**

Source: IFMS Data/MFPED and Field Findings

Challenges

- Failure to implement the new LGFC staff structure due to inadequate resources.
- Increasing number of new districts and Town Councils amidst declining resources.
- Absence of a unit responsible for local revenue administration and management in LG structures.

Recommendations

- The MFPED should provide the Vote with adequate resources for implementation of the new approved staff structure; roll out of the local revenue database management system; and new local governments apart from infringing on the budget of the mother district.
- The MoPS should consider establishing a unit for local revenue collection in the Finance departments of LGs.

Overall Sector Performance

The sector physical performance was fair at 62%. The release was good at 82.4% of the annual budget and resource absorption was very good at 99.3%, as shown in Table 12.25.

Table 12.25: Overall performance of the PSM Sector by 30th June, 2017

Projects	% Physical Performance
Humanitarian Assistance	79
Karamoja Integrated Development Programme	33
Support to Luwero Rwenzori Development Project	60
Post-war Recovery and Presidential Pledges	42.4
Ministry of Public Service	61
Community Agriculture Infrastructure Improvement Programme	62
Urban Markets and Marketing Development of the Agricultural Project	63
Millennium Villages Project II	70.2
Support Ministry of Local Government	68
Local Government Management Service Delivery	69
Local Government Finance Commission	71
Ministry of East African Community Affairs	53
National Planning Authority	58
Public Service Commission	71
Average performance	**62**

CHAPTER 13: ROADS

13.1Introduction

"Roads" is one of the three sub-sectors[57] 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[58].

The road sub-sector has four votes namely; Vote 016: Ministry of Works and Transport (MoWT), Vote 113: Uganda National Roads Authority (UNRA), Vote 118: Uganda Road Fund (URF) and Vote 500: Local Governments (LGs).

The key implementing institutions in the roads sub-sector are: MoWT; Uganda National Roads Authority (UNRA); Uganda Road Fund (URF); Kampala Capital City Authority (KCCA), District Local Governments (DLGs), lower local governments (sub-counties) and urban councils. Other institutions outside the works and transport sector that have projects with roads sub-components include: the Office of the Prime Minister (OPM) and the Ministry of Local Government (MoLG).

13.1.1 Sub-sector Objectives and Priorities

The roads sub-sector objectives are: (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 FY2016/17 are: Supporting reforms in UNRA to enhance governance and improve performance; Continue with the ongoing road development programme of upgrading, rehabilitation and capacity improvement of 3,582km; Completion of all ongoing bridge works (66 No.); Routine maintenance of the entire road network and 350 bridges; Periodic Maintenance of 2,112km; Increasing the stock of district road equipment; Improving the capacity of Local Governments to implement Force Account; and developing the capacity of local construction industry.

Other priorities included: Ferry service operations; Road safety; Axle load control; Improvement of railway transport infrastructure and services; Improvement of inland water transport infrastructure and services; Expansion and upgrading of Entebbe International Airport; Rehabilitation of upcountry aerodromes; and Developing a multi-model transport strategy.

13.1.2 Sector Financial Performance

The overall Transport and Works Sector budget for the FY2016/17 increased by 9.31% from Ug shs 3,193.742 billion in FY2015/16 to Ug shs 3,491.16 billion[59].This was to be utilised by four votes viz: Vote 016-MoWT, Ug shs 403.634billion (11.6%), Vote 113- UNRA, Ug shs 2,634.119billion (75.5%), Vote 118-URF, Ug shs 417.84billion (12%) and Vote 500-Local Governments Ug shs 35.566 billion (1%).

Table 13.1 shows the financial performance by 30th June 2017 of the three votes monitored in the annual performance of the roads sub-sector. This was a good release (89.4%) and very good absorption (87.9%) performance.

57 The three sub-sectors under the Ministry of Works and Transport are: 1. Transport Services; 2. Roads; and 3. Construction Standards and Quality Assurance

58 Ministerial Policy Statement for Ministry of Works and Transport for FY 2016/17

59 Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

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	403.634	605.499	605.379	150.0	150.0	100.0
113	UNRA	2,634.119	2,142.813	1,768.386	81.3	67.1	82.5
118	URF	417.840	342.043	342.043	81.9	81.9	100.0
Total[4]		**3,455.593**	**3,090.36**	**2,715.81**	**89.4**	**78.6**	**87.9**

Source: UNRA, URF and MoWT Q4 Performance Reports for FY 2015/16, IFMS

The performance of each of the three votes was good with MoWT being exceptional since the overall release was 150% of the budget. The variation in financial performance was attributed to the over performance of the externals financing.

13.1.3 Scope

The projects/programmes monitored for the annual performance during the FY 2016/17 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 road projects) and two programmes under URF. Under URF the District Urban and Community Access roads (22 Local Governments (10 municipalities and 12 districts) and National Roads Maintenance at UNRA stations (8 stations) programmes were monitored. These programmes/projects that were monitored are as shown in Table 13.2.

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) Rehabilitation of District Roads (Gulu, Luweero, Mbale, Mbarara and Namanve) Interconnectivity project
Uganda National Roads Authority – Vote 113	Upgrading – 10 Projects Olwiyo-Gulu (70.3 km) Gulu-Acholibur (77.7 km) Acholibur-Kitgum-Misingo (86.4 km) Soroti-Katakwi-Akisim (100km) Akisim-Moroto (50.3km) Mpigi-Kanoni (65.45km) Mukono-Katosi-Nyenga (72km) Ntungamo-Mirama Hills (37km) Musita-Lumino-Busia/Majanji road (104km) Rehabilitation – 3 Projects Iganga-Kaliro (32Km) Mukono-Kayunga-Njeru (94km) Nansana-Busunju (47km)
Uganda Road Fund – Vote 118	District, Urban and Community Access Roads (DUCAR) Maintenance Programme – 22 Local Governments 10 Municipalities: Bugiri, Iganga, Kapchorwa, Kitgum, Kumi, Lugazi, Mbale, Moroto, Nansana and Soroti 12 Districts: Amolatar, Bulambuli, Kaberamaido, Kitgum, Kyankwanzi, Mitiyana, Mpigi, Nakaseke, Namutumba, Napak, Ngora and Sembabule National Roads Maintenance Programme - 7 UNRA stations Gulu, Kasese, Luweero, Masaka, Mbale, Moroto, Mubende and Soroti

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*."[60]

The approved budget for FY2016/17 is Ug shs 403.634billion having decreased by 56.5% from Ug shs 928.024billion in the FY2015/16. The overall release and expenditure performance of the Vote by the end of June 2016 was at 150.1% and 100% respectively which was a good financial performance. The Donor Support to Development which forms 28.9% of the approved budget had realized a release of 258.2% (in the last half of the FY) while the GoU Development component had a 111.8% release as shown in Table 13.3. These two component are what contributed to the over achievement of the release.

The 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, 2017

		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	9.013	9.013	8.879	100.0	98.5	98.5
	Non-wage	36.044	25.083	25.059	69.6	69.5	99.9
Development	GoU	241.713	270.151	270.186	111.8	111.8	100.0
	Donor	116.550	300.938	300.938	258.2	258.2	100.0
Total GoU		286.770	304.247	304.124	106.1	106.1	100.0
Total GoU + Ext Fin. (MTEF)		403.319	605.185	605.062	150.1	150.0	100.0
Arrears		0.315	0.315	0.316	100.0	100.5	100.5
Grand Total		**403.634**	**605.499**	**605.397**	**150.0**	**150.0**	**100.0**

Source: MoWT, Q4 Performance Report for FY 2016/17

Annual monitoring for the FY covered three (3) 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.

Performance

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

Background

The East Africa Trade and Transport facilitation Project (EATTFP) is being co-financed through a credit from the International Development Association (IDA), including a grant from Trademark East Africa (TMEA) and the Government of Uganda (GoU). The project, which has components in Kenya, Tanzania, Rwanda, and Uganda, was prepared targeting the East African Community Secretariat and Corridor Authorities in East Africa so as to promote trade and transport facilitation in the region.

60 Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

The Uganda component of the IDA credit with Special Drawing Rights (SDR) of 18.2 million (US$26.4 million) to GoU became effective on 2nd April 2007 and closed on 30th September, 2015. However, implementing countries were given a grace period of 4 months to clear outstanding payments for work done before project closure date, i.e., up to 30th January 2016. For the Uganda component, all IDA-financed activities were completed with exception of Katuna One Stop Border Post (OSBP), which was being co-financed by GoU due to insufficient funding under IDA.

The GoU with assistance from World Bank sought and received financial support from TMEA to finance some of the activities under the Project. This support is off-budget and in form of grant. However, TMEA and GoU components of the Project are still under implementation and are scheduled to close on 30th June 2018. The TMEA project amount (off budget) is about US$27.5 million and the GoU counterpart funding is about US$ 18 million.

The Project Development Objectives (PDO) are to:

(i) Enhance efficiency of customs agencies' clearance processes, in the participating in the East Africa Customs (EAC) 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 governments "transfers" to railway 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 projects so far completed by the MoWT are summarized in the Table 13.4.

Table 13.4: Project Activities Completed by Ministry of Works and Transport (MoWT)

No.	Activity	USD Millions	Financier	Status
1	Rehabilitation of MV Kaawa and dry dock at PortBell (including assessment and supervision)	3.91	IDA	Completed in August 2012 and handed over to URC/RVR for operations
2	Feasibility study for upgrading of Tororo Pakwach railway line	0.77	IDA	Completed in January 2011. Findings were used in rehabilitating the line
3	Procurement of four (4nos) mobile weigh bridges for Tororo-Mbale, Soroti-Lira, Kyotera-Mutukula, Mbarara-Kasese roads	0.42	IDA	Completed in December 2009 and handed over to UNRA for operations and further management
4	Procurement and Installation of four (4nos) axle weighing in motion weigh bridges near Malaba,Busia, Katuna, and Mutukula border posts,	1.0	IDA	Completed in June 2015 and handed over to UNRA on 26 August 2015. For operations and further management
5	Construction of railway Inland Container Depot (ICD) at Mukono railway station	8.67	IDA	Completed and handed over to URC/ RVR in July 2015 for operations.
6	Land acquisition for the construction of Mutukula, Mirama Hills and Katuna One-Stop Border Posts	1.32	GOU	Completed and currently processing land titles.
7	Consultancy services for detailed engineering design for the proposed OSBP at Malaba, Busia, Mutukula and Katuna border posts	1.48	IDA	Completed in June 2011
8	Construction of One-Stop Border Post (OSBP) facilities at Malaba border post	4.6	IDA	Completed and handed over to URA in February 2015 for OSBP operations.

No.	Activity	USD Millions	Financier	Status
9	Construction of One-Stop Border Post (OSBP) facilities at Mirama Hills border post	7.8	TMEA	Completed and handed over to URA in July 2015 for OSBP operations
10	Construction of One-Stop Border Post (OSBP) facilities at Mutukula border post	5.5	TMEA	completed and handed over to URA in February 2016 for OSBP operations
11	Construction of One-Stop Border Post (OSBP) facilities at Busia border post	5.5	TMEA	Works have been completed. Facilities were handed over to URA in early June 2016.

Source: MoWT – EATTFP June 2017 Progress Report

Financial Performance

In the FY 2016/17, the EATTFP had a total approved budget of Ug shs 9.51billion with a GoU component of Ug shs 89 billion (93.6%) and a donor component of Ug shs 0.61 billion (6.4%). The project financial performance was good as seen in Table 3.5. The donor component is off budget and thus information on the releases and expenditure could not be obtained.

Table 13.5: Annual Financial Performance of the East Africa Trade and Transport Facilitation Project in the FY 2016/17

Component	Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
GoU	8.9	8.9	8.9	100.0	100.0	100
Donor	0.61	0.00	0.00	0.00	0.00	0.00
Total	**9.51**	**8.90**	**8.90**	**93.6**	**93.6**	**100**

Source: MoWT Q4 Progress Report FY 2016-17

Physical Progress

The planned key activities in the FY2016/17 were: Construction to completion and commissioning of the OSBP facilities at Busia, Katuna and Elegu; Construction to completion of exit/access roads at Malaba and Busia OSBPs; and Construction to completion of exit/access road and parking yard for Katuna OSBP.

The annual performance of the East African Trade and Transport Facilitation project in the FY 2016/17 is presented in Table 13.6.

Table 13.6: Annual Performance of key activities of the East Africa Trade and Transport Facilitation Project in the FY 2016/17

Output	Annual Target (%)	Annual Achieved Target (%)	Score (%)	Remarks
Construction and Supervision to completion of exit/access roads at Malaba and Busia OSBPs (US$ 5.8 Million funded by GoU)	100	65	65	Construction of exit roads at Busia OSBP was completed and the road is in use. Works at Malaba are ongoing (30%). Works were suspended in December 2016 due to delayed payments.
Construction and Supervision to completion of OSBP Facility at Elegu (US$ 8.12 Million funded by TMEA)	60	40	50	Works commenced on 27th October, 2015. Average physical progress was 80%. Works were suspended in November 2016 due to delayed payments.
Construction Supervision of OSBP Facility at Katuna (US $ 3.75 million project - funded by GoU)	100	70	70	Swamp reclamation works for Phase 1 was completed. Average physical progress of works (Phase 1) is currently at 70%. Works were suspended in December due to delayed payments. The US$ 3.75 million project is funded by GoU.
Average			**62%**	**Progress was affected by GoU counterpart funding. Expected completion dates are subject to payment of outstanding works.**

Source: Author's Compilation

Overall in the FY2016/17, the ETTFP had a very good financial performance of 100% against fair physical progress of 62%. It should be noted that the OSBP facilities had improved border coordination between various agencies, introduced joint inspection and clearance of goods, all of which have helped to reduce border clearance and crossing time.

Key Challenges

The progress of the EATTFP ongoing construction activities at Elegu and Katuna OSBPs and the exit roads at Malaba were affected negatively by: suspension of works due to delays in payments to the service providers (contractors and consultant) especially by the Ugandan component of the certificates.

The lack of GoU counterpart funding has greatly affected project progress. Although OSBP works were completed at major border posts, and others are near completion, contractors had not received their respective payments for either work done or VAT or both by GoU amounting to the tune of Ug shs 8.743billion excluding interest. As such, contractors had submitted their claims (with interest) and also suspended works until they are paid.

Recommendation

The MoWT should budget and prioritize to pay the outstanding obligations in the FY2017/18 so that the service providers can resume and complete the remaining works.

ii) Interconnectivity Project

The project commenced in July 2008 and was expected to be complete in June 2013, with a total planned expenditure of Ug shs 13.125billion. The project was extended to July 2017.[61] This project is funded by the GoU and implemented by MoWT through contracting local contractors. The roads designs and works supervision is done by the MoWT.

61 MFPED Public Investment Plan, FY 2014/15-2016/17

The project was expected to improve, rehabilitate or upgrade 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 H.E 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.

In the FY2016/17, the project had an approved budget funded by GoU of Ug shs 6billion of which Ug shs 26.71billion (445.2%) was released and expended by the end of June 2017. Planned activities in the FY included: Rehabilitation works of 139km of roads in Kyankwanzi, Buvuma, Rakai, Soroti, Ibanda, Ntungamo, Moroto, Bugiri, Kumi, Kanungu, Rukungiri, Luwero, Akight Roads and Accesses to Mwiri. In addition to this was: the supervision, monitoring and production of performance reports and work certificates; and the purchase 1 total station.

No new projects were undertaken in the FY2016/17. The only rehabilitation activities undertaken in the FY2016/17 were the completion of works for three projects spilling over from the previous FY2015/16 which included: the completion and handover of two (2) district road projects totalling to 33.4km, that is 21.3km in Kumi that were at substantial completion in the previous FY and 12.2km in Kanungu; and the substantial completion of the Njororo River Crossing in Rukungiri District. The performance of these activities is highlighted in Table 3.7.

Table 13.7: Annual Performance of key activities of the Interconnectivity Project in the FY 2016/17

SN	Project	Annual Target (%)	Annual Achieved (%)	Score	Remarks
1	Kumi Tc-Olungia-Nyero Road (5.3km), Omatenga Main Road-Owogoria P/S-Mukura Road(5.4km),Ariet-Odotuno-ogil Road (5.5km) And Mukongoro-Okudu Road Section (5.1km) in Kumi District. (Total Length = 21.3 km)	7	7	100	The project, contracted to Kasu and Sons Ltd at Ug shs 517,548,000 was completed and handed over to the Kumi District for maintenance. Financial Progress was at 90%.
2	Construction of Njororo River Crossing in Rukungiri District	80	70	87.5	The project, contracted to Ms Six Ways Ltd at Ug shs 514,425,956 was at substantial completion. Physical progress was at 90% against a financial of 70%.
3	Nyamasizi-Mafuga Road (12.2km) in Kanungu District.	85	85	100	The project, contracted to M/s Real Engineering Ltd at Ug shs 583,775,500 was completed and handed over to Kanungu DLG for maintenance. The financial progress was at 70%.
4	Construction of Access Road to Busoga College Mwiri	100	0	0	The procurement of the contractor was finalized.

SN	Project	Annual Target (%)	Annual Achieved (%)	Score	Remarks
5	Rehabilitation of roads in the district of Ibanda, Ntungamo, Luweero and Moroto	100	0	0	The four contracts were cleared by the Solicitor General but not signed due to insufficient funds.
	Total			**58%**	**Limited funding to undertake the planned activities**

Source: Author's Compilation

The procurement of the contractor for the construction of the access road to Busoga College Mwiri was finalized and four (4) contracts in the districts of Ibanda, Ntungamo, Luwero and Moroto were cleared by Solicitor General but were not signed due to insufficient funds; and the procurement of the total station was differed to the FY2017/18 due to limited funding to undertake the planned activities with an expenditure of Ug shs 59.999 million realised. A total of Ug shs 2 billion (7.5% of release) was used to clear arrears from outstanding certificates raised in the FY2015/16.

Much as the project realised 445.2% of its budget, 58% physical progress was achieved which is fair. Cases of expenditure are still being reported under activities whose procurement has either stalled or deferred due to insufficient funds.

iii) Rehabilitation of District Roads

The GoU 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 LGs, 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 FY2016/17 was Ug shs 4.8billion, of which Ug shs 3.7billion (77.1%) was released and all expended by the end of June 2017.

The budgeted funds were earmarked for: clearing, shaping and compacting of 90km of district roads under Force Account; full gravelling of 50km of district roads under Force Account; rehabilitation of 50km of district roads; and emergency road rehabilitation works. These works are carried out under the four zonal centres in Gulu, Luweero, Mbale and Mbarara.

i. Gulu Force Account Unit

The unit had an annual budget of Ug shs 2.055 billion of which Ug shs 205 million (10%) was released by the end of the FY. However, the unit carried forward Ug shs 775.282 million from the FY 2015/16 which was added on to the FY 2016/17 release to make a total of Ug shs 788,189,866, all of which was expended by the end of the FY. The unit planned to rehabilitate a total of 54.65km in Gulu and Omoro districts; of which it executed 23.1km (27.74%) of the work plan. Details of the performance of the unit are reflected in Table 13.8. The poor performance physical performance of the unit was affected by the low release in FY2016/17. This led to delays in completion of works and double expenditures through repeated works.

Table 13.8: Performance of Gulu District Roads Rehabilitation Unit by 30th June, 2017

Road Name	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Minakulu-Okwir-Koroba Road,10.5km (Omoro District)	60	60	100	313,432	0.15	15.25	Road works completed and handed over to Omoro DLG
Gulu High School, 2.1km (Gulu District)	100	40	40	715,066	0.35	13.91	Road base stabilised from (0+000 - 1+600)
Cwero-Omel-Minja Road, 42km (Gulu District)	100	25	25	513.361	0.50	12.49	11km opened and gravel dumping ongoing
Total				2,055.56		41.65	Poor physical performance

Financial Performance				
Annual Budget FY2016/17 (Ug shs)	Cumulative Receipts (Ug shs)	Cumulative expenditure (Ug shs)	Financial Performance Score (%)	Remark
2,055,567,361	**788,189866**	**788,189866**	**47.69**	**Poor release**

Source: Author's Compilation

L-R: Dumping of gravel for the gravelling activity along Cwero-Omel-Minja road, 42km in Gulu district; A completed section of Minakulu-Okwir-Koroba road, 10.5km in Omoro section

ii. Luwero Roads Rehabilitation Unit

The Luwero Unit is implementing two projects; Rehabilitation of district roads; and the dredging and re-alignment of River Namanve, and filling 25 acres of the Uganda Vinci Coffee Company Ltd (UVCCL) Plot at Namanve Industrial Park aimed at realigning and grading of River Namanve and filling the site on to which the factory will sit. The UVCCL is a presidential directive.

The performance of the two projects is summarized below;

a) Dredging and re-alighnment of River Namanve and Filling of UVCCL land at Namanve Industrial Park

The project commenced in FY2015/16 and has an estimated budget of Ug shs 9,462,241,230. Cumulatively a total of Ug shs 4,972,711,000 (53% of budget) was disbursed and Ug shs 4,756,007,849 (96% of release) expended. During the FY2015/16, the MoWT concentrated on re-alignment of 1,82km of River Namanve against 2.03km and filling 1.39km of the boundary service corridor. For the FY2016/17, the MoWT planned to implement clearing and filling of UVCCL Plot (25.1 acres) at a budget of Ug shs 3,899,326,000. By 30th June 2017, Ug shs 4,059,000,000 was released and expended.

Filled section of the UVCCL plot adjacent to Steel and Tube Industries in Namanve Industrial Park

The performance of the planned project activities during the FY2016/17 was fair estimated at 60%. Cumulatively the project was estimated to be at a physical progress of 72%. The project did not achieve the targets overtime due to inadequate funds resulting in the MoWT suspending some activities between March and July 2017; and flooding of the area which has from time to time led to redoing works.

It was however observed that much as this project is implemented and reported on by the MoWT, it does not have a direct budget line within the ministry and should have been undertaken under the Ministry of Trade, Industry and Cooperatives or directly under the Uganda Investment Authority.

b) Rehabilitation of District Roads

The unit planned to rehabilitate 51.8km of the district roads in Mityana and Luwero districts at an estimated budget of Ug shs1,665,185,800, of which Ug shs 175,000,000 (10.5% of budget) was released and 98.1% spent. The planned scope of works on the roads was majorly opening of the road, shaping, drainage works, gravelling and rock blasting on some roads. By 30th June 2017, the unit had achieved 14% of the annual targets. The unit exhibited a poor performance as shown Table 13.9. The poor performance was attributed to inadequate release of funds.

Table 13.9: Performance of the Luwero District Roads Rehabilitation Unit by 30th June, 2017

Road Name	Annual Target (km)	Budget (Ug shs)	Cum. Achieved (km)	Physical Performance (%)	Remarks
Bunyaka-Dekabusa-Kyetume	7.6	250,520,200	0	0	Target not achieved due to lack of funds
Kansiri-Kalyankoko-Kibaaga	10	306,324,200	0	0	
Luyobyo- Kisoba	7.9	246,958,200	0	0	
Kasala-Kiya-Kikunyu	7	219,254,700	0	0	
Wakataayi-Kireka	6.5	209,567,900	0	0	
Luwuube-Grammer-Sekamuli	5	165,889,100	7.2	100	Target achieved
Kasolo-Kikonda-Nalongo	5	164,870,100	0	0	Target not achieved due to lack of funds
Katasule-Nyanukuzi	2.8	101,801,400	0	0	
TOTAL	**51.8**	**1,665,185,800**	**7.2**	**14**	**Poor performance**

Source: Author's Compilation

Only one road out of the planned eight was implemented at a cost of Ug shs 100,000,000. However, the unit also graded and installed culverts on Matte-Kiryokya (14.5km) and Kikandwa-Tokekullu-Manywa (7.2km) road which were not part of the annual work plan. The implemented works were inspected and the findings were;

- Rehabilitation/gravelling of Luwube-Grammer-Sekamuli road (7.5km); opening, widening, grading and gravelling of 7.2km was done. Culvert installations on some sections was pending.
- Opening of Kikandwa–Tokekullu-Manywa road (7.2km); Opening, grading, swamp raising of 1km and culvert installation was carried out.
- Matte-Kiryokya (14.5km); Grading and culvert installation was carried out.


Incomplete culverts installed along Luwube-Grammer-Sekamuli Road


Part of the 1.0km raised swamp along Kikandwa-Tokekullu-Manywa Road

iii. Mbale Roads Rehabilitation Unit

The unit had an annual budget of Ug shs 1,057,262754 earmarked for the rehabilitation of 20.32km of roads in Kapchorwa District. The unit also planned to rehabilitate 35.9km of roads in Mbale and Kapchorwa districts with funds that were spilling over from the previous FY amounting to Ug shs 398 million. By the end of June 2017, the unit had received Ug shs 175 million (16.55% of the budget) of which Ug shs 75 milllion (42.8%) was expended as operation fees for the spill over works.

The unit utilized Ug shs 473 million (41.77% of budget), of which Ug 398 million (84.1%) was carried forward from the previous FY expended. The unit implemented activities on only 29.3km of roads that were spilling over from the previous FY due to budget shortfalls. Details of the performance of this unit are indicated in the Table 13.10.

Table 13.10: Performance of Mbale District Roads Rehabilitation Unit by 30th June, 2017

Activities	Annual Target (%)	Cum. Achieved Target (%)	Score (%)	Output Budget (Million, Ug shs)	Weight Based on Budget	Weighted Score (%)	Remark
Nabweye-Bikikali (5.3km)	100	100	100	25.000	0.02	2.21	Works completed
Bulweta - Bumalunda (4.6km)	100	100	100	25.000	0.02	2.21	Works completed
Mutoto-Busimba (6.0 km)	100	100	100	25.000	0.07	7.13	Works completed
Kapchorwa Sub County Roads (20.0 km)	100	68	68	-	-	-	Only 13.6 km worked on out of the 20.0 km
Chema-Burkoyen (9.2 km)	100	0	0	486.940	1.39	-	Works not done due to budget cuts
Kapteret-Kutung (4.42 km)	100	0	0	219.549	0.63	-	Works not done due to budget cuts
Kapkwirwok-Loch (6.7 km)	100	0	0	350.772	0.31	-	Works not done due to budget cuts
Total				1,132.262		11.54	Poor physical performance

Financial Performance				
Annual Budget FY2016/17 (Ug shs)	Cumulative Receipts (Ug shs)	Cumulative expenditure (Ug shs)	Financial Performance Score (%)	Remark
1,057,262,754	**175,000,000**	**473,000,000**	**16.55**	**Poor release performance**

Source: Author's Compilation

The poor physical performance of the Mbale DDRU was mainly affected by: budget shortfalls (84.36%); 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.

L-R: Culvert crossing along Nabweya-Bukikali Road (6km) in Lwasso sub-county, Mbale District; A gravelled section along Mutoto-Busiima Road in Bunkongoho Mututo sub-county in Mbale District

iv. Mbarara Roads Rehabilitation Unit

The unit planned to rehabilitate 89.5km of the district roads in Buhweju, Ibanda, Mbarara and Ntungamo districts at an estimated budget of Ug shs 1,585,054,507 of which Ug shs 1,064,594,866 (67.2% of budget) was released and 98.1% spent. The unspent balance of Ug shs 20,042,524 was committed in fuel/construction materials. The planned scope of works was majorly opening of the roads, shaping, drainage works, gravelling and rock blasting on some roads.

By 30th June 2017, the unit had achieved 74% of the works on 89.5km. The unit exhibited a good performance (74.52%) as shown Table 13.11.

Table 13.11: Performance of the Mbarara District Roads Rehabilitation Unit by 30th June, 2017

District	Annual Target (km)	Output Budget (Ug shs)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Buhweju	16.5	57,255,295	0	0	The scope of works for the Rubengye - Kitojo-Rushozi - Engaju (11.6km) and Engaju-Katogo - Nyakaziba (4.9km) roads whose implementation commenced in FY2015/16 was not completed by the end of FY2016/17. The cumulative physical performance was at 80% by 30th June 2016. The planned works for FY2016/17 were not carried out.
Ibanda	29	503,873,200	25	27.40	Two roads were planned during the FY2016/17. The target was not achieved since 30% of the planned works for FY2016/17 were not carried out. The unit planned to complete the balance of works from FY2015/16 along Mabona-Kicuzi-Rwabatenga(17km)- In FY 2016/17, scope involved; drainage works, rock blasting, reshaping and spot gravelling works. Cumulative physical progress by end of June 2017 was at 98%. Procurement of contractor to carryout blasting of rock outcrops in critical sections was in progress. For Kicuzi-Omukarembe (12km) the planned activities were road opening, shaping, gravelling and drainage works. Cumulative physical progress was at 72%.

District	Annual Target (km)	Output Budget (Ug shs)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Mbarara	20	277,088,362	0	0	The annual target was not achieved. The unit had planned to work on Binyuga-Rukuzi-Kakongora Ngugo (13.5km) and Kabirizi-Katerero-Kibarama (6.5km) road since FY2015/16 but these have never been implemented.
Ntungamo	24	746,837,650	24	47.12	The annual target was achieved. Works on Kakukuru - Kayenje - Kafunjo (24km) road, started in FY 2015/16 with about Ug shs 30 million spent in that FY. The road was completed, and handed over to the district in May 2017. A total of Ug shs 479,990,030 was expended.
Total	**89.5**		**49**	**74.52**	**Good performance**

Source: Mbarara DRRU Annual workplan and Report FY2016/17, Field Findings and Author's Compilation

Some of the works were sampled for monitoring and the roads were of good quality and were handed over to the districts.

Overall, the performance of the Rehabilitation of District Roads project was poor at an estimated 36%. This performance was not commensurate to the overall release and expenditure of the projects which were at 77.1% and 100% respectively. Implementation of planned activities was further affected by the frequent equipment breakdowns. The mechanical imprest to keep the units functional and running is low, and therefore a lot of downtime is experienced leading to low production.

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 workplan, hence leading to the delays in works completion and sometimes double expenditures through repeated works.

MoWT Conclusion

The overall performance of the MoWT was fair at 52%. The EATTFP and the Interconnectivity Project had a fair performance of about 62% and 58% respectively. However poor performance was exhibited by the District Roads Rehabilitation Unit at 36%. The low performance of the MoWT projects was majorly attributed to inadequate funds to implement planned activities, especially in the EATTFP and DRRU projects. However, there is no clear explanation that could be given for the fair performance of the Interconnectivity Project which attained a financial progress of 445.2%.

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*[62]". The national roads network was estimated at 10,000km by June 2009 however, this has grown since to about 22,000km.

The UNRA executes its mandate under two programmes and these are; National Road Construction/ Rehabilitation (NRC) and National Road Maintenance which started in July 2008 with the establishment of the UNRA. The 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.

The mandate of the National Road Maintenance Programme is carried out by 23 UNRA stations across the country. The stations undertake maintenance works on all national unpaved roads and minor repairs on paved national roads. The works under the programme are financed by the GoU through Vote 118-Uganda Road Fund (URF). Details of the findings are presented under URF.

Overall financial performance of UNRA- Vote 113

The total approved annual budget for the vote was Ug shs 2,634.119 billion of which 81.3% was released and 82.5% was expended by the end of June 2017. This was a good financial performance. The MFPED released 112.5% of the approved GoU development budget because during the budget execution, there was an upward revision. UNRA subsequently received Ug shs 397 billion supplementary budget to finance outstanding payments under projects where the budget was exhausted.

The technical supplementary amounting to Ug shs 212 billion that UNRA had sought was approved towards the end of the FY when the IFMS payment system closed to halt all payments. Due to this, UNRA was unable to fully absorb its released budget (absorbed only 98.9% of the total release). Table 13.12 summarizes cumulative releases and expenditures by the end of June 2017.

The poor performance of the donor funding was attributed to the fact that the MFPED disburses funds based on cash flows that are in the project appraisal documents of the respective projects which does not represent the actual need by UNRA. Therefore the external budget approved and released is always way beyond the UNRA's actual requirement and absorption.

Table 13.12: Overview of the UNRA expenditure (Ug shs billions) by 30th June, 2017

Item	Approved budget	Release	Expenditure	% of budget released	% of release spent
Recurrent (GoU)	100.892	85.517	83.037	82.0	97.8
Development (GoU)	1,264.321	1,442.843	1,407.861	112.5	98.9
External financing	1,268.906	634.453	277.488	50.0	43.7
Total GoU + Ext. Financing	**2,634.119**	**2,142.813**	**1,768.386**	**81.3**	**82.5**

Source: Quarter 4 -UNRA Report FY2016/17

National Road Construction/Rehabilitation Programme (NRC)

The annual planned outputs under the programme in the FY2016/17 on national roads were: upgrading of 400km of gravel roads to bitumen standard; and reconstruction of 250km of old paved roads. By the end of the FY, 310km equivalent (77.5%) of physical progress of works for upgrade to tarmack were attained with 100km of national roads tarmacked and completed; while 160km-equivalent (64%) of paved national roads were reconstructed/rehabilitated.

62 UNRA's magazine Issue No.33, January 2015

For the annual performance, the programme was monitored under the following categories: 9 projects under upgrading and 3 projects under rehabilitation or reconstruction. Details of the performance of the projects are presented in Table 13.13.

Table 13.13: Performance of the National Roads Construction/Rehabilitation Programme for the FY 2016/17

Project Name	Annual Target physical progress (%)	Cum. Achieved Physical Progress (%)	Physical performance Score (%)	Remark
Upgrading Projects				
Mpigi -Kanoni (65.45km) Contractor: M/s Energoprojekt Niskogradnja Ltd at a contract sum of Ug shs 123,770,604,739	36.8	33.67	91.49	The overall cumulative physical progress was at 69.71% Vs planned 70.16% and financial progress at 61.9% against a planned 77.2%. A total of 15 IPCs were submitted for payment and 13 were fully paid. The two unpaid certificates were under review. However, the project was expected to be complete by 10th August 2017, the claim for extension to February 2018 had not yet been approved. Delays were caused by some PAPs failing to avail the required information in time to aid the compensation exercise, delays in relocation of water and electricity poles.
91.Mukono-Kyetume-Katosi/ Kisoga-Nyenga (74km) Contractor: M/s JV SBI International Holdings & Reynolds Construction Co. Ltd at a contract sum of Ug shs 181,004,097,944	41.7	35.3	84.65	Cumulative physical performance was at 77.9% Vs planned 90.9%. The financial performance was at 70.2% against the planned 95% of certified works. The project has had revisions of completion dates from 25th July 2017 to 23rd September 2017 to cater for introduction of asphalt works, and later to 13th November 2017 to cater for 8 additional swamp works from 2 that were provided for in contract. Payments to both contractor (5 invoices) and consultant (3 invoices) were not effected hence affecting the contractor's work progress.
Ntungamo-Mirama Hills (41km), Contractor: Zhongmei Engineering Group Ltd at a contract sum of Ug shs 85.90bn	37.35	34.37	92.02	The performance of this project within the FY2016/17 was good and improved from that of the previous years. This is because the pending land acquisitions for the Right of Way were finalised and the site was accessible to the contractor. Cumulative physical progress was at 93.98% against a planned 96.96%. The cumulative financial performance was at 93.19% against the planned 95.33%. Project was expected to be complete by 8th July, 2017.
Olwiyo – Gulu (70.3 km), Contractor: Zhongmei Engineering Group Limited at a contract sum of Ug shs 164,025,932,344	25	20.68	82.72	A cumulative physical progress of 37.50% against a planned progress of 96.98% and a time progress of 92.54% was attained. A financial progress of 39.69% was attained against a planned progress of 96.08%. Out of the 11 IPCs (Ug shs 40,009,579,742) submitted, 99.98% was paid. Issues affecting project progress included: incomplete equipment and staff mobilization by the contractor; ineffective supervision of works by the contractor's site supervision team

Project Name	Annual Target physical progress (%)	Cum. Achieved Physical Progress (%)	Physical performance Score (%)	Remark
				leading to extended duration of activities; under-utilization of available equipment; shortage of seal aggregates; non-availability of natural subbase material; and high turn-over of contractor's staff. The original contract price had however decreased by 0.28% to Ug shs 163,565,238,344 following Variation Order No.1 of September 2016 arising out of Design Review by the Supervision Consultant.
Gulu – Acholibur (77.7 km), Contractor: M/S China Railway No. 5 Engineering Group Co. Ltd at a contract sum of Ug shs 164,199,571,759	30	44.3	100	A physical progress 69% was attained against a planned 93% and a time progress of 92.8% as at the end of June 2017. A financial progress of 61% was attained against a planned progress of 77%. Out of the 14 IPCs (Ug shs 66.7billion) submitted, Ug shs 64.8 billion (97.1%) was paid. The project performed well during the FY. However, the progress continued to be affected by: Shortage of construction plant and equipment, break down of mobilized equipment, lack of key personnel (competent), lack of proper planning and shortage of cash flow due to delay of payments. A final project sum amounting to Ug shs 144,173,522,763 (12% less of original contract price) was projected.
Acholibur – Kitgum – Misingo (87.4 km), Contractor: China Chongqing International Construction Corporation (CICO) at a contract sum of Ug shs 195,102,712,655	35	30	85.71	A physical progress of 70% was attained against a planned 98.7% and a time progress of 93% by end of June 2017. A financial progress of 68% was attained against a planned progress of 96.4%. Out of the 21 IPCs (Ug shs 98.417billion) submitted by the contractor, 18 IPCs (Ug shs 80.023 billion) was paid. Major issues affecting works progress are; delayed compensation of PAPs, insecurity at Musingo border to Southern Sudan, rains, and poor workmanship which sometimes caused repetition of works. A projection of Ug shs 224,107,339,652 giving a variation of Ug shs 29,004,619,669 representing 14.87% variation from the original contract price was estimated.
Musita – Lumino/ Busia – Majanji road (104 km), Contractor: China Railway 18th Bureau (Group) Co. Ltd, Contract Sum: Ug shs 206,784,423,053	30	10.3	34.33	The works contract was terminated on 12th June 2017 owing to slow progress and poor mobilisation of the contractor. By the end of June 2017, a physical progress of 13.64% was attained against a planned progress of 93.65% and a contract time progress of 90.08%. The project progress had also suffered delays arising from delayed land acquisition, relocation of utilities and the mobilization of supervision consultant after mobilization of the contractor.

Project Name	Annual Target physical progress (%)	Cum. Achieved Physical Progress (%)	Physical performance Score (%)	Remark
Soroti Akisim (100 km), Contractor: China Communications Construction Co. Ltd (CCCC), Contract Sum: 398,883,931,760	10	13.68	100	The project had attained a cumulative physical progress of 13.68% against a planned progress of 16.58% and a time progress of 22.2%. Cumulative financial progress achieved was 13.65% against a planned progress of 17.21%. Supervision for the project is in-house and the contractor is pre-financing the works up to 30% physical progress within the first one year. Issues likely to cause delays and cost overruns were: availability of water for construction during the dry season; and increase in quantities arising from treatment of swamps that were omitted in the original contract and correction of oversights in the vertical alignment.
Akisim Moroto (50.3 km), Contractor: China Railway No.3, Engineering Group, Contract Sum: Ug shs 248,069,399,126	10	12.18	100	The projects had attained a cumulative physical progress of 12.18% against 11.91% planned and a time progress of 26.67%. Cumulative financial progress achieved was 14.22% against 16.17% planned. Supervision for the project is in-house and the contractor is pre-financing the works up to 30% physical progress (US$ 16 million in certified IPCS) within the first one year. The project so far had been affected by: Lots of rains that slowed down the construction of fill layers in May and June 2017; and water for construction which is very scarce and can only be accessed far away from the project road.
Rehabilitation or Reconstruction Projects				
Mukono-Kalagi-Kayunga and Bukoloto-Njeru roads (95km) Contractor: SBI International Holdinga AG, Uganda at a contract sum of Ug shs 233,126,164,344	58	42.32	72.97	The cumulative progress was at 83.5% against the planned 99.4%. The Mukono Kalagi (17.9km) and Kalagi Bukoloto (29.4km) have been completed and handed over to UNRA. Works on Bukoloto Njeru (42.7km) were ongoing. A total of 25IPCs were cerified amounting to Ug shs 172,161,141,553 and 21 IPCs were fully paid. Cumulative financial performance was at 82.18% against a plan of 98.93%. Due to delayed payments, the contractor works have been extended from 18th /05/2017 to 22nd /10/2017.
Nansana-Busunju road (47.6km) Contractor: M/s Spencon Service Ltd at a contract sum of Ug sgs 54,295,484,495	35.6	27.7	77.81	The cumulative physical progress was estimated at 65% against the planned 100%. The project was behind schedule because works stalled in November 2016 following the contractors receivership. The works resumed in May 2017 following signing of an agreement between UNRA, the receiver and the sub-contractor to complete the outstanding works (stone pitching, access culverts, street lighting) within km 0+340 -km 32+500. As a result the UNRA was due to sign a fresh contract with the sub-contractor to complete the works between km 32+500-km 48+100.

Project Name	Annual Target physical progress (%)	Cum. Achieved Physical Progress (%)	Physical performance Score (%)	Remark
				Financial progress was at 83.8% against the planned 100%. Nine IPCs amounting to Ug shs 45.563 billion were certified but only 7 IPCs (amounting to Ug shs 33.988 billion) were fully paid.
Iganga- Kaliro (32 km), Contractor: Stirling Civil Engineering Ltd at a contract price of Ug shs 33,274,608,323	30	43.84	100	The project was substantially complete by the end of April 2017. A financial progress of 64.4% against 83.7% was also attained. A variation order estimated at Ug shs 39,325,905,170 (21.8% of original price) was under review by UNRA. All the 12 consultant's invoices (Ug shs 554,407,802) submitted had been paid; and 9 IPcs (Ug shs20,660,088,825 92.5%) out of the 10 IPCs (Ug shs 22,340,758,143) submitted by the contractor had been paid. By June 2017, the project was 2 months into the Defects Liability Period.
Average performance			**85.14**	**Good performance**

Source: Q4 – FY 2016/17 UNRA Progress Report and Field Findings

Key observations

- The progress of works on projects generally improved compared to the previous FYs. This was attributed to the presence of UNRA project staff on sites who were continuously monitoring the project progress.
- The issue of delays in payment to contractors and consultants by UNRA was not among the issues that affected progress of works in the FY. However, its effects were still being experienced long after, in terms of the lag that was suffered and the interest.
- Progress of works continued to be affected negatively by: shortage of construction plant and equipment, mobilized equipment break down, lack of key personnel (competent) and lack of proper planning by the contractors. Example of affected projects are: Olwiyo-Gulu, Gulu-Acholibur and Musita-Lumino-Busia/Majanji.
- Acquisition of the Right of Way was still causing delays in access and possession of the projects sites on most of the upgrading projects. For example, on Mukono-Kyetume-Katosi/Kisoga-Nyenga road; at 87% of contract time, 2km had not yet been handed over to contractor, hence the project cannot be completed within stipulated time.
- The UNRA piloted two contractor pre-financing projects along the Soroti-Moroto road. The contractors are required to deliver 30% of the project within the first one year from the commencement date without any payment from the GoU.
- The UNRA terminated two contracts due to non-performance which are: the upgrading of Musita-Lumino-Busia/Majani (104 km) which was behind schedule by over 70% and the rehabilitation of Nakalama-Tirinyi-Mbale (102km) which was behind schedule by over 60%.
- The cumulative physical performance (65%) of the Nansana-Busunju (47.6km) project by June 2017 versus the financial performance (83.8%) is not commensurate; meaning that the remaining works (35%) would be implemented using the remaining 16.2% finances. The remaining finances on the contract may be inadequate to execute the remaining works. The UNRA Audit team should review the payments on this contract.
- The contractor for Mpigi–Kanoni project experienced delays in payments which attracted a cumulative interest amounting to Ug shs 943,629,234 by the end of the FY2016/17.
- There were delays in approval of design reviews of projects with some taking longer than a year. For

instance; the design review report for Mpigi-Kanoni had not been approved since June 2016 yet there were key proposals to be implemented. This has contributed to the delays. A variation order for the Iganga-Kaliro road was yet to be approved when the project was two months into the defects liability period.

- There is urgent need for mobile weighbridges to control axle loads along newly upgraded or reconstructed projects. For example, on Mukono-Kyetume-Katosi/Kisoga-Nyenga (74km) road, heavy trucks had started using the road and also overloaded trucks ferrying sand. This road may need to be strengthened within a very short time, as traffic is increasing and so many developments have cropped up.

Box culvert works ongoing along Soroti-Akisim road

Stock pile crushed stone at the quarry for Akisim-Moroto road project

A surfaces section of the Acholibur-Musingo project

Ongoing deck works for the bridge along Gulu-Acholibur road at Km 127+900

Construction of one of the bridge abutments at Km 25 along Olwiyo-Gulu road

Completed section of Iganga-Kaliro road with stone pitching on works ongoing

Key Implementation challenges

- Poor mobilization of the contractors especially in terms of the construction plant/equipment and key project personnel.
- Lack of proper planning by the contractors which sometimes results in reworks.
- Delayed acquisition of the Right of Way on most of the upgrading projects.
- Insufficient and inadequate designs especially for rehabilitation projects which led to substantial change in scope of works thus calling for additional resources.

Conclusion

The overall the performance of the NRC/R programme was rated good at 85%. The performance of the program was majorly attributed to some of the reforms in UNRA like timely payments to the service providers and the increase in the staff presence on projects which saw issues being solved or addressed as they arose.

Recommendations

1. The GoU/UNRA should mobilize sufficient funds for full compensation of the PAPs and construction contracts should only be signed after the land acquisition process is finalized.
2. The GoU/UNRA should introduce a penalty clause in the contract for failure by the contractor to mobilize all the equipment on site following advance payment. The advance should not be paid at once. There is need for stage payment of advance based on the level of mobilization. This will be a form of accountability for advances paid previously.
3. The UNRA should step up monitoring the level of contractors' equipment mobilization and the extent to which the equipment on site meets the project requirements.
4. The UNRA should give enough time and resources to the project design phase before tendering of projects. This should also take into consideration of reviewing designs for rehabilitation projects which had not been implemented within two years.

13.3 Uganda Road Fund – Vote 118

The fund was set up to enable steady and reliable funding for routine and periodic maintenance of public roads mainly from road user charges. The fund derives its mandate from Section 6 of the URF Act 2008. It is mandated to collect road user charges (RUCs) and manage the funds collected to finance road maintenance programmes.

The public roads network is managed by 165 Designated Agencies (DAs), comprising of 116 districts, two authorities (KCCA and UNRA) and 47 municipalities. The DAs and sub-agencies collectively look after a total of 78,000km of public roads, made up of 21,000km of national roads under UNRA management; 1,100kms of KCCA roads; 22,500km of district roads; 4,000km of urban roads under town councils; 3,400km of urban roads under municipal councils; and 30,000km of Community Access Roads (CARs) managed by sub-counties.

The Designated Agencies employed a mix of force account and contracting to deliver planned works. 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 FY2016/17.

Financial performance

The vote had an approved budget of Ug shs 417.84 billion, of which Ug shs 343.878 billion (82.3%) was released and expended by the end of the FY. The expenditure was excellent since URF transferred 99.4% of the release to the UNRA and LGs. Table 3.14 shows the performance of URF by 30th June 2017.

Table 13.14: Financial Performance of URF in FY 2016/17

Description	Budget (Ug shs billions)	Releases (Ug shs billions)	Disbursements (Ug shs billions)	% Budget Released	% of Releases disbursed
URF Secretariat	11.06	8.39	8.36	75.9	99.6
DUCAR	138.86	117.37	117.33	84.5	100.0
UNRA	267.92	217.16	217.16	81.1	100.0
Total	**417.84**	**343.88**	**343.73**	**82.3**	**100.0**

Source: URF Q4 FY2016/17 Performance Report

i) District, Urban and Community Access Roads (DUCAR) Programme

District, Urban and Community Access Roads are maintained by LGs using funds from the central government under the DUCAR Programme through the URF vote and, to a limited extent using locally generated revenue. The districts also utilise the non-conditional grants from the central government under the Local Government Management and Service Delivery (LGMSD) now referred to as Discretionary Development Equalisation Grant (DDEG) in the FY2016/17, Peace Recovery and Development Programme (PRDP), Community Agriculture Infrastructure Improvement Project (CAIIP), Northern Uganda Social Action Fund (NUSAF) and U-Growth programmes. The MoWT provides the collective technical support and supervision to the Local Governments under DUCAR.

In the FY2016/17, the program had an approved budget of Ug shs 138.86 billion (33.2% of approved URF budget) of which Ug shs 117.37 billion (85%) was released and Ug shs 117.33 billion (100%) transferred to the designated agencies as seen in Table 13.8.

For the FY 2016/17, planned outputs of the DUCAR program were:

1) District Roads: routine maintenance (manual) of 25,528km; routine maintenance (mechanized) of 5,000km; periodic maintenance of 1,000km; routine maintenance of 10 bridges; and installation of 5,500 pieces of culverts.

2) Urban Roads: routine maintenance (manual) of 1,200km; routine maintenance (mechanized) of 206km; periodic maintenance of 50km; routine maintenance of 6 bridges and installation of 100 pieces of culverts.

3) Community Access Roads: routine maintenance (manual) of 5,832km; routine maintenance of 14 bridges; and installation of 1,050 pieces of culverts.

For the annual performance of the program in the FY2016/17, 10 municipalities of Bugiri, Iganga, Kapchorwa, Kitgum, Kumi, Lugazi, Mbale, Moroto, Nansana and Soroti and 12 districts of Amolotar, Bulambuli, Kaberamaido, Kitgum, Kyankwanzi, Mityana, Mpigi, Nakaseke, Namutumba, Napak, Ngora, and Sembabule were sampled and monitored. The findings are presented below.

Municipalities

a) Bugiri

The municipality has a network of 116km; of which 4km (3.4%) are paved; 72km (62%) are unpaved gravel; and 40km (34.5%) are earth roads. The approved annual budget of the municipality in FY 2016/17 was Ug shs 140,757,659 of which Ug shs 114,437,000 (81.3%) was released and spent by 30th June 2017. The funds were spent on routine mechanized and periodic maintenance works as well as culvert installation. No routine manual works were budgeted for in the FY. Table13.15 shows the performance of the municipality.

Table 13.15: Performance of Bugiri Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Mechanized Maintenance	14.2	14.2	19.154	Target was achieved
Culverts	50	50	9.038	Target was achieved
Periodic Maintenance	3.00	2.0	47.872	The performance was fair as 66% of the targets were met.
Overall weighted physical performance was 76.1%				**Good Performance**

Source: Bugiri Municipality Annual Workplan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The district had a good physical performance of 76.1% and was approximately commensurate to the absorbed funds (81.3%). Kawunhe (0.3km), Bukooli (0.3m), Katawo (0.5km), Busoga Avenue (1.0km), Ali Bin Said (0.6km) and Trikundas (0.3km) roads were graded, shaped and gravelled. The surfaces were fairly motorable.

A graveled section of Kawunhe Road

A section of Busoga Avenue that was graded and graveled

b) Iganga Municipality

The municipality has a network of 73.23km of which 5.6km (7.6%) are paved; 46.08km (62.9%) are unpaved gravel; and 21.55km (29.4%) earth roads. The approved annual budget of the municipality in FY 2016/17 was Ug shs 788,570,063, of which Ug shs 596,106,284 (75.6%) was released by 30th June 2017. Absorption of funds was excellent at 100%. **Table 13.16** shows the performance of the municipality.

Table 13.16: Performance of Iganga Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	38.50	23.5	18.867	The target was not achieved despite 118% release. This was attributed to increase in road gang scope and NSSF contribution.
Routine Mechanized Maintenance	3.17	3.145	6.602	The performance was very good
Periodic maintenance	5.17	4.11	32.962	The target was not realized due to budget cuts. However, works were ongoing.
Culvert Installation	75	31	8.642	The target was not realized due to budget cuts.
Overall weighted physical performance was 67.1%				**Fair Performance**

Source: Iganga Municipality Annual Workplan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The physical performance was fair at 67.1%; thus the municipality achieved most of the annual targets, but was not commensurate to the absorbed funds. This was majorly attributed to increase in road gang scope and NSSF contribution that were not initially budgeted for**.**

Abasi-Kiso Road was planned for under routine mechanized maintenance with a budget of Ug shs 306 million on a stretch of 0.19km. The works were executed to 90% using Ug shs 299.8 million (98% of the funds). The surface was in affair condition.

Buligo Road was planned for under periodic maintenance. Works included re-graveling on 0.4km with a budget of Ug shs 4.617 million. It was reshaped and graveled at Ug shs 4.409 million. However, it had been damaged at Km 0+300 since the section was swampy.

Bataka Road was planned for under periodic maintenance for drainage improvement with a budget of Ug shs 65.35 million on a stretch of 0.18km. The works were 100% executed using Ug shs 69.22 million (106% of the funds). Pedestrian slabs, culverts and stone pitching had been provided.

Old Market Street Road was planned for under routine mechanized maintenance with a budget of Ug shs 966 million on a stretch of 0.6km (unpaved section). The works were 100% executed using Ug shs 959.05 million (100% of the funds). The same road was planned for under periodic maintenance for 0.585 km (paved section) for drainage works with a budget of Ug shs 167.005 million. The works were ongoing and Ug shs 122.527 million was expended. The road surface was in a fair condition. Access culverts were provided but not pedestrian slabs due to insufficient funds.

A stone pitched side drain along Barak Road

Ongoing stone pitching at Old market Street Road

c) Kapchorwa Municipality

The municipality has a network of 153km of which 3km (1.96%) are paved and 150km (98.03%) earth roads. The approved annual budget of the municipality in FY 2016/17 was Ug shs 105,000,000, of which Ug shs 79,951,043 (76.1%) was released by 30th June 2017. Absorption of funds was excellent at 100%.**Table 13.17** shows the performance of the municipality.

Table 13.17: Performance of Kapchorwa Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	8.29	2.1	3.192	Budget shortfalls affected the works
Routine Mechanized Maintenance	5.49	5.46	12.470	The performance was very good.
Periodic maintenance	0.2	0.05	18.715	Ngokit Road has to be tarmacked at Ug shs 171 million. In FY 2015/16, the IPF provided for these road works was Ug shs 59.282 million which was released. No physical works were realised but only materials were procured.
Overall weighted physical performance was 34.4%				**Poor Performance**

Source: Kapchorwa Municipality Annual Work plan and Quarterly progress reports FY2016/17and Author's compilation

The physical performance was poor at 34.41% and did not match the absorbed funds; thus the municipality did not achieve the annual targets.

Ngokit Road was planned for under periodic maintenance with a budget of Ug shs 59.282 million on a stretch of 0.2km. The road was widened, graded and in a fair motorable condition. Kapsinda-Reberon Road was planned for under routine mechanized maintenance. The road was planned for re-graveling on 0.4km with a budget of Ug shs 4.617 million. The road was reshaped and graveled at Ug shs 4.409 million.

d) Kitgum Municipality

The municipality has a network of 49.1km of which 2.78km (0.06%) are paved and 46.32km (99.94%) are unpaved roads. The approved annual budget in FY 2016/17 was Ug shs 242,888,927 of which Ug shs 194,071,424 (79.9%) was released by 30th June 2017. Absorption of funds (100%) was excellent. Table 13.18 shows the performance of the municipality.

Table 13.18: Performance of Kitgum Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	29.95	21.6	25.713	Some routine manual activities were not carried out.
Routine Mechanized Maintenance	3.05	2.52	53.165	Three (Lamola, Longlomoi, and Mathew lukwiya) out of four roads were worked on.
Overall weighted physical performance was 78.9%				**Good Performance**

Source: Kitgum Municipality Annual Workplan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The physical performance was good at 78.9% and was commensurate to the funds absorption. Routine mechanized maintenance works of bush clearing, widening, grading, and gravelling were completed on Longlomoi (0.3km) and Lamola (1.01km) roads. A 600mm diameter culvert was installed at km 0+600 with 7 lines on Lamola Road.

Dr. Lukwiya Mathew Road was planned for under routine mechanized maintenance with a budget of Ug shs 65.35 million on a stretch of 0.18km. The works were completed within budget. A section between Km 0+300 to 0+700 was graveled. The road was generally in a fair motorable condition, although its shoulders were being eroded by storm water.

e) Kumi Municipality

The municipality has a network of 139km of which 7.6km (5.5%) are paved, 68.3km (49.1%) are unpaved gravel and 63.1km (45.4%) are unpaved earth roads. The approved annual budget of the municipality in FY 2016/17 was Ug shs 108,285,770, of which Ug shs 91,528,413 (84.5%) was released by 30th June 2017. Absorption of funds was very good at 100%. **Table 13.19** shows the performance of the municipality.

Table 13.19: Performance of Kumi Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	24	23.90	17.329	No works were carried out in Q3
Routine Mechanized Maintenance	18.4	16.81	18.974	Achievement was very good. The roads were in a fair motorable condition.
Periodic maintenance	4	3.1	45.524	Good performance. The target was not achieved due to budget cuts
Overall weighted physical performance was 78.8%				**Good Performance**

Source: Kumi Municipality Annual Work plan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The physical performance was good at 78.8% and approximately commensurate to the financial progress.

Ogwang Road (0.8km): The scope was periodic maintenance with a budget of Ug shs 9,073,010. The road was intervened by both routine mechanized in Quarter one (Q1) and periodic maintenance in Q4. The road was fully graded and graveled at Ug shs 8,764,117. The effective width was 7m and the measured length was 0.7km.

Government Road (1km) and Dr.Aporu Akol Road (0.5km) had undergone routine mechanized maintenance in Q1 and were in a fair motorable condition. However, Government Road was 0.3 km unlike in the work plan where it was 1km. Obote Road (1km) was intervened by both routine mechanized for the first 0.3km (Q1) and periodic maintenance for the next 0.7km. The budget was Ug shs 11,341,260.

Note: The municipality was upgraded in FY 2015/16 from the Town Council status however; its IPF remained the same at Ug shs 108.2 million which of which 84.5% was realized in the FY 2016/17. The budget is therefore inadequate to undertake the current maintenance need of the municipality.

f) Lugazi Municipality

The municipality has a total road network of 379.46km of which 4.15km are paved, 19.55km are unpaved and 355.76km are earth. The approved annual budget of the municipality in FY 2016/17 was Ug shs 184,785,000, of which Ug shs 173,830,101 (94%) was released and all spent by the end of June 2017. Table 13.20 shows the performance of the municipality.

Table 13.20: Performance of Lugazi Municipal Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Routine Mechanized Maintenance	28.42	22.37	58.4	The municipality graded 35.6km against planned 27km of gravel roads and implemented 0.45km of patching on the paved roads against planned 1.42km at 26% above the budget. Roads totaling to about 6.8km that were in the work plan were not implemented, that is; (Seniusa Road (3km), Kawolo-Kibubu (3km), and Kinyoro Road (0.8km)
Routine manual maintenance	60	20	8.6	They had planned to maintain 60km in each quarter but implemented 20km in each quarter at 46% of the budget and the balance was spent on routine mechanized activities.
Overall weighted physical performance was 67%				**Fair performance**

Source: Lugazi Municipality Annual Workplan; Quarterly Progress Reports FY 2016/17, Field Findings and Author's compilation

The municipality achieved 67% of the annual targets with some works implemented during the FY2017/18. The failure to achieve the targets was due to diversion from the approved work plan.

Some roads implemented by the municipality under routine mechanized maintenance were inspected to verify the reported activities. It was observed that on most of the roads, only bush clearing, widening and reshaping were carried out. Routine manual maintenance was not carried out on most on roads as they were covered by bushes.

Namaliga – Buvuma Road outgrown with bushes

Graded Kudusu Road whose works were completed in Quarter one FY2017/18

g) Mbale Municipality

The municipality has a network of 121.2kms; of which 59.8km (49.3%) are paved, 29.1km (24%) are unpaved gravel, 5.4km (4.5%) are earth and 26.9km (22.2%) are opened roads but gazetted. However, 43.5km (72.7%) of the paved roads are in a dilapidated state as they were last maintained in 1954. Therefore, these are due for reconstruction but only remedial measures like pothole patching were carried out.

The approved annual budget of the municipality in FY2016/17 was Ug shs 1,238,702,000 of which Ug shs 1,050,500,897 (84.8%) was released by 30th June 2017. Absorption of funds (100%) was excellent.**Table 13.21** shows the performance of the municipality.

Table 13.21: Performance of Mbale Municipality Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance (Paved)	10.00	10	12.587	Torrential rains caused more frequency of maintenance activities than planned therefore; a supplement of Ug shs 60 million was expended.
Routine Manual Maintenance (Unpaved)	20.00	21.7	11.189	Target was achieved.
Routine Mechanized Maintenance	14.00	14	32.168	Target was achieved.
Periodic maintenance (Upgrading of Majanga section to bituminous surface)	0.4	0.3	28.322	Target was not achieved due to budget cuts.
Culvert Installation	100.00	100	2.098	Target was achieved
Overall weighted physical performance was 86.4%				**Good Performance**

Source: Mbale Municipality Annual Workplan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The physical performance was good at 86.4%; thus the municipality achieved most of the annual targets and was commensurate to the funds absorption (84.8%). The municipality also benefited with from the Uganda Support to Municipal Infrastructure Development (USMID) Project in FY2016/17 with funds amounting to Ug shs 5,469,246,589. The scope of works was to reconstruct four roads (Republic Street, Pallisa Road, Mugisu Hill, and Nabuyonga Rise) with a total length of 3.14km to asphalt standard.

Gangama Road was fairly motorable; silt had blocked side drains along Malukhu Road; and Republic Road was fully tarmacked with kerbs installed and a median. Part of the side drains along Pallisa Road were not yet stone pitched.

A redesign of the drainage and water system within the municipality is required to reduce the rate of erosion and deposition as funding is inadequate to keep on de-silting and unblocking drainages.

A section of Nabuyonga Rise intervened using the USMID project funds

A section of the newly surfaced Malukhu Road with Jet Patch technology for sealing works

h) Moroto Municipality

The municipality has a network of 24.96km which 10.96km (43.9%) are paved and 14km (56.1%) are unpaved. The municipality's approved annual budget in FY2016/17 is Ug shs 632,636,936 of which Ug shs 498,338,523 (78.77%) was released by the end of June 2017. Absorption of funds was very good at 95.75%. The performance of the municipality's roads maintenance program is summarized in **Table 13.22.**

Table 13.22: Performance of Moroto Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	24.96	24.96	13.131	All the four cycles were executed
Periodic Maintenance	1.96	1.42	65.603	One contract road for road sealing/ tarmacking. Progress was estimated at 78.7%
Overall weighted physical performance was 78.7%				**Good Performance**

Source: Moroto Municipality Annual Work plan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The annual achievement of the targets was estimated at 78.7%; thus the municipality had a good performance. This was mainly attributed to the fact that only one road was worked on under the periodic maintenance through contacting.

Road sealing of Independence Avenue under Periodic Maintenance

The contract commenced on 1st November 2016 with an end date of 1st March 2017. The contract sum of Ug shs 738,821,531 was revised by 25.8% to Ug shs 930,148,400. The revision was due the inadequate quantities of primer coat and the surface dressing provided for in the contract. The quantities were to cover only a distance of 200m considering 7m width road yet the expected road length to be covered is 1,900m.

The scope of works were mobilization of plant and equipment, scarification of existing road surface, filling of subgrade layers, mechanical modification of natural gravel and crushed stone for the pavement layer, priming, surface dressing, road markings and signage as well as culvert installations. A total of Ug shs 498,338,523 (53.6% of the new contract price) was released and Ug shs 437,903,316 (95.75%) was expended.

The road was worked on up to the road base and the works were visually satisfactory. Pending works were priming and curing of membrane; surface dressing; road markings and signage; and installation of some culverts.

i) Nansana Municipality

The municipality has a total road network of 1,041km of which 13km are paved and 1,028km are unpaved. The approved annual budget of the municipality in FY2016/17 was Ug shs 1,010,699,000 of which Ug shs 952,640,044 (94.2%) was released and all spent by the end of June 2017. There was a budget cut of Ug shs 130,566,860. The expended funds were used to execute periodic and routine maintenance activities. Table 13.23 shows the performance of Nansana Municipality.

Table 13.23: Performance of Nansana Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remarks
Periodic maintenance	2.9	2.4	62.8	These involved upgrading of Kabumbi Road (1.2km) to bitumen standard; only first seal was complete and second seal surface dressing on Naluuma Road (1.2km) and speed humps. There was an increase in scope of works to cater for swamp raising and construction of stone pitching at sections with steep slopes.
Stone pitching	1142.9	0	0.0	The planned stone pitching was not done due to budget cuts.
Routine mechanised maintenance	44.4	15	2.5	The municipality did not implement works on Gombe – Kungu – Bwambo – Namulonge (13.5km), Kawanda – Kayunga (6.4km), Kyambizi – Kitunwa (2.5km) and Bugobagoba – Nazareth – Luwuge (7km) due to lack of equipment. The funds were expended in hiring equipment.
Routine manual maintenance	20.9	17.5	5.1	Not achieved due to inadequate number of road gangs and budget cuts. The municipality has 38 road gangs.
Overall weighted physical performance was at 69%				**Fair performance**

Source: Nansana Municipality Annual Work plan; Quarterly Progress Reports FY 2016/17, Field Findings and Author's Compilation

The overall physical performance was rated as fair at 69% of the annual targets against a financial performance of 94.2% of the annual budget. The performance was affected by lack of equipment (grader, water bowser and roller) at the municipality, so all the equipment used was hired. Additionally, the district experienced a budget cut of about 5% which affected the planned grading, sectional gravelling and stone pitching works.

Kabumbi Road (1.2km) which was upgraded to bitumen standard and Naluuma Road (1.2km) which is paved were inspected. Both roads were in good condition but pending stone pitching in certain sections.

Naluma Road where second seal surface dressing was applied

Kabumba Road where single seal surface dressing was applied

j) Soroti Municipality

The municipality has a network of 165km; of which 18km (10.9%) are paved, 77.6km (47%) are unpaved gravel, and 69.4km (42.1%) are earth. The approved annual budget of the municipality in FY 2016/17 is Ug shs 1,296,132,400 of which Ug shs 1,060,438,451 (81.8%) was released by 30th June 2017. Absorption of funds (100%) was excellent but was not commensurate to the physical performance (60.7%). **Table 13.24** shows the performance of the municipality.

Table 13.24: Performance of Soroti Municipality Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	33.7	21.00	18.21	Only 50% the planned unpaved road network was maintained.
Routine Mechanized Maintenance	9.4	6.00	0.64	Constant breakdown of equipment especially the grader affected the implementation of planned activities and lack of major equipment like roller, bulldozer, excavator and water bowser.
Periodic maintenance	23.64	11.62	28.18	The target was not realized due to budget cuts.
Culvert Installation	20	15.00	13.65	Culverts were procured and installed.
Overall weighted physical performance was 60.7%				**Fair Performance**

Source: Soroti Municipality Annual Work plan and Quarterly Progress Reports FY2016/17 and Author's Compilation

The physical performance was good at 60.7%; thus the municipality achieved most of the annual targets. Nine roads (Lalle, Eyoku, Edeku, Okello, Ecobu, Egwawu, Inyonyi, Esimu and Teso) were inspected under periodic maintenance. They were fairly motorable, culverts were installed and gravel was placed and compacted.

A graveled section of Eyoku Road

A culvert installed along Teso Road

Districts

a) Amolatar District

The district has a network of 285.4km; of which 1km (0.17%) is paved, 165km (57.8%) are unpaved gravel and 120km (42%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 349,762,739, of which Ug shs 296,818,890 (84.8%) was released by 30th June 2017. Absorption of funds was excellent at 100%. Table 13.25 shows the performance of the district.

Table 13.25: Performance of Amolatar District Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	284.4	151	19.0	The target was not achieved due to budget cuts
Routine Mechanized Maintenance	9.4	6.2	7.7	Performance was fair
Culvert procurement and installation (Pcs)	8	8	52.7	These were installed
Overall weighted physical performance was 79.3%				**Good Performance**

Source: Amolatar district Annual Work plan and Quarterly Progress Reports FY 2016/17 and Author's compilation

The physical performance was good at 79.3% thus; the district achieved most of the annual targets. The physical performance was approximately commensurate to the absorbed funds. Etam Tc-Etam L/S (4km) and Nambere-Te Atoke L/S roads that had been rehabilitated were inspected. The scope of works was bush clearing, gravelling, compaction and installation of culverts. Gravelling and grading were completed. Pending works were culvert installation. The road surfaces were fairly motorable but were being affected by storm water hence, a need to improve the drainage.

A gravelled section of Etam Town Council-Etam Land Site Road

A graded section of Nambere-Te Atoke Land Site Road

b) Bulambuli District

The district has a network of 350km; 200km (57%) are unpaved gravel and 150km (43%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 281,953,000, of which Ug shs 201,138,017 (71.3%) was released by 30th June 2017. The physical performance was good at 71.5% thus; the district achieved most of the annual targets. Table 13.26 shows the performance of the district.

Table 13.26: Performance of Bulambuli District Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	6.7	6.7	2.3	The target was achieved as 100% was released and expended. But low quantities are budgeted for due to unattractive payments.
Routine Mechanized Maintenance	47.9	38.9	16.6	Target was not achieved due to budget cuts however the performance was good and some works were still on going
Periodic Maintenance	12.5	8.5	52.5	Target was not achieved due to budget cuts. Hence, the planned amount of gravel was not procured. The performance was fair
Overall weighted physical performance was 71.5%				**Good Performance**

Source: Bulambuli District Annual Work plan and Quarterly Progress Reports FY 2016/17 and Author's Compilation

Absorption of the released funds was very good at 99.9% and was commensurate to the physical performance (71.5%). **Nabbongo-Bwasheba (10.8km):** The budget for the road works of grading, re-gravelling and drainage works on a section of 3.5km was Ug shs 25,000,000. The works started in June and were still ongoing in July 2017. Gravel heaps were dumped in some sections of the road. **Rehabilitation of Buyaga-Muyembe road (12.8):** The budget for the road works of grading, re-gravelling and drainage works on a section of 3.0km was Ug shs 30,000,000. The works started in June 2017 and were still ongoing in July 2017. A culvert was installed at km 1+600km.

A section along Nabbongo-Bwasheba Road

A broken culvert at km 0+500 along Buyaga-Muyembe Road

c) Kaberamaido District

The district has a network of 360.15km; 688km (1.9%) are paved, 205.8km (57.1%) are unpaved gravel and 147.55 km (41%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 309,840,780, of which Ug shs 257,995,972 (83.3%) was released by 30th June 2017. Absorption of the released funds was very good at 100%. Table 13.27 shows the performance of the district.

Table 13.27: Performance of Kaberamaido District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	360.15	270.0	50.2	No routine manual works were executed in Q3 due to budget cuts of 26%.
Routine Mechanized Maintenance	13.10	13.1	33.0	Only one road of 13.10 was planned and maintained.
Overall weighted physical performance was 83.2%				**Good Performance**

Source: Kaberamaido District Annual Work plan and Quarterly Progress Reports FY 2016/17 and Author's compilation

The physical performance was good at 83.2% thus; the district achieved most of the annual targets and was commensurate to the absorbed funds.

Rehabilitation of Ochero-Bugoi Road (13.1): The budget for the road works of grading on a section of 13.1km was Ug shs 94,584,000. The works were carried out in Q1 and Q3 at 100% expenditure and in addition, three lines of culverts were installed at 1+000. The road was in a fairly motorable condition however, the sides were being affected by storm water and had a challenge of rock outcrops on the spots between a section between km 5+77 and km 11+000.

Ochero-Bugoi Road (13.1 km): A culvert installed at km 1+000; A raised swamp section

d) Kitgum District

The district has a network of 461.7km; of which 5.4km (1.17%) are paved, 418km (90.5%) unpaved gravel and 38.3km (8.33%) unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 652,781,000, of which Ug shs 618,255,689 (94.7%) was released by 30th June 2017. Absorption of the released funds was very good at 94.8%. Table 13.28 shows the performance of the district.

Table 13.28: Performance of Kitgum District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	308.9	130	16.1	The target was not achieved as part of the funds worth Ug shs 50.881 million were utilized for routine mechanized maintenance works that were not planned for.
Periodic Maintenance	19.2	25.8	61.8	The target was overachieved
Overall weighted physical performance was 77.9%				**Good Performance**

Source: Kitgum District Annual Work Plan and Quarterly Progress Reports FY 2016/17 and Author's Compilation

The physical performance was good at 77.9% thus; the district achieved most of the annual targets but this was not commensurate to the absorbed funds (94%). This was due to the fact that some funds were reallocated to unplanned activity as indicated in Table 13.28.

Oryang Ojuma Kitgum Matidi Road (15km): The road was planned for under periodic maintenance with a budget of Ug shs 100 million on a stretch of 5.8km. The road was graded (given routine mechanized intervention instead) and was in a fairly motorable condition although it had a dilapidated box culvert at km 3+000 which needed urgent intervention.

Beyolonge-Lamugu Road (7.4km): The road was planned for under periodic maintenance with a budget of Ug shs 130.244 million on the entire stretch. The road was graded, graveled and was in a fair motorable condition although it had overgrown plantations at the sides.

The district also benefited from DANIDA under Rural Transformation Initiative (RTI) Programme for sealing works on ***Lyandyang Road (2.0km):*** This road was planned for low cost sealing on a stretch of 2.0km. The works were 100% executed using Ug shs 512,002,292 million and were visually satisfactory. Cumulatively, the achieved mileage for this project in the district was 5.4km however. Part of the section especially that with the sand seal surface was damaged. An assessment for repair was expected to be operationalized in FY 2017/18.

A bushy culvert along Oryang Ojuma Kitgum Matidi Road

A sealed section of Lyandyang Road

e) Kyankwanzi District

The district has a total road network of 368.1km all of which are unpaved. The FY2016/17 approved annual budget was Ug shs 315,252,197 of which Ug shs 293,164,716(92.9%) was released and all expended. The overall physical performance was fair with only 64% of the annual targets achieved. Table 13.29 shows the physical performance of the district by 30th June 2017.

Table 13.29: Performance of Kyankwanzi District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remarks
Routine mechanised maintenance	22.5	22.5	34.9	The district spent 12.5% more funds than planned. The increase in expenditure was to cater for routine mechanised maintenance on Kakinga-Rwenjunju Road involving full gravelling instead of the planned spot improvements
Routine manual maintenance	368.1	92.03	9.2	Activities were carried out only in Q1 due to budget cut of about 70% on this item.
Emergency of Mugereka-Bumbiri	3	2	16.5	Target not achieved. The district received Ug shs 20 million out of the requested Ug shs 85 million to handle emergency works.
Culvert lines	98	98	3.8	Achieved. The culverts were installed but no end structures were constructed.
Overall weighted physical performance was at 64%				**Fair performance**

Source: Kyankwanzi District Annual Work plan; Quarterly progress reports FY 2016/17, Field findings and Author's compilation

Incomplete Installed culverts along Mugereka – Bumbiri Road- Kyankwanzi District

Graveled section of Kakinga – Rwenjunju Road- Kyankwanzi District

The district did not achieve the annual targets due to budget cuts of about 7%, frequent breakdown of the district grader and lack of a complete road unit. The level of expenditure was not commensurate to the works done since the district received 92.9% of the budget and achieved only 64% of the annual targets.

f) Mityana District

The district has a total road network of 315km all of which are unpaved. The FY2016/17 approved annual budget was Ug shs 502,768,510 inclusive of Ug shs 2,000,000 from local revenue, of which Ug shs 401,087,266 (79.8%) was released inclusive of Ug shs 2,993,213 from local revenue, and all expended. The budget performance fell short by 20%. The funds were expended on road maintenance within the district. Table 13.30 shows the physical performance of the district by 30th June 2017.

Table 13.30: Performance of Mityana District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remarks
Periodic maintenance	4	4	1.9	Not all planned activities were carried out.
Routine mechanised maintenance	33.7	31.7	56.3	Gravelling on most of the roads was not carried out save for Banda Buzibazi where it was ongoing at the time of monitoring in July 2017. Some activities spilled to Fy2017/18
Routine manual maintenance	315	315	12.7	Maintenance activities were carried out for three months out of the planned five due to budget cuts. Most of the roads were bushy.
Overall weighted physical performance was at 70.9%				**Good performance**

Source: Mityana District Annual Work plan; Quarterly progress reports FY 2016/17, Field findings and Author's compilation

The overall physical performance was good with 70.9% of the annual targets achieved against a financial performance of 79.8% of the annual budget. The district performance was affected by inadequate financing as a result of budget cuts; for instance the district received 57.7% of the mechanical imprest budget and 20% short of the entire budget for road works.

It was also observed that the planned gravelling works on most of the roads was not carried out and on a few roads spilled to FY2017/18. On Banda – Bazibazi Road for instance, dumping of gravel was ongoing but the spacing of the heaped gravel was long to achieve the minimum 100mm thickness of the gravel layer.

Dumping of gravel ongoing along Banda - Buzibazi Road – Mityana District

Completed Kyamusi–Magala Road–Mityana District

g) Mpigi District

The district has a total road network of 368.1km all of which are unpaved. The FY2016/17 approved annual budget was Ug shs 708,785,000 of which Ug hs 605,769,252 (85.5%) was released and all expended. The funds were expended on road maintenance and equipment hire within the district. Table 13.31 shows the physical performance of the district by 30th June 2017.

Table 13.31: Performance of Mpigi District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. achieved (km)	Weighted Physical Performance (%)	Remarks
Routine mechanised maintenance	77.81	56.8	55.0	Only grading was carried out on all the roads. Spot gravelling was carried out on only one road of 9.06km. The district expended Ug shs 97,718,000 (41.5% of the receipts) on equipment hire.
Routine manual maintenance	66.19	35.9	6.3	These maintenance activities were affected by a low turn up of the road gangs due to the low remuneration.
culvert lines	25No.	11No.	5.8	Target not achieved due to budget cuts
Overall weighted physical performance was at 67%				**Fair performance**

Source: Mpigi District Annual Work plan; Quarterly progress reports FY 2016/17, Field findings and Author's compilation

Completed section of Butoro – Sanga Road almost covered by grass- Mpigi District

Graded section of Kalandazi – Buwungu Road – Mpigi District

The overall physical performance was rated as fair at 67% of the annual targets against a financial performance of 85.5%. The performance was affected by lack of a functional grader, so the district expended about 41% of the routine mechanised maintenance funds to hire equipment. Additionally, the district experienced a budget cut of about 15%.

Kalandazi-Buwungu (6.69km), Kammengo-Butoolo-Buvumbo (11.37km), and Butoolo-Sanya-Namugobo (9.31km) were inspected to verify the reported activities. The district only achieved grading and shaping of the roads; and no compaction was done. The other planned activities such as spot gravelling, installation of culverts and headwall construction were not carried out.

h) Nakaseke District

The district has a total road network of 420.6km of which 0.1 % is paved, 75.5% unpaved and 24.4.1% earth. The FY2016/17 approved annual budget was Ug shs 490,961,591 of which Ug shs 390,707,393(79.6%) was released and expended. Table 13.32 shows the physical performance of the district by 30th June 2017.

Table 13.32: Performance of Nakaseke District Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Periodic maintenance	14.8	7	10.8	This involved; spot gravelling and culvert installation of four lines on 7km of Lwesindizi-Kinoni-Biduku road (24km) which was not in the annual workplan but emerged as an emergency, and reshaping and spot gravelling of 1.3km and swamp raising of 0.8km of Lugogo-Timuna (7.8km). Funds that were meant for Kiwoko-Kasambya were diverted to Lwesindizi-Kinoni-Biduku road.
Routine mechanized maintenance	41.8	20.4	6.2	Works on 21.4km (Nakaseke-Kigegge-Kasambya-11km and Kalagala-Kalagi-Mugenyi - 10.4km) spilled to FY2017/18 and were ongoing at the time of monitoring on 3rd July 2017.
Routine manual maintenance	367	244	34.2	About 63% of this item budget was released. However, it should be noted that road gangs only started work in December 2016 due to a delay in appointment. By end of Q3, the district reported having achieved 42km in Q1, 6.7km in Q2, and 4.8km in Q3 with a total expenditure of Ug shs 30.936 million. But July 2017, it was reported that Ug shs 113.673 million was expended on this item which is not feasible. The district had quarterly breakdown of 91.8km with budget of Ug shs 53. 137 million per quarter. Hence leaving about Ug shs 82.737 million unaccounted for.
Culverts	23	20	11.4	Installation of culverts and construction of headwalls at a budget of Ug shs 47.852 million was partially done. Only culvert installation was done yet the budget was exhausted.
Overall weighted physical performance was at 63%				**Fair performance**

Source: Nakaseke District Annual Work plan; Quarterly progress reports FY 2016/17, Field findings and Author's compilation

Graded section of Namusaale – Lusanja Road

Culverts yet to be installed at the swampy Section of Namusaale – Lusanja Road

The overall physical performance was fair with only 63% of the annual targets achieved. By July 2017, the district had achieved the following:

- Spot gravelling of 7km and culvert installation of four lines on Lwesindizi-Kinoni-Biduku Road (24.8 km), pending headwalls construction at Ug shs 47,864,300 against Ug shs 48,162,350 budget.

- Reshaping of 11.2km along Kalagala-Kyamaweno-Kinyogoga Road at Ug shs10,526,536 against Ug shs 5,939,000 budget.

- Periodic maintenance of Lugogo-Timuna Road (7.8 km) involving reshaping entire length, gravelling of

1.3km and swamp raising of 0.8km at Ug shs 42,436,000 against Ug shs 35,399,900.

- Reshaping, gravelling of 2km, and swamp raising of 0.4km of Namusaale-Lusanja Road (8.2 km) at Ug shs 22,311,000 against a budget of Ug shs 28,645,900.

The following activities spilled to the FY2017/18 and were ongoing:

- Reshaping of 10.4km of Kalagala-Kalagi-Mugenyi Road, at a planned budget of Ug shs 5,939,000.
- Reshaping of Nakaseke-Kigegge-Kasambya Road (11 km), at a planned budget of Ug shs 5,939,000, and
- Culvert installation of 18 lines.

The district did not achieve the annual targets due to delays in receipt of funds, for instance Q4 funds were received on 16/5/2017, budget cuts amounting to about 20%, delay in recruitment of road gangs affected the performance of routine manual maintenance and lack of a substantive district engineer who at the same time serves as a water officer.

i) Namutumba District

The district has a network of 263.8km; of which 150.6km (58%) are unpaved gravel and 113.2km (42%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 is Ug shs 375,225,510 of which Ug shs 292,042,619 (77.8%) was released and expended by 30th June 2017. Table 13.33 shows the performance of the district.

Table 13.33: Performance of Namutumba District Roads Maintenance by 30th June 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	263.80	200.00	35.626	The target was not realized due to budget cuts. Only 75% of the planned works were implemented
Routine Mechanized Maintenance	30.7	28.7	31.646	Five (83.3%) out of 6 roads were completed due to budget cuts.
Culvert procurement and installation (Pcs)	102	50	9.392	The target was not achieved due to budget cuts.
Overall weighted physical performance was 76.7%				**Good Performance**

Source: Namutumba District Annual Work plan and Quarterly progress reports FY 2016/17and Author's compilation

The physical performance was good at 76.7% thus; the district achieved most of the annual targets. This was approximately commensurate to the absorbed funds.

One of the roads under routine mechanized was inspected i.e. Kalamira-Kagulu-Izimba (5.1km) road. This had a scope of spot improvement with a budget of Ug shs 15,000,000 which was expended and works completed. However, the road was still being affected by water and hence, not motorable in the wet season which required more attention to drainage.

A well gravelled section of Kalamira-Kagulu-Izimba Road at km 0+000

A section of Kalamira-Kagulu-Izimba Road affected by water

j) Napak District

The district has a network of 165km; of which 68km (41.2%) are unpaved gravel and 97km (42%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 463,620,890 of which Ug shs 347,981,614 (75.1%) was released by 30th June 2017. Absorption of the released funds was excellent at 106%. The over expenditure was due to funds amounting to Ug shs 21,031,311 that were borrowed from the water sector to pay service providers. The physical performance was good at 86.9% thus; the district achieved most of the annual targets.Table 13.34 shows the performance of the district.

Table 13.34: Performance of Napak District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	41	36.8	14.4	Approximately 90% of the target was achieved which was a very good performance
Routine Mechanized Maintenance	24	24.0	28.9	The target was achieved
Periodic Maintenance	7	8.5	43.6	This was achieved above target
Culvert procurement and installation (Pcs)	9	3.0	3.8	The target was not achieved due to budget cuts
Overall weighted physical performance was 86.9%				**Good Performance**

Source: Napak District Annual Work plan and Quarterly progress reports FY 2016/17and Author's compilation

The physical performance was good at 86.9%. **Lokiteeded-Lomuno Road (15km):** The budget for the road works was Ug shs 40,658,000 under routine mechanized and Ug shs 87,991,000 under periodic maintenance. The scope of work was grading, gravelling, and installation of culverts. Grading and gravelling on a stretch of 5.4km was completed as well as installation of three lines of culverts. Pending works were culvert installation of one line at 0+500 where material for stone pitching was dumped and had blocked the road. A total of Ug shs 139,371,000 (108%) was expended due to an extra 1.4km treated.

Kangole-Matany Road (8km): The planned stretch for routine mechanized maintenance was 1km at Ug shs 4,468,000, of which Ug shs 4,637,000 was expended on works of light grading 5.5km. The road was faced with a challenge of cow hooves that damaged its surface.

k) Ngora District

The district has a network of 202km; 4m (2%) are paved, 172km (85%) are unpaved gravel and 26km (13%) are unpaved earth roads. The approved annual budget of the district in FY 2016/17 was Ug shs 335,105,370 of which Ug shs 291,950,493 (87.1%) was released by 30th June 2017. Absorption of the released funds was very good at 100%. **Table 13.35** shows the performance of the district.

Table 13.35: Performance of Ngora District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	191.30	160.0	49.1	The Target was not achieved due to budget cuts.
Routine Mechanized Maintenance	44.00	35.6	13.0	
Periodic maintenance	2.30	2.24	24.5	
Overall weighted physical performance was 86.7%				**Good Performance**

Source: Ngora District Annual Work plan and Quarterly progress reports FY 2016/17and Author's compilation

The physical performance was good at 86.7% and was commensurate to the physical performance (86.7%). The targets were not achieved due to budget cuts of 22.9%.

l) Sembabule District

The district has a total road network of 606.49km all of which are unpaved. The FY2016/17 approved annual budget was Ug shs 546,227,000 of which Ug shs 463,992,345 (84.9%) was released and all expended on road and equipment maintenance within the district. Table 13.36 shows the physical performance of the district by 30thJune 2017.

Table 13.36: Performance of Sembabule District Roads Maintenance by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remarks
Periodic maintenance	115	88.2	55.5	Target was not achieved. There was budget cut of about 42.3% on this item.
Routine mechanised maintenance	87	36	9.6	Out of the 87km, 33km were not implemented because part of the funds for these activities were used to hire a grader. Some works spilled to FY2017/18 and were ongoing.
Routine manual maintenance	18.9	0	0.0	Funds were used as contribution to hire motor grader
Overall weighted physical performance was at 65%				Fair performance

Source: Sembabule District Annual Work plan; Quarterly progress reports FY 2016/17, Field findings and Author's compilation

The overall physical performance was rated fair at 65% of the annual targets against a financial performance of 84.9% of the annual budget. The performance was affected by lack of grader, so part of the funds for the works were expended on equipment hire and inadequate funds due to a budget cut of about 15%.

A review of the documents however revealed questionable expenditures within Q1 and Q2 without works executed. The funds were released to the department but works were not implemented.

Some roads were sampled for inspection to verify the reported activities, it was observed that the roads were opened, shaped and graded.

Completed Bukaana–Ntete Road in Sembabule District

Graded section of Kabandebe–Kyabwamba–Kyebongotoko Road – Sembabule District

Overall Performance of the DUCAR Programme

Overall, the DUCAR agencies did not achieve the planned outputs under this programme. The extent of achievement of the planned outputs was estimated at 72.2% hence a good physical performance. The underperformance was majorly due to budget cuts as only about 83% of the required funding was released to the monitored DUCAR agencies and diversion from the work plans in some agencies. Absorption of funds was very good at 100%.

The performance of the DUCAR Programme is summarized in Table 13.37.

Table 13.37: Summary of Performance of the DUCAR Program FY 2016/17

S/N	Agency Name	% Release	% of Release spent	% Work plan executed	Remarks
Municipalities					
1	Kumi	84.5	100	78.8	The overall performance was good. The physical performance was commensurate to the absorption of funds.
2	Moroto	78.77	100	78.7	The overall performance was good.
3	Mbale	84.8	100	86.4	The overall performance was good.
4	Soroti	81.8	100	60.7	The overall performance was fair. The physical performance was not commensurate to the absorption of funds due to constant breakdown of equipment especially the grader which affected the implementation of planned activities and lack of major equipment like Roller, Bulldozer, Excavator and water Bowser.
5	Iganga	75.6	100	67.1	The overall performance was fair. Failure to achieve the targets was attributed to increase in scope of routine manual maintenance and NSSF contributions, and budget cuts.
6	Kapchorwa	76.1	100	34.4	The overall performance was poor. The physical performance was not commensurate to absorption of funds.
7	Kitgum	79.9	100	78.9	The overall performance was good.
8	Bugiri	81.3	100	76.1	The overall performance was good. The physical performance was commensurate to the absorption of funds.
9	Lugazi	94	100	67	The overall performance was fair. Failure to achieve the targets was due to diversion from the approved work plan.
10	Nansana	94.2	100	69	The overall performance was fair. Performance was affected by lack of equipment (grader, water bowser and roller) at the municipality, so all equipment used was hired. Additionally, the district experienced a budget cut of about 5% which affected the planned grading, sectional gravelling and stone pitching works.

S/N	Agency Name	% Release	% of Release spent	% Work plan executed	Remarks
Districts					
11	Namutumba	77.8	100	76.7	The overall performance was good. Physical performance was commensurate to the absorption of funds. The unachieved target was due to budget cuts.
12	Amolotar	84.8	100	79.3	The overall performance was good. Physical performance was commensurate to the absorption of funds. The unachieved target was due to budget cuts.
13	Bulambuli	71.3	100	71.5	The overall performance good. Physical performance was commensurate to the absorption of funds. The unachieved target was due to budget cuts.
14	Kaberamaido	83.3	100	83.2	The overall performance was good. Physical performance was commensurate to the absorption of funds. The unachieved target was due to budget cuts.
15	Ngora	87.1	100	86.7	The overall performance was good. Physical performance was commensurate to the absorption of funds. The unachieved target was due to budget cuts.
16	Kitgum	94.7	100	77.9	The overall performance was good. Physical performance was commensurate to the absorption of funds as part of the funds worth Ug shs 50.881million were utilized for routine mechanized maintenance works that had not been planned for.
17	Napak	75.1	100	86.9	The overall performance was good. Physical performance exceeded the release due to the fact that the works department borrowed from the water sector to pay service providers.
18	Kyankwanzi	92.9	100	64	The overall performance was fair. Annual targets not achieved due to budget cuts (about 7%), frequent breakdown of the district grader and lack of a complete road unit.
19	Mityana	79.8	100	70.9	The overall performance was good. Target not achieved due to inadequate financing as a result of budget cuts (about 20%). Also the district received only 57.7% of the mechanical imprest budget.
20	Mpigi	85.5	100	67	The overall performance was fair. Target not achieved due to lack of a functional grader. About 41% of the routine mechanised maintenance funds were expended in hire equipment. Additionally, the district experienced a budget cut of about 15%.
21	Nakaseke	79.6	100	63	The overall performance was fair. The district did not achieve the annual targets due to delays in receipt of funds for instance Q4 funds were received on 16/5/2017, budget cuts amounting to about 20%, delay in recruitment of road gangs affected the performance of routine manual maintenance and lack of a substantive district engineer who at the same time serves as a water officer. There were questionable expenditures under the routine manual maintenance activities amounting to Ug shs 82.737 million since for the first two quarters, there were no road gangs to have worked on the roads and no reallocations were reported.

S/N	Agency Name	% Release	% of Release spent	% Work plan executed	Remarks
22	Sembabule	84.9	100	65	The overall performance was fair. A review of the documents however revealed questionable expenditures within Q1 and Q2 without works executed. The funds were released to the department but works were not implemented. Performance was affected by lack of grader, so part of the funds for the works were expended on equipment hire; and inadequate funds due to a budget cut of about 15%.
Overall Performance for the DUCAR		**83.08**	**100.00**	**72.24**	**Good Performance**

Source: Field Findings and Author's Compilation

Key observations in the DUCAR Programme

- The IPF of all the new municipalities that were upgraded from town councils did not change from the previous FYs despite the increase in road network. In addition to this were the budget experienced in the course of the FY.
- The old municipalities like Mbale need a redesign of their drainage systems to reduce the rate of erosion and deposition of silt.
- Kapchorwa Municipality had a very poor performance majorly attributed to interference by top management.
- Nakaseke District had questionable expenditures under the routine manual maintenance activities amounting to Ug shs 82.737 million since for the first two quarters, there were no routine manual maintenance activities on the roads and no reallocations were reported.
- In Sembabule District, there was questionable expenditures within Q1 and Q2 without works executed. The funds were released to the department but works were not implemented.
- Districts have continued to receive less funds than what is in their work plans.
- The low pay (Ug shs 100,000) for the road gangs coupled with unrealistic work load of maintaining 2km per month. The LGs are proposing that the work load should be reduced to 1km per month or raise the pay by 100%.
- The guidelines for recruitment of road gangs in town councils are not clear. There is a controversy of whether the gangs within the town council should be recruited directly by the town council or through the District Service Commission.

Challenges affecting the DUCAR Programme

- Dilapidated and expanded road network that requires rehabilitation instead of routine maintenance.
- Lack of full sets of road maintenance equipment units at LGs. These resort to hiring equipment which eats into the road maintenance budget.
- Budget cuts. Averagely LGs had a budget shortfall of about 15% and thus could not achieve all their targets.
- Low remuneration for equipment operators and road gangs at LGs resulted into high turnovers and affected performance of the routine maintenance activities
- Scarcity of road materials like gravel for maintenance works.

Recommendations

- The OAG should audit Nakaseke and Sembabule districts.
- The GoU should expedite the procurement of the new road equipment units from Japan so that LGs reduce on the amount on funding spent on equipment hire or repairs.
- 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 promote the low cost sealing technology for districts and urban councils so as to cut down on road maintenance cost of gravel roads.

ii) National Roads Maintenance Programme (NRMP)

The programme involves several activities of maintaining 19,600km on the national roads network, ferry services or inland water transport services and axle load control across the network. This programme is implemented by UNRA through the 23 stations in the different regions of the country. 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 contracted out and supervised by the stations.

Overall Financial Performance

This program is funded by URF but implemented by UNRA through the Stations. The program had an approved budget of Ug shs 267.92billion (64.1% of URF budget) of which Ug shs 217.15 billion (81%) was released by 30th June 2017. Absorption of the released funds was affected by: delays in procurements for materials, spares, plus other mechanical parts; late release of funds by URF; and lack of full sets of road equipment by the stations thereby hindering progress of Force Account activities

For the annual performance, Eight (8) UNRA stations were monitored.

Physical Performance

Table 13.38 shows a summary of the physical performance of stations.

Table 13:38: Summary of the Performance of the National Roads Maintenance Programme by 30th June, 2017

Station	% budget released	% release spent	% Weighted physical performance	Remark
Luweero	48.6	99.9	61.61	The overall performance was fair. Only grading was implemented on most roads. Culvert installations and gravelling were not done. The annual targets were not met due to late procurement of culverts that were delivered in June 2017, and unclear guidelines on the procurement of gravel; inadequate and dilapidated equipment associated with frequent breakdowns.
Mubende	99.5	100	85.88	The overall performance was good. The station achieved most of the planned roads except for Kasanda ▯ Madudu ▯ Kigando Road which spilled to FY2017/18. For the roads implemented, the planned activities were achieved except for construction of culvert end structures and gravelling. Gravelling on some roads was not executed due to lack of a low bed to transport equipment to the required work destinations.
Kasese	99.8	100	98.45	The overall performance was very good. Grading and gravelling of the roads was carried out as planned; installation of culverts was the only activity not achieved within the FY2016/17 and spilled to FY2017/18.
Masaka	100	100	85.88	The overall performance was good. Gravelling and installation of drainage structures was not carried out due to delay in constituting the contracts committee for the central region to foster procurements.
Gulu	63	99.96	55.8	The overall performance was fair. Only grading was implemented on most roads. The other works such as culvert installations and gravelling were not achieved on most of the planned roads. The expenditure was approximately commensurate to the physical performance.
Mbale	60	52.5	52.86	The overall performance was Good. Information provided was only up to Q3.
Moroto	100	99.4	62.7	The overall performance was fair. The station did not achieve its planned target despite 100% absorption of funds due to the fact that the unspent balance was used to pay contractors under term maintenance contracts.
Soroti	52.2	98	59.8	The overall performance was fair. The station did not achieve the annual targets due to budget cuts and delayed procurements.
Overall performance	**77.89**	**95.65**	**70.5**	**Good performance**

Source: Author's Compilation

a) Gulu UNRA Station

Gulu UNRA station network comprises of 950km, of which 296 km are paved and 654km unpaved. Of the unpaved network, 101km is currently undergoing upgrading to bitumen standard. The road network is found in the following seven (7) districts: Amuru, Gulu, Omoro, Nwoya, Kole, Pader and Oyam.

i) Implementation by force account

The FY2016/17 approved annual budget was Ug shs 2,906,858,000, of which Ug shs 1,842,222,153 (63.3%) was released for routine manual and mechanised maintenance works and Ug shs 1,841,545,056 (99.96%) was expended by 30th June 2017. The station expended the funds to maintain part of the road network and the cumulative physical performance for the year is presented in Table 13.39.

Table 13.39: Performance of Force Account in Gulu UNRA Station by 30th June, 2017

Output	Annual Target (kms/ Nos)	Annual Budget (Ug shs)	Achieved Quantity (kms/Nos)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	117	175,300,000	108	5.50	Target not achieved. 80% of planned works were carried out on Karuma-Olwiyo-Pakwach (109km).
Routine Mechanised Maintenance (unpaved)	498	1,751,200,000	187	22.37	Target not achieved. Works were not carried out on Aber-Anyeke-Ngai-Aboke-Otwal-Awero (100km), Katikati-Tenam-Nwoya (35km), Logere-Adee (26km), and about 30% of planned works were carried out on the other remaining networks. 100% of works was only carried out on Gulu-Patiko-Adee road (33km).
Routine Manual Maintenance (paved)	296	353,762,732	277.74	11.29	Target partially achieved. 296km were carried out in Q1, Q2, and Q3, and 222.94km in Q4.
Routine Manual Maintenance (unpaved)	556	626,595,268	418.76	16.05	Target partially achieved. 556km was carried out in Q1, Q2, and Q3, and 418.76km in Q4.
Weighted physical progress was 55.8%					**Fair performance**

Source: Gulu UNRA Station Annual work plan, Quarterly progress reports FY 2016/17 and Author's compilation

The station achieved 55.8% of the annual targets which was a fair performance against a financial performance of 99.9%. However, only the grading activity was implemented. The other works such as culvert installations and gravelling were not achieved on most planned roads. The expenditure was approximately commensurate to the physical performance. Minakulu-Zambia Road (30km) had been graded but was slippery. The road was impassable after the rains since it was not gravelled and no drainage works were carried out.

A section of Zambia-Kamdini Road which was in a fair condition

Slippery section along Minakulu-Zambia Road

b) Kasese

Kasese UNRA station network comprises of 432km of which 145km are paved and 287km are unpaved. The station network is comprised of six (6) districts that include; Kabarole, Kanungu, Kasese, Mitooma, Rubirizi and Rukungiri.

i) Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads. By 30th June 2017, the station had received a total of Ug shs 2,126,775,663 for force account activities of which Ug shs 2,126,437,469 (99.8%) was spent. Table 13.40 shows a summary of the physical performance by the end of FY2016/17.

Table 13.40: Performance of Force Account in Kasese UNRA station by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	135.3	135.3	18.86	Target achieved
Routine Mechanised Maintenance (unpaved)	273.5	263.4	40.43	Target not achieved
Routine Manual Maintenance (paved)	135.3	135.3	12.14	Target achieved
Routine Manual Maintenance (unpaved)	296.5	296.5	27.02	Target achieved
Overall Weighted physical progress was 98.45%				**Very good performance**

Source: Kasese UNRA Station Annual Workplan, Quarterly progress reports FY 2016/17, Field findings and Author's compilation

The overall physical performance of the force account programme in the station was very good at 98.5%. Grading and gravelling of the roads was carried out as planned; installation of culverts was the only activity which was not achieved within the FY2016/17 and had spilled to FY2017/18. physical performance was commensurate with the financial expenditure.

ii) Implementation by Contracts

The station had one (1) period maintenance contract within the FY 2016/17 and was completed in September 2016. The performance of the contract is as shown in Table 13.41.

Table 13.41: Performance of Maintenance Contracts at Kasese UNRA Station by 30th June, 2017

Contract Name	Contract Sum (Ug shs)	Target by 30th June 2017	Cum. Work progress	Remark
Periodic maintenance of Forty Four (44) selected National Roads (28 lots): Lot 9: Nkenda Bugoye Nyakalingijo road (17.5km) contracted to M/s Ham Engineering Ltd.	560,947,220	100% of physical woks	93% physical works	The contract started on 1st April 2015 with an initial completion date of 1st November 2015, however, the actual completion was on 20th September 2016. Within the FY 2016/17, 48% of works were executed valued at Ug shs 267,889,024. Financial progress of this project is at 93% physical progress. The contract was at substantial completion although gravelling of 200m which was part of the contract had not been executed.

Source: Kasese UNRA Station Progress report FY2016/17, Field findings and Author's compilation

Three cell Amrco culvert bridge implemented using force account – Kasese station

Completed section along the Nkenda Bugoye Nyakalingijo Road implemented using a periodic maintenance contract-Kasese station

c) Luweero

Luweero UNRA station network comprises of 1,208.5km of which 235.6km are paved and 972.9km unpaved. The road network is found in the following districts: Luweero, Nakaseke, Nakasongola and parts of Kiboga, Kyankwanzi, Mukono and Wakiso.

ii) Implementation by force account

The FY 2016/17 approved annual budget was Ug shs 5,548,201,580, of which Ug shs 2,693,805,745 (48.6%) was released for routine manual and mechanised maintenance works and Ug shs 2,693,026,115 (99.9%) was expended by 30th June 2017. The station expended the funds to maintain part of the road network and the cumulative physical performance for the year is presented in Table 13.42.

Table 13.42: Performance of force account in Luweero UNRA station by 30th June, 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	235.6	235.6	10.74	Target achieved
Routine Mechanised Maintenance (unpaved)	900.9	640	28.95	All planned culvert installations and most gravelling works were not carried out due to late procurement of culverts that were delivered in June 2017, and unclear guidelines on how to access gravel. Ngoma – Bulyamusenyu Road (41km) was not worked on.
Routine Manual Maintenance (paved)	12	10	2.76	Planned works were not executed due to change in scope of works; silt removal was planned for on the pavement but instead unblocking of side drains was carried out on only one road.
Routine Manual Maintenance (unpaved)	210	89	19.15	Target not achieved.
Weighted physical progress was 61.61%				**Fair Performance**

Source: Luweero UNRA Station Annual work plan, Quarterly progress reports FY 2016/17 and Author's compilation

The station achieved 61.16% of the annual targets which was a fair performance against a financial performance of 48.6%. However, with these funds, only grading was implemented on most of the roads. Other works such as culvert installations and gravelling were not achieved on most of the planned roads. The expenditure was commensurate to the physical performance.

The station did not achieve the annual targets due to inadequate funding, late procurement of culverts that were delivered in June 2017, and unclear guidelines on the procurement of gravel; inadequate and dilapidated equipment associated with frequent breakdowns.

Some of the roads reported to have been implemented were sampled for inspection. It was found out that only medium grading works were implemented on Wobulenzi-Zirobwe and Luwero-Kikyusa-Zirobwe road pending drainage structures and gravelling. These roads were in a fair condition.

iii) Implementation by contracts

The station had four (4) term maintenance and three (3) periodic maintenance contracts within the FY 2016/17. The contracts were at different levels of performance as shown in Table 13.43.

Table 13.43: Performance of Maintenance Contracts at Luweero UNRA Station

Contract Name	Contract Sum (Ug shs)	Cum. Target (%)	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Term maintenance of (48) Selected National Roads-Lot 01: Luwero-Kikyusa-Zirobwe (37km) and Kisuule-Nakaseke-Kapeeka-Busunju (51km) roads contracted to M/s Lusa Construction and Engineering Company Ltd	6,576,888,560	86.11	84.72	13.58	
Term Maintenance of (21) Selected National Roads- Lot 07:Katikamu-Bamugolode-Nakasongola (103km) roads contracted to M/s M/s Techno Three (U) Ltd	6,345,486,712	113.89	87.96	10.28	Completed, however, the contract expired and an extension for time was granted and also expired without the works being finished. Eight IPCs amounting to Ug shs 3,702,504,366.29 (58.3%) were paid.
Term Maintenance of (21) Selected National Roads-Lot 08:Nakasongola Lwampanga-Nabiswera-Kafu and Nabiswera-Migeera (97.0km) roads contracted to M/s Omega Construction Ltd	6,000,401,000	102.78	31.49	3.86	The contractor terminated the contract due to delayed payments.
Term Maintenance of (48) Selected National Roads-phase V (21Lots) Lot 02: Katuugo-Kinyogoga(27km), Ngoma-Kasozi-Kyamukonda (31km) and Ngoma-Kyankwanzi(15km) roads contracted to M/s Summit Projekt Limited	10,640,467,200	75	22	6.55	This contract was poorly performing as the contractor was failing to take up instructions due to poor mobilisation and delays in payment by UNRA. It was recommended for termination.

Contract Name	Contract Sum (Ug shs)	Cum. Target (%)	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Periodic Maintenance of 44 Selected National Roads (28) Lots-Lot 18: Zirobwe-Lwajjali-Kabimbiri road (22km)contracted to M/s M/s Davog Technical Services Ltd	1,393,394,000	218.18	100.5	1.35	The contract was behind schedule with its completion date having expired on 21/08/2016. Five(5) IPCs amounting to Ug Shs 1,061,909,238 (76.2%) were paid.
Civil Works for Construction of Access Road to the National Radar Project Sungira-Hill, Nakasongola (1.55km)	14,011,686,556	100	100	29.40	Project was completed.
Periodic Maintenance of 04 Selected National Unpaved Roads Totalling to 152km Lot 04: Kasiso-Mazzi-Kalungi road (57km) contracted to M/s Canaan Sites (U) Ltd	2,689,515,000	7	12	9.67	Works were ongoing.
Weighted physical progress was 74.69%					**Good performance**

Source: Luweero UNRA Station progress reports, Field findings and Author's compilation

The overall performance of the contracts was good at 74.69%. Despite the good performance these contracts were affected by poor mobilisation by the contractors and delays in payments by UNRA. Most of the contractors had demobilised and abandoned works due to delays in payment. It was also noted that most of the contractors lacked staff with the required qualifications to oversee works. In most cases the staff presented at the time of bidding are not the ones deployed on site.

A well graded Zirobwe - Kabimbiri Road implemented using Force Account – Luweero station

A well gravelled Kasiso–Mazzi–Kalungi Road implemented under periodic maintenance contract – Luweero station

d) Masaka UNRA Station

Masaka UNRA station network comprises of 1092.8km, of which 242km are paved and 849.8km unpaved. The road network is found in the following districts: Bukomansimbi, Gomba, Kalangala, Kalungu, Lwengo, Lyantonde, Masaka, Rakai and Sembabule.

i) Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in Table 13.44. The station had an annual budget of Ug shs 1,808,785,952 which was all released and spent.

Table 13.44: Performance of Force Account in Masaka UNRA station by 30th June 2017

Output	Annual Target (km)	Cum. Achieved (km)	Weighted Physical Performance (%)	Remarks
Routine Mechanised Maintenance (paved)	285	243	19.34	Target not achieved
Routine Mechanised Maintenance (unpaved)	326	230	14.29	There were no trucks to ferry gravel material in Q1 & Q2, thus very little was done. However, two trucks were received in February 2017.
Routine Manual Maintenance (paved)	239	239	15.80	Target achieved
Routine Manual Maintenance (unpaved)	409.8	409.8	27.08	Target achieved
Weighted physical progress was 76.5%				**Good performance**

Source: Masaka UNRA Station Quarterly progress reports FY 2016/17 and Author's compilation

The overall physical performance of the force account programme in the station was good estimated at 76.5%. The station had an overall challenge of equipment, with no trucks to ferry material in Q1 and Q2 together with a weak grader. The gravelling and installation of drainage structures were not carried out due to delay in constituting the contracts committee for the central region to foster procurements.

Key observations were that for Kyesiga-Malembo landing site (13km) road, no compaction was done, the road required culverts which were not installed; Masaka-Bukakata (36km), grading of 18.9km and spot gravelling was done, Masaka-Nyenga patching was done on 7.4km. Most of the roads needed urgent intervention because they had developed potholes in swampy sections.

ii) Implementation by Contracts

The station had four (4) term maintenance and two (2) period maintenance contracts within the FY2016/17. The contracts were at different levels of performance as shown in Table 13.45.

Table 13.45: Performance of Maintenance Contracts at Masaka UNRA Station

Contract Name	Contract Sum (Ug shs)	Cum. Target by 30th June 2017 (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of of Kyapa - Kasensero (41km) and Lyantonde - Ntusi (58km) contracted to M/s Summit Projekt Ltd	9,663,962,000	72	17	6.51	The cumulative physical progress was at 17%. The contractor had abandoned site for the past 10 months and demobilised equipment due to non-payment. The station has recommended to top management termination of the contract since 22nd February 2017 although no action was taken. The station has since intervened since the road was in very poor condition.

Contract Name	Contract Sum (Ug shs)	Cum. Target by 30th June 2017 (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term maintenance of Rakai - Ntantamukye (50km) contracted to M/s Nicontra Ltd	5,595,275,620	33	12	5.80	The contract was in 2nd Cycle but behind schedule. The contractor was paid two IPCs amounting to Ug shs 547,456,464.
Term Maintenance of Villa Maria - Kyamulibwa - Kabulasoke (48km) and Kyabakuza - Kiwangala - Ndagwe - Kabale (62km) contracted to Assured Engineering Services Ltd	8,413,815,520	90	35	9.33	The contract was in cycle No. 4 but behind schedule. The cumulative financial performance was Ug shs 2,490,248,574 (30% of the contract sum). The project whose end date is August 2017 was behind schedule due to delayed payments.
Term Maintenance of Sembabule - Nkonge (58km) contracted to Emtec Technical Services Ltd	6,064,230,040	33	9	4.72	The contract was behind schedule. Financial performance was at 5.6%.
Periodic maintenance of Mbirizi-Matete-Sembabule-Katonga (58km)	2,550,949,960	50	33	4.80	The contract was behind schedule.
Periodic maintenance of Kyabakuza-Kyojja-Matete-Kaliro (70km) contracted to M/s. Rukooge Enterprises (U) Ltd	2,774,095,040	2	2	7.91	The scope is grading, gravelling and drainage improvement
Weighted physical progress was 39.07%					**Poor performance**

Source: Masaka UNRA Station Annual Work plan, Progress reports FY2016/17, Field findings and Author's compilation

The overall performance of the contracts in the station was poor estimated at 39.07%. All the contracts were behind schedule and for some, the contractors had abandoned sites. Implementation of the contracts was affected by the following:

- Delayed payment by UNRA. Most contractors had abandoned site due to poor cash flow arising from delays in receipt of their payments. It was noted that the contractors were demanding at least two IPCs.
- Poor mobilisation by the contractors. It was noted that the equipment and personnel contractors present at the time of bidding was not presented at the time of executing the contract. In most cases, the contractors do not have adequate equipment which delays implementation.
- Limited financial capacity of the contractors. Most contractors' cash flow is poor yet they take on more than one contract at the different UNRA stations, for instance M/s Summit Projekt Ltd. With the prevailing cases of delayed payments by the UNRA, the performance of the contracts is affected.

Deteriorated section along the Kyapa – Kasensero Road due to abandonment of works by the contractor for over 10 months

A well graded section along Kyesiga-Malembo Road implemented using Force Account – Masaka station

e) Mbale UNRA Station

Mbale UNRA station network comprises of 940.8km of which 197.1km (21%) are paved and 743km (79%) unpaved. The road network is found in the following districts: Bududa, Budaka, Bulambuli, Bukedea, Bukwo, Kapchorwa, Kween, Mbale, Pallisa and Sironko

i) Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in Table 13.46. By 30th June 2017, the station had received Ug shs 804,141,200 for force account activities, of which Ug shs 422,488,959 (52.5%) was spent.

Table 13.46: Performance of Force Account in Mbale UNRA Station by 30th June, 2017

Output	Annual Target (km)	Annual Planned Budget (Ug shs)	Achieved Quantity (km)	Weighted Physical Performance (%)	Remarks
Routine Mechanised Maintenance (paved)	15.8	39,500,000	9	0.97	The achievements are up to Q3. Reports of Q4 were not availed
Routine Mechanised Maintenance (unpaved)	417.4	1,043,500,000	108	11.66	
Routine Manual Maintenance (paved)	178.6	257,184,000	134	8.33	
Routine Manual Maintenance (unpaved)	621.2	894,528,000	466	28.98	
Bridges	6	81,023,500	5.00	2.92	
Weighted physical progress was 52.86%					**Fair performance**

Source: Mbale Annual Work Plan FY2016/17, Quarterly Reports and Author's Compilation

The overall physical performance of the force account programme at the station was estimated at 52.86% which was fair. The station did not achieve its planned target and this was mainly attributed to equipment breakdown, delayed procurements and budget cuts.

A widened section of Budadiri –Nalugugu Road

A section of Namagumba Budadiri Road at Km 6+900

ii) Implementation by Contracts

The station had two (2) term maintenance contracts within the FY 2016/17. The performance of the contracts is as shown in Table 13.47. The overall performance of the contracts was good at 81.67%.

Table 13.47: Performance of Maintenance Contracts at Mbale UNRA Station

Contract Name	Contract Sum (Ug shs)	Cum. Target (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term maintenance of 24 Selected National Roads-Phase IV -11 Lots: Lot: 9Muyembe-Namalu road (65km), Chepsekunya-Girik River (26.1km) and Girik River-Bukwo (30km) roads contracted to M/s Coil Ltd.	16,652,575,500	100	66.66	36.65	Target not achieved. Project was behind schedule by about 18%, due to insufficient mobilisation in terms of dumping trucks. Thus some of the grading cycles were overlapped leading to project cost saving too. (However, there is need to regulate over loading byTororo Cement trucks carrying marble stones from Karamoja region to Tororo Cement Factory)
Term maintenance of 23 Selected National Roads-Lot 5: Kapchorwa-Suam (77km), Bumbobi-Bubulo (16km), Bubulo-Busumu (16km), Bubulo-Bududa CR (28KM) contracted to M/s Coil Ltd.	13,633,836,000	100	100	45.02	This project was under DLP for four months and was to end by 19th February 2017. (There is serious need to upgrade these roads since there is scarcity of gravel along the project area, otherwise, the road risks being destroyed again within a short time).
The overall weighted performance was at 81.67%					**Good performance**

Source: Mbale Annual Work Plan FY2016/17, Monthly Reports and Author's Compilation

A culvert installed at Km 33+400 along Muyembe- Namalu Road

Gravelling works on Chepsikunya-Girik Road

f) Moroto UNRA Station

Moroto UNRA station network comprises of 835.31km of which 96.968km are paved and 740.162km unpaved. The road network is found in the following districts: Napak, Nakapiripirit, Amudat, and Moroto.

i) Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in Table 13.48. By 30th June 2017, the station had received Ug shs 1,653,868,955 for force account activities, of which Ug shs 1,644,238,445 (99.4%) was spent. There was no release in Q3 except for the balance carried forward from Q2.

Table 13.48: Performance of force account in Moroto UNRA station by 30th June, 2017

Output	Annual Target (km)	Annual Planned Budget (Ug shs)	Achieved Quantity (km)	Weighted Physical Performance (%)	Remarks
Routine Mechanised Maintenance (paved)	2	22,850,000	2	1.29	Target was achieved.
Routine Mechanised Maintenance (unpaved)	201.75	835,119,111	103	24.00	The station failed to achieve due to delayed procurements of gravel and culverts to enable routine mechanised maintenance works.
Routine Manual Maintenance (paved)	93.5	134,640,000	93	7.54	The target was achieved.
Routine Manual Maintenance (unpaved)	544.5	784,080,000	368.65	29.88	Q1 and Q2 had low achievement of less than 55%.
Weighted physical progress was 62.7%					**Fair performance**

Source: Moroto Annual Work Plan FY2016/17, Quarterly Reports and Author's Compilation

The overall physical performance of the force account programme at the station was estimated at 62.7% which was fair. The station did not achieve its planned target despite 100% absorption of funds due to the fact that the unspent balance was used to pay contractors under term maintenance contracts. Nabilatuk-Angatum Road (1.8km) was in a fair motorable condition.

ii) Implementation by Contracts

The station had three (3) term maintenance contracts within the FY 2016/17 whose overall performance was good. The performance of the contracts is as shown in Table 13.49.

Table 13.49: Performance of Maintenance Contracts at Moroto UNRA Station

Contract Name	Contract Sum (Ug shs)	Annual Target (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term maintenance of Moroto-Lokitanyala (44km) contracted to M/s Strukon Ltd	2,023,043,860	100	84.46	30.55	Cycle 2 works were ongoing. The works were affected by lack of water and were behind schedule by 20.42%. The cumulative financial progress was 21.81% and was commensurate to the physical progress.
Term Maintenance of Chosan - Amudat (30.8km) and Chosan-Angatun-Namalu (33kms) Roads contracted to M/s Rock Trust (U) Ltd	2,483,500,661	100	65	28.86	Cycle 4 works were ongoing. The works were progressing well, however lack of water had affected the quality of grading. The cumulative financial progress was 61.75% and was commensurate to the physical progress.
Term maintenance of Matany-Turutuko-Apeitolim Roads (69.8km)contracted to M/s Capital Logistic Construction Ltd	1,086,055,140	100	60	11.65	The contract was at cycle 2 stage. The works were behind schedule by 16.2%. The cumulative financial progress was 24.57% and was commensurate to the physical progress.
Weighted physical progress was 71.07%					**Good performance**

Source: Moroto Annual Work Plan FY2016/17, Monthly Reports and Author's Compilation

On-going works along Angatum Chosan Road under Term maintenance

An opened up road Lolachant-Magono under Force account

g) Mubende UNRA Station

Mubende UNRA station network comprises of 684.8km of which 118.3km are paved and 566.5km unpaved. The road network is found in the following districts: Kakumiro, Kibale, Kiboga, Kyegegwa, Mityana and Mubende.

i) Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in Table 13.50. By 30th June 2017, the station had received Ug shs 1,523,868,955 for force account activities, of which Ug shs 1,516,253,128 (99.5%) was spent.

Table 13.50: Performance of Force Account in Mubende UNRA Station by 30th June, 2017

Output	Annual Target (km)	Achieved Quantity (km)	Weighted Physical Performance (%)	Remarks
Routine Mechanised Maintenance (paved)	118.3	118.3	10.26	All the planned patching works on the 118.3km was achieved.
Routine Mechanised Maintenance (unpaved)	394.5	280.5	34.75	Target not achieved due to delays in procurement of equipment spares and tyres which took the first two quarters of the FY and lack of low bed to transport equipment for gravelling.
Routine Manual Maintenance (paved)	118.3	118.3	12.18	Target achieved.
Routine Manual Maintenance (unpaved)	328.5	328.5	28.69	Target achieved.
Weighted physical progress was 85.88%				**Good performance**

The overall physical performance of the force account programme at the station was estimated at 85.88% which was good. The station achieved most of the planned roads except for Kasanda–Madudu–Kigando Road which spilled to FY2017/18. For the roads implemented, the planned activities were achieved except for construction of culvert end structures and gravelling. It was observed that gravel was heaped on some roads but gravelling was not executed due to lack of a low bed to transport equipment to the required work destinations.

ii) Implementation by Contracts

The station had two (2) term maintenance contracts within the FY 2016/17. The performance of the contracts is as shown in Table 13.51.

Table 13.51: Performance of Maintenance Contracts at Mubende UNRA Station

Contract Name	Contract Sum (Ug shs)	Annual Target (%)	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of (48) selected national roads-phase V (21 Lots) Lot 19: Myanzi-Kasanda-Bukuya-Kiboga (63km) and Lusalira-Nkonge (39km) contracted to M/s Hands (U) Ltd	8,149,785,600	16.3	16.05	61.98	The contract started on 9th /02/2015 with a completion date of 9th/02/2018. 65.5% of the FY 2016/17 budget was released and all spent. Cumulatively, physical progress was at 75.4% against financial of 67.8%. Works were in 5th cycle. However, UNRA failed the contractor due to delayed payments.

Contract Name	Contract Sum (Ug shs)	Annual Target (%)	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of (24) selected national roads-phase IV (11 Lots) Lot 5: Wakitundu-Bulera-Bukuya-Kayindiyindi road (70km) contracted to M/s CGH Establishments Ltd	4,834,722,420	17.5	23.96	37.06	The contract started on 24th /11/2014 with a completion date of 23rd/11/2017. 86.4% of the FY2017/16 budget was released and all spent. Cumulatively, physical progress was at 91.4% against financial of 91.4%. Contract was in 6th cycle.
Weighted physical progress was 99%					**Very good performance**

An incomplete cross culvert along Kasambya – Nabakazi Road requiring gravel for backfill – Mubende station

A well graveled section of Lusalira-Nkonge Road implemented under term maintenance contract – Mubende station

h) Soroti UNRA Station

Soroti UNRA station network comprises of 1,208.5km, of which 235.6km are paved and 972.9km unpaved. The road network is found in the following districts: Amuria, Dokolo, Kaberamaido, Katakwi, Kumi, Ngora, Serere and Soroti.

i) Implementation by force account

The FY2016/17 approved annual budget was Ug shs 2,428,973,400, of which Ug shs 1,267,663,605 (52.2%) was released for routine manual and mechanised maintenance works and Ug shs 1,242,560,533 (98%) was expended by 30th June 2017. The cumulative physical performance for the year is presented in Table 13.52.

Table 13.52: Performance of Force Account in Soroti UNRA Station by 30th June, 2017

Output	Annual Target (kms/ Nos)	Annual Budget (Ug shs)	Achieved Quantity (kms/Nos)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	14.6	91,874,000	3	0.78	Concrete patching works were executed on part of Soroti-Dokolo road, and Soroti-State Lodge road. Gravel patching was also out on some sections of Soroti-Arapai railway station and Soroti-State Lodge Road. However other planned activities like asphalt patching, stone pitching, cleaning of drains, and culvert works did not commence. About Ug shs 75.327 million was received for this activity and only about Ug shs 15.767 million spent (20%).
Routine Mechanised Maintenance (unpaved)	267	1,290,087,400	80	15.91	Mukongoro-Kidongole (14km) grading only was done in Q1 at Ug shs 1,200,000 (3.4% of received funds) for that road, Serere-Kateta-Kyere (27km), only 80% was carried out, Toroma-Kokorio Ferry landing (12km), grading was left out. Kaberamaido-Dokolo (16km), only grading was carried out and spotgravelling,culverts, drainange improvement left out. (20%),Kalaki-Lwala-Kaberamaido (29km) only grading done. (20%)Kumi-Ongino-Akide(21km), 10% of planned was done, Serere-Pingire-Mulondo-Mugarama (38km), 20% of planned was done, Serere-Kasilo-Kagwara (38km),50%, Bugondo-Obukaito-Kadungulu (14.2km), 10%
Routine Manual Maintenance (paved)	124	133,920,000	124	5.51	124 in Q1, 122 in Q3, 122 in Q4, and 124 in Q2.
Routine Manual Maintenance (unpaved)	691	880,200,000	691	36.24	777km was implemented in Q2; 689km was in Q3, Q4, and Q1.
Bridges	3	32,892,000	3	1.35	The target was achieved
Weighted physical progress was 59.8%					**Fair Performance**

Source: Soroti UNRA Station Annual work plan, Quarterly progress reports FY 2016/17 and Author's compilation

The station achieved 59.8% of the annual targets which was a fair performance against a financial performance of 52.2%. The station did not achieve the annual targets due to budget cuts and delayed procurements. It was observed that Arapai-Lira Junction Road (9km) that had undergone works of grading, spot gravelling and drainage improvement was in a good motorable condition and had visible offshoots.

A gravelled section along Arapai-Lira Junction Road

Deteriorated section at Km 3+700b along Arapai-Amuria Road

ii) Implementation by Contracts

The station had four (4) term maintenance and three (3) periodic maintenance contracts within the FY 2016/17. The contracts were at different levels of performance as shown in Table 13.53.

Table 13.53: Performance of Maintenance Contracts at Soroti UNRA Station

Contract Name	Contract Sum (Ug shs)	Annual Target (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Kumi-Ladot (26km) and Ladot-Palissa (22km) contracted to M/S BMCE ServicesLtd /Apcon Co.Ltd/Eclipse/Edisol Jvc Ltd	3,345,018,600	100	85	6.72	The contract was in cycle 6 and its extended end date of 2nd July 2017 had expired hence, the works were behind schedule.
Term maintenance of Kumi-Brooks Corner (46km), Brooks Corner-Serere (10km) and Serere-Soroti (27km) road contracted to M/S BCR General Ltd	7,147,468,955	120	85	11.97	The contract extended expiry date of 17th April 2017 had expired. The works were behind schedule by 15%.
Periodic Maintenance of Arapai-Amuria (30km), Amuria-Obalanga-Aliyo (39km) and Amuria-Amucu-Kapelebyong (36km) road contracted to M/S	2,030,089,700	180	85	2.27	The contract end date of 21st August 2016 had expired yet it was behind schedule. Financial performance was at 5.6%. It was affected by inadequate funding.
Periodic maintenance of Soroti-Gweri-Magoro (54km) and Magoro-Ngariam (27km) road contracted to M/s Gunya Company Ltd	2,599,932,940	200	85	2.61	The contract extended expiry date of 17th May 2016 had expired. The works were behind schedule by 12%.

Contract Name	Contract Sum (Ug shs)	Annual Target (%)	Cum. Work progress (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Kapir-Ngora-Mukongoro-Kidongole and Soroti-Brooks Corner (83km) contracted to M/s Shajapa Technical Works Ltd	10,969,151,380	33	31	24.37	Performance was very good.
Term Maintenance of Katakwi-Amuria-Usuk-Orungo (33km) roads contracted to M/s Uganda Martyrs Housing and Construction Co. Ltd	8,843,967,000	67	67	20.92	Performance was very good.
Term Maintenance of Katine-Ochero (70km) contracted to M/s MM Construction Company Ltd	6,477,481,692	83	67	12.37	The project was in cycle 6. The works were behind schedule by 16%.
Periodic maintenance of Serere-Kasilo-Kagwara (38km)	870,467,120	100	80	1.65`	Contract was closed
Weighted physical progress was 82.88%					**Good performance**

Source: Soroti UNRA Station progress reports, Field findings and Author's compilation

The overall performance of the contracts was good at 82.88%. Despite the good performance, these contracts were affected by poor mobilisation by the contractors and delays in payments by UNRA. Most of the contractors demobilised and abandoned works due to delays in payment. It was also noted that most contractors lacked staff with the required qualifications to oversee works. In most cases, the staff presented at the time of bidding are not the ones deployed on site.

Periodic Maintenance of Arapai-Amuria (28km) was fairly motorable for the first 3km hereafter, the bad sections followed with bumpy riding surface, potholes and rock outcrops at Km 26+600. Swampy areas were also encountered that require rising at km 26 (two lines of culverts had been installed but were inadequate) and km 27+800.

A culvert installed at Km 9+400 along Amuria-Acowa-Usuk Road

Excavation works for culvert installation at km 11+100 along Amuria-Acowa-Usuk Road

Key emerging issues from the NRMP

- Inadequate and ageing equipment associated with frequent breakdown still affects force account implementation.
- Delayed procurement of gravel and culverts to enable routine mechanised maintenance works affected works in about 95% of the stations.
- 80% of the term maintenance contracts were affected by poor mobilisation and delays in payment of contractors by UNRA.
- Termination of non-performing maintenance contracts is not easily effected since contracts are managed at the head office much as supervision is done by the stations. Labour Based Rehabilitation contract of Loro-Anyeke-Minakulu (4km) road contracted to M/s ALBA Engineering Works Ltd, in Gulu Station; Term Maintenance of (48) Selected National Roads-phase V (21Lots) Lot 02: Katuugo-Kinyogoga(27km), Ngoma-Kasozi-Kyamukonda (31km) and Ngoma-Kyankwanzi(15km) roads contracted to M/s Summit Projekt Limited in Luwero station; and Term Maintenance of of Kyapa - Kasensero (41km) and Lyantonde - Ntusi (58km) contracted to M/s Summit Projekt Ltd in Masaka station, are some of the contracts which needed to be terminated as the contractors had failed to perform.

NRMP Conclusion

The overall physical performance of the force account component of the National Roads Maintenance Programme was good as the programme achieved an estimated 70.5% of the annual target. Although there has been a marked increase in the budgetary allocation to UNRA over the recent past, funding shortfalls continue to be a major challenge. The maintenance budget is far short of the requirements. This is further affected by the untimely release of funds. The UNRA's estimated maintenance budget requirement for the FY 2016/17 was Ug shs 596 billion; to enable the ably implementation of maintenance of road activities, ferry operations, ferry operations and road safety activities. This leaves a funding gap of Ug shs 301.08 billion (112% of approved FY 2016/17 budget).

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 and delays in payment of Interim Payment Certificates by UNRA.
- Delays in procurement which is centralized (at the headquarters) affected gravelling and installation of culvert works and commencement of new periodic and term
- Land use systems in certain areas of the region affects drainage works, especially in areas where agriculture and brick laying activities take place, resulting in blocking drainage systems.

CHAPTER 14: WATER AND ENVIRONMENT

14.1 Introduction

The key players in the sector comprise of Ministry of Water and Environment (MWE), National Environment Management Authority (NEMA), National Forestry Authority (NFA), National Water and Sewerage Corporation (NWSC) and Uganda National Meteorological Authority (UNMA), Local Governments, Development Partners, Private Sector and the Civil Society Organizations. The Ministry of Water and Environment is a lead institution and is responsible for overall coordination, policy formulation, setting standards, inspection, monitoring, technical back-up and initiating legislation. It also monitors and evaluates sector development programmes to keep track of their performance, efficiency and effectiveness in service delivery. The private sector and Civil Society Organizations (CSOs) complement the efforts of the government in the development and mobilization of the resources for service delivery, while the donors provide financial and technical assistance.

The mission of the sector is *'To promote and ensure the rational and sustainable utilization, development and effective management of water and environment resources for socio-economic development of the country'*[63]

14.1.1 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 NDP2 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 NDP2 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 NDP2 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.

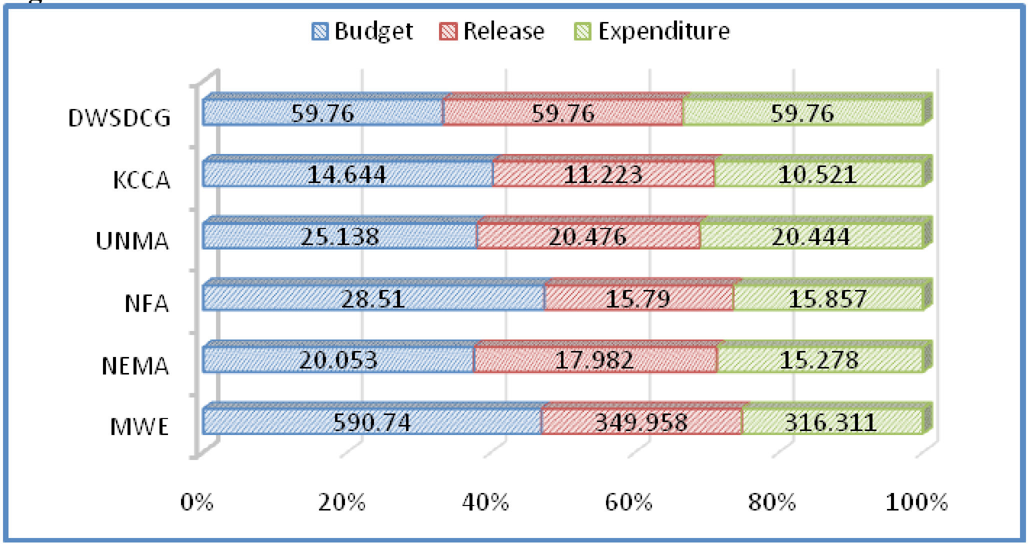
iii) **Improved weather, climate, and climatic change management, protection and restoration of environment and natural resources**. The NDP2 objective is to ensure sustainable management of the environment for livelihood security, wealth creation and sustainable economic development.

14.1.2 Overall Sector Financial Performance

The sector budget allocation for the FY2016/17 was Ug shs 736.41billion (AIA inclusive), of which Ug shs 464.108 billion was released and Ug shs 427.788billion spent. The different Vote budgets, releases and expenditures are reflected in Figure 1. The KCCA budget was Ug shs 14.644billion but did not receive any release from the Consolidated Fund and thus spent the AIA. The NFA AIA budget was Ug shs 21.054billion, of which Ug shs 9.612 billion was received (46% of the AIA budget). The NEMA AIA budget Ug shs 11.081billion and all was realized and Ug shs 8.440billion spent (76%). Overall there was poor performance of the AIA.

63 Ministerial Policy Statement FY 2014/15

Figure 1: The Annual Financial Performance of the Sector Votes



Source: IFMS, MWE and Vote Q4 Reports

Overall Sector Performance

The performance of the sector was rated at 75% (good). Some projects performed well, whereas other performed poorly because of the delayed procurement process initiations, delayed design review process, less releases from the counterpart funding.

14.1.3 Scope

This report highlights financial and physical performance of selected projects in the Water and Environment Sector (WES) by end of June 2017. The projects monitored were selected from Votes: Vote 019 - Ministry of Water and Environment, Vote 150 NEMA, Vote 157 NFA, Vote 302 UNMA and from Votes 501-850 Local Governments.

The monitoring covered 17 projects implemented by Central Government and 10 Local Governments (Table 14.1). In total, 34 districts were covered.

Table 14.1: WES Projects Monitored for Annual Performance FY 2016/17

Vote / Vote Function	Project / Output	Location (District)
Vote 019 MWE		
VF 0901: Rural Water Supply and Sanitation	Project 1191: Provision of Improved Water Sources for Returned IDPs-Acholi Sub Region 30 WUCs trained 30 boreholes rehabilitated Sanitation and Hygiene campaigns conducted in the JICA project area	Mubende Mpigi
	Project 1347: Solar Powered Mini-Piped Water Schemes in rural Areas Water operators supported in O&M Construction of mini piped solar water systems completed.	Lwengo Busia
VF 0902: Urban Water Supply and Sanitation	Project 1130: WSDF central Water operators supported in O&M Water supply and sanitation systems constructed	Kiboga Kayunga Kibale Nakasongola
	Project 1188: Protection of Lake Victoria-Kampala Sanitation Program Nakivubo Waste Water Treatment Plant constructed Nakivubo and Kinawataka sewer network constructed Kinawataka Pre-treatment plant constructed.	Kampala

Vote / Vote Function	Project / Output	Location (District)
	Project 1193: Kampala Water Lake Victoria Water and Sanitation Project Kampala Water Network improved and extended A new water treatment plant in Katosi constructed Institutional support and capacity building conducted	Mukono
	Project 1399: Karamoja Small Town and Rural growth Centers Water Supply and Sanitation Hygiene education and sanitation promotion campaigns conducted in Napak, Moroto districts Sanitation baselines conducted in Napak, and Moroto 3 water supply systems constructed/ rehabilitated in Napak, and Moroto districts.	Napak Moroto
VF 0903: Water for Production	Project 1397: Water for Production Regional Center-East (WfPRC_E) based in Mbale Iwemba and Nabweye valley tanks in Bugiri district constructed	Mbale Bugiri
	Project 0169: Water for Production Water surface reservoirs constructed (Mabira dam in Mbarara district) Rwengaju irrigation scheme in Kabarole district constructed Valley tanks under Kisozi livelihood project	Mbarara Kabarole Sembabule
VF 0904: Water Resources Management	Project 0165: Support to WRM 2 Regional Water Quality Laboratories in Fort portal and Mbarara set-up and equipped. National Water Quality Reference Laboratory in Entebbe operated and maintained.	Mbarara Kabarole Wakiso
	Project 1348: Water management Zones Project Water monitoring stations maintained and operated Water Permit holders monitored for compliance	Mbale Busia Lira Mabarara Kabarole Manafwa Oyam
VF 0905: Natural Resources Management	Project 1189: Sawlog Production Grant Scheme Project Improved skills and knowledge among all project staff and other stakeholders in the forestry sector (Farmers and district staff) Grant disbursed to private plantation owners for plantations established to standards	Omoro Luwero
	Project 1417: Farm Income Enhancement and Forestry Conservation Project Phase II (FIEFOC II) Olweny Irrigation scheme rehabilitated	Alebtong
VF: 0906 Weather, Climate and Climate Change	Project 1102: Climate Change Project Adaptation and mitigation measures Awareness campaigns on climate change Baseline surveys undertaken	Ntungamo Kabale
Vote 150 NEMA		
	Programme 01 Administration Clean Development Mechanisms (CDM) projects verification and marketing of CDM products supported Critical degraded fragile ecosystems restored and protected (Mpologoma and Limoto wetlands) Training district staff on E-Waste management	Jinja Pallisa Kabale
Vote 157 NFA		

Vote / Vote Function	Project / Output	Location (District)
VF: 0952 Forestry Management	Programme 01 Headquarters New tree plantations established Central Forest Reserves effectively and efficiently managed.	Kabale Mbarara
	Project 0161 Support to NFA Maintenance of Mafuga Forest Reserve Supply of seeds and seedlings raised for sale, own planting and community tree planting Maintenance of Bugamba Forest Reserve Tree seedlings raised for Community Tree Planting	Kabale Mbarara
Vote 302 UNMA		
	Project 1371: Uganda National meteorological Authority Weather monitoring stations maintained and operated	Lira Kabale Pallisa Kyenjojo Jinja Lwengo Wakiso
Votes: 501-850 Local Governments	Project: 0156: District Rural Water and Sanitation Development Conditional Grant (DWSDCG)	10 districts[5]

Source: Authors' Compilation

14.1.4 Limitations

1) Limited financial information especially AIA releases and expenditures for specific outputs hence performance may have been under or overestimated.

2) There is disparity between financial information from IFMS, Vote performance reports and different projects especially the DLGs. The financial figures keep changing over time.

3) Budgets and releases for sub-outputs were not easily available. This made it difficult to analyze for each sub-output. Hence the budgets used within the performance tables are for the overall output component.

4) Unrealistic percentage targets set under WRM that may easily be achieved or verified with no clear baselines and targets for specific regions implementing.

14.2 Ministry of Water and Environment (Vote 019)

Background

The Ministry of Water and Environment is mandated with among others to provide guidance to the LGs, quality assurance, monitoring, regulation and technical assistance. The responsibility for provision of Rural Water Supply and Sanitation Services was decentralized to LGs. However, the implementation of water supply and sanitation services for rural growth centers (with populations between 1,500-5,000 people) is still being handled at the central level, as the capacity of the District Local Governments (DLGs) is being built. The Support to Rural Water Supply and Sanitation Program (SRWSSP) carries out the ministry's role as far as decentralization is concerned in the provision of water to the rural population in Uganda.

Objectives: To support the LGs, NGOs, humanitarian organizations and CBOs to build capacity for efficient and effective service delivery in the water and sanitation sector.

Financial performance

By 30th June 2017, Ug shs 349.958 billion (59.2% of the total budget) was released to Vote 019 and Ug shs 316.311 billion (90.4% of the release) spent. The worst being the donor budget release at 39.9%. The overall financial performance of the Vote is reflected in Table 14.2.

Table 14.2: Financial Performance (in Ug shs Billion) by 30th June, 2017

Excluding Arrears, Taxes	Approved Budget	Release	Expenditure	% Budget Released	% Releases spent
Recurrent Wage	4.366	4.366	4.457	100	100
Non-Wage	12.494	10.549	10.549	84.4	100
Development GoU	216.750	195.899	112.505	57.3	92.3
Ext. Fin.	357.129	142.375	109.373	39.9	76.8
GoU Total	233.611	207.583	206.938	88.9	99.7
Total GoU+Ext. Fin. (MTEF)	590.740	349.958	316311	59.2	90.4
Arrears	0.085 0	0.085	0.085	100	100
Total Budget	590.825	350.043	316.396	59.2	90.4
A.I.A Total	0.000	0.000	0.0	0.0	0.0
Grand Total	590.825	350.043	316.396	59.2	90.4
Total Vote Budget Excluding Arrears	590.740	349.958	316.311	59.2	90.4

Source: MWE Q4 Report

14.2.1 Provision of Improved Water Sources for Returned IDPs – Acholi Sub Region (Project 1191)

Background

Close to two million people of northern Uganda were displaced from their homes into Internally Displaced Persons (IDPs) camps following a two decade long war. After the insurgency, there was relative peace prevailing in the region, hence people returned to their villages which were without adequate and improved safe water and sanitation services. In July 2011, the MWE commenced implementation of Project 1191 to provide safe water and sanitation services to the returned IDPs. The project end date was June 2017.

The project objectives are to:

- Construct new water points and piped water supply systems in Rural Growth Centers.
- Increase functionality of water systems through strengthening the Community Based Management Systems (CBMS) by ensuring equal participation of men and women in the management of water systems and training borehole maintenance mechanics.
- Provide technical support and capacity building to districts and the community for effective planning, operation and maintenance of water and sanitation facilities for sustainable development.

Note: As the project period comes to an end, implementations were extended to cover regions of central Uganda and the Lake Kyoga basin with support from Japan International Cooperation Agency (JICA).

The planned outputs in FY2016/17 include:30 Water User Committees (WUCs) trained; 30 Hygiene and Sanitation campaigns conducted in the JICA project areas of central Uganda and 12 in the Lake Kyoga basin; 30 boreholes rehabilitated in Central Uganda; 12 Designs for RGCs developed in the Kyoga basin.

The project annual budget for the FY2016/17 was Ug shs 708,000,000, of which Ug shs 650,352,500 (92%) was released and Ug shs 588,560,440 (90.5% of the release) was spent by 30th June 2017.

Performance

The physical performance of the project by end of June 2017 was poor at 18% as most planned outputs were not achieved. The overall performance is summarized presented in Table 14.3.

Table 14.3: Performance of Provision of Improved Water Sources for Returned IDPs – Acholi Sub Region by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Back up support for O&M of Rural Water 30 Water User Committees trained	30	200,000	0.00	0.00	Only service center was set up in Mubende that comprises of software and hardware consultants.
Promotion of Sanitation and Hygiene education: (30 Hygiene and Sanitation campaigns conducted in the JICA project areas of central Uganda and 12 in the Lake Kyoga basin)	42	60,000	12	33.38	12 hygiene and sanitation campaigns conducted in the L. Kyoga basin. 30 campaigns for JICA not done.
Construction of Piped Water Supply Systems (Rural): 30 Boreholes rehabilitated in Central Uganda (in Mubende, Mpigi and Butambala) 12 Designs for RGCs developed in the Kyoga basin	100%	398,000	25%	25	Rehabilitation of boreholes not achieved. The design of 3 RGCs was completed but only nine RGCs will be covered by the grant.
Total		**658,000**		**18.2**	

Source: MWE and Field Findings

Only the outputs of hygiene and sanitation campaigns were conducted in the Lake Kyoga basin and design of three RGCs out of nine intended for the grant was achieved. The other planned outputs were not achieved pending the obligations of the different stakeholders (GoU, JICA and the DLGs). The roles and responsibilities and the specific areas of operation kept changing thus affecting project start up. Ultimately, the project did not achieve its objectives.

Challenges of implementation

1) The MWE went into a technical cooperation with the Government of Japan not fully aware of the implementation modalities which keep shifting thus was not able to meet all its obligations. There seems to be little room for negotiation as JICA sticks to its position which has affected the project schedules.

2) The re-introduction of VAT made the Kyoga project more costly. There is luck of clarity on exemption of VAT on the JICA project which may benefit the international consultants and not the local contractors.

3) JICA (donor) does not declare its financial contributions to the project which makes it difficult to analyze their financial contribution to the project/Sector.

Recommendations

1) The MFPED and MWE should clearly understand the Terms of Reference of projects before acceptance and initiation, and reject variations that affect implementation.

2) In accordance with Section 3 of the VAT (Amendment) Act 2017, the obligation to budget and pay VAT on supplies received from contractors who execute aid funded projects was removed with effect from 1st July 2017.

14.2.2 Solar Powered Mini-Piped Water Schemes in Rural Areas (Project 1347)

Background

It is estimated that over 80% of Uganda's population resides in rural areas, where the predominant safe water supply technology is the hand pump borehole. Rural areas are characterized by Rural Growth Centers (RGCS) with populations ranging from 1,500 to 5,000 persons. The hand pump can only extract 700 liters per hour, thereby causing delays, conflicts and time wasting rendering them unreliable for RGCs. Owing to the population increase and large numbers of RGCs in the country, it is recommended that high yielding wells are powered with solar energy to supply multiple stand posts in order to reduce on the challenges associated with hand pumps. Hence the project commenced in July 2015 and the end date is June 2020.

The main objective of the project is to upgrade the service levels of safe water supply in rural communities thereby reducing on risks related to water borne diseases and improve livelihood of the rural communities.

The annual approved budget in FY2016/17 was Ug shs 16,025,000,000, of which Ug shs 14,416,000,000 (90%) was released and Ug shs 14,356,847,987 (99% of the release) was spent by end of June 2017.

Performance

The physical performance of the project was fair at 60% by 30th June 2017. The project performance is reflected in Table 14.4.

Table 14.4: Performance of Solar Powered Mini-Piped Water Schemes in Rural Areas by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (000Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Back up support for O&M of Rural Water: Back up support provided to facilitate O&M for Solar Powered Mini Piped Schemes in 15 communities.	15.00	200,000	15.00	1.25	All activities were carried out as planned and all sites were commissioned
Monitoring and capacity building of LGs, NGOs and CBOs: 15 LGs and communities supervised and coordinated at selected sites of implementation.	15	200,000	15	1.25	All activities were carried out as planned, although they are not related to the major output.
Acquisition of Land by Government:15 pieces of land purchased for the sites of construction	15	100,000	15	00.00	The sites were provided free by the LGs.

Output	Annual Planned Quantity or Target	Annual Output Budget (000Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Construction of Piped Water Supply Systems (Rural):Construction of 15 solar powered mini piped water systems completed in the districts of Kiryandongo, Kumi, Otuke, Mpigi, Kaliro, Namayingo, Butaleja, Jinja (2), Ngora, Moroto, Busia, Luweero, Gomba, and Lwengo Feasibility studies and designs for 100 solar mini piped systems carried out.	100%	6,000,000	100	18.72	All sites completed, with water running on all sites.
Construction of Point Water Sources: 200 production wells and boreholes drilled and constructed in selected areas in response to emergencies. 200 hydrological surveys conducted in water stressed areas. 300 broken down hand pumps rehabilitated. Promotion of Rain Water Harvesting Strategy	100%	9,525,000	100	39.29	Completed the drilling of 40 production wells and 249 boreholes drilled across the country. Hydrogeological surveys done for 10 large diameter wells in Nakasongola district in the sub-counties of Nabiswera, Lwampanga, Kabinyonyi& Kakooge. Hydrogeological surveys done for 15 production wells in Wakiso, Luweero, Arua, Omoro, Isingiro, Rakai. Hydrogeological surveys done for 44 point water sources in the 14 districts and 349 broken down hand pumps rehabilitated across the country.
Total		**16,025,000**		**60.5**	

Source: MWE and Field Findings

Construction of 15 mini pipe systems was planned and completed in FY2016/17. The systems in Butaleja, Lwengo and Busia districts were functional and appreciated by the beneficiaries. They are solar powered. The systems were handed over to the private operators under the leadership of the WUCs for operation and maintenance. The private operator is paid an agreed percentage from the collection which ranges between 20%-30% of the total collections. The water charges to the beneficiaries differ from place to place, for example in Munduya they pay Ug shs 25 whereas Lwengo residents pay Ug shs 100 per 20 water liter jerrycan.

The performance was affected by too many point water sources planned; for example feasibilities planned (100) that may require more time to achieve. The expenditure on land was also not justified because the land for the sites visited was provided by the LGs and where compensations were done, no land titles were acquired.

L-R: Public water kiosk; Solar array, Pump House and Ecosan toilet for Munduya Water Scheme in Daban sub county Busia District

14.2.3 Water and Sanitation Development Facility Central (Project 1130)

Background

The GoU through the MWE, with support from development partners established the Water and Sanitation Development Facility – Central as a mechanism for implementation of piped water supply and sanitation infrastructure in small towns and rural growth centers in the central region of Uganda. The WSDF-C is funded under the Water and Sanitation Program supported by the African Development Bank.

The overall objective of the Water and Sanitation Development Facility (WSDF) Central is to support the development of water supply and sanitation infrastructure in Small Towns (STs) and RGCs through a decentralized and demand driven financing mechanism in the central and mid-western regions of Uganda.

The annual approved budget in FY2016/17 was Ug shs 52.068,948,610 with a supplementary budget of Ug shs 1,259,948,610. The Ug shs 42,888,170,000 was available for expenditure and Ug shs 42,703,410,017 (99.5%) spent by 30th June 2017. The project had carried over Ug shs 3,349,170,000 donor funds from the previous FY which was used to pay ongoing works. So the expenditures included funds from the previous FY (2015/16).

Performance

The physical performance of WSDF-Central by end of FY 2016/17 was good at 81.6% because some major outputs were achieved. Table 14.5 shows the summarized performance of the project.

Table 14.5: Performance of Water and Sanitation Development Facility Central by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Policies, Plans, standards and regulations developed Environmental catchment protection, sanitation, hygiene policies, Water supply and sanitation asset management plans/ policies developed and disseminated in the Central region	100	869,000,000	100%	1.60	Water source/catchment protection activities undertaken in 7 towns of Kakooge, Katuugo, Ssunga, Kiboga, Migeera, Buvuma and Nyamarunda town water supply systems i.e. Planted trees at the sources and community trainings on source / catchment protection. Monitored implementation of site-specific Environment and Sanitation Management Plans for Kakooge, Katuugo, Migeera, Kiboga, Ssunga Nyamarunda, and Buvuma towns.

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Backup support for Operation and Maintenance: Water operators in Central region trained in water services management through 4 promotional campaigns for effective O&M. Defects liability monitored in 8[6] Water supply systems	100	3,500,000,000	100%	6.44	O&M training of water supply systems was held for communities in Ssunga, Katuugo, Kakooge, Buvuma and Nyamarunda. Refresher training for WSSB conducted in Kakooge. Monitored defects liability in 8 water supply systems of Kayunga, Ssunga, Kiboga, Kakooge, Katuugo, Migeera, Buvuma and Nyamarunda.
Improved sanitation services and hygiene Hygiene and sanitation promotion conducted in 10 No. Towns under design andconstruction activities. Community based training on appropriate sanitation and Ecosan technology	100	1,540,000,000	100%	2.83	Conducted sensitization meetings for the communities on the use and management of institutional and public toilets in 5 towns of Kabembe, Kalagi, Nagalama, Gombe and Kyabadaza. Conducted sanitation and hygiene promotion trainings in the communities of Katuugo, Kakooge, Migeera, Kayunga and Kiboga. Conducted community training on Ecosan Technology (utilization & maintenance) in Buvuma RGC.
Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators Commissioning and groundbreaking for water supply and Sanitation systems in 16[7]No.Towns Consultant for Communication/ marketing media audit procured	100	840,000,000	60.9%	1.03	3 towns of Katuugo, Kakooge and Migeera supported to establish and train effective O&M structures (WSSB). Commissioned 6 towns of Ssunga, Kiboga, Kakooge-Katuugo, Migeera and Buvuma.Conducted site handover for construction in 16 towns of Gombe, Kyabadaza, Kalagi, Kabembe, Naggalama, Bugoigo, Walukuba, Butiaba, Zigoti, Sekanyonyi, Namulonge, Kiwenda, Kabwoya, Kyakatwanga-Nyamarwa, Kayunga and Busaana. Communication consultant not procured

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Acquisition of land by government: (Land acquired for Kagadi Water Supply and Sanitation System)	100	50,000,000	0	0.00	Funds were not released for this activity.
Government buildings and administrative infrastructure (Construction of WSDF-C Office Block Phase II (Water Laboratory, Stores, Dining shed, External building works)	100	500,000,000	0	0.00	Commenced consultancy for construction supervision (inception report and design review and tender documentation completed) though funds were not enough.
Purchase of office and ICT equipment including software (IT Equipment supplied and installed for new WSDF-C Office Block).	100	200,000,000	100%	0.00	IT equipment supplied and installation was ongoing (computers, laptops and printers).
Purchase of specialized machinery and equipment (Submersible pumps, pipes, fittings and water meters procured for water supply systems).	100	1,000,000,000	100%	1.84	Pipes and fittings were procured.
Construction of piped water supply systems (Urban)- Construction of Town water supply systems commenced in 11[8] towns of Construction completed in 7 Towns of Ssunga, Kiboga, Kakooge, Katuugo, Migeera, Nyamarunda and Buvuma. 15 production boreholes drilled in the Central and Mid-western regions. Designs reviewed and construction supervised for 8 water supply systems of Kabembe, Kalagi, Nagalama, Sekanyonyi, Kyabadaza, Bugoigo, Walukuba, Butiaba.	100	38,270,000,000	65%	56.21	Construction work is ongoing in 10 out of the planned 11 towns and at various levels; Kabembe- Kalagi- Nagalama (40%), Gombe- Kyabadaza (55%), Zigoti-Sekanyonyi (30%), Bugoigo-Walukuba-Butiaba (10%), while Kagadi was yet to start. 26 boreholes drilled in various towns of Kagadi, Kabembe, Zigoti, Lutuku, Migeera, Kyakatwanga, Igayaza, Nyamarwa, Nyamarunda, Kyazanga and Buvuma. Request for proposal for procurement for consultancy to carry out design reviews and construction supervision in 10 towns of Butemba, Nalukonge, Butenga-Kawoko, Kikandwa Kakunyu, Kiyindi, Kikandwa, Kasambya,

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Feasibility studies, detailed designs and mobilization for implementation for 4 water supply systems of Butemba, Nalukonge, Kikandwa and Butenga Pre-construction and construction mobilization in implementation towns.					Kiwoko, Butalangu was issued. Pre-construction mobilization activities (advocacy meetings, WSCs selection and follow up on land acquisition) completed in all towns of Kagadi, Gombe, Kyabadaza, Kalagi, Kabembe, Naggalama, Bugoigo, Walukuba, Butiaba, Zigoti, Sekanyonyi, Namulonge, Kiwenda, Kabwoya, Kyakatwanga-Nyamarwa, Busaana and Kayunga.
Construction of sanitation facilities (urban):Public sanitation facilities constructed in 12 towns of Kagadi, Nyamarunda, Bugoigo, Walukuba, Butiaba, Zigoti, Sekanyonyi, Gombe, Kyabadaza Kabembe, Kalagi and Nagalama. Construction completion of Kayunga FSM Facility	100	4,060,000,000	71%	8.15	Completed construction of public water borne toilets in Buvuma (2) Kiboga (2), Kakooge (1), Katuugo (1), Migeera (1) Kayunga Fecal Sludge Management Facility was completed. However this was not reflected in the work plan
Total		**54,338,170,000**		**81.6**	

Source: WSDF-Central and Field Findings

L-R: Fecal sludge receiving chamber and maturation pond in Kayunga District

L-R: A public stand post at Kakooge WSS in LuweroTown Council, Luwero District; Generator at Migyeera WSS in Mijeera Town Council, Nakasongola District

The facility completed construction of seven town water supply systems (Ssunga, Kiboga, Katuugo, Nyamarunda systems and rehabilitation of Kakooge and Mijeera). Nyamarunda system was later expanded (from 8 to 12 public stand posts) later due to increased demand. The piped systems have public water borne toilets in public places and Ecosans at the guard houses. Construction of a Fecal Sludge Management Facility was completed in Kayunga District in line with the sector strategic position of improving sewer network in urban piped systems. The construction of Ecosans for public use was only done in Buvuma District. The uptake of the technology was not properly scaled down especially in the public places because of poor operation and maintenance of the systems. However the completed facilities were still under the defects liability period monitored by project staff.

The water supply systems are under the umbrella organization as the overall overseer of operation and maintenance. Kiboga piped water supply system was functional and under the management of the water board which had recruited eight staff to operate the system. The water supplies of Nyamarunda, and Katogo systems was on and off as the contractors were minimizing operational costs under the defects liability period. The power supplied by the generator was not enough to meet the demands of the dry spell at the time. Toilets in Kakooge and Mijeera were shunned by the community in preference to free latrines in the neighborhood.

There were delays in commencement of construction of new piped water systems due to delays in procurement thus not much was achieved. Construction of the fecal sludge management facility commenced in Kiboga but the designs for Nakasongola delayed.

Implementation challenges

1) Land owners ask for exorbitant compensation prices for land identified for major installations yet funds/ budgets are not readily available at both local and central governments. For example Kabembe Kalagi, Bigombe Kyabakuza residents were not compensated.
2) Absentee landlords, impede timely acquisition of identified pieces of land. Titling processes were encumbered by absentee land lords/registered proprietors.
3) Delayed completion of design reviews for water supply systems by consultants affected timely commencement of procurement processes.
4) There were procurement delays due to time taken to seek no objection approvals.
5) Uncertainty of management arrangements for completed water supply systems.
6) The huge tax obligations (the tax debt to the project is Ug shs 5 billion). The projections were discussed between MWE and MFPED with no clear way forward.

Recommendations

1) The WSDF-Central should engage beneficiary LGs of water systems early for timely planning, budgeting and acquisition of land for system components.

2) The WSDF-Central should engagement design review consultants early for timely procurement of construction works.

3) Early initiation of procurement process, and discussions between WSDF-C and AfDB funding agency.

4) The management of piped systems should follow recommendations of the ongoing study for operation and maintenance of piped systems.

5) The GoU counterpart funding should be substantial enough to meet the pending obligations.

6) In accordance with Section 3 of the VAT (Amendment) Act 2017, the obligation to budget and pay VAT on supplies received from contractors who execute aid funded projects was removed with effect from 1st July 2017.

14.2.4 Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation (Project 1399)

Background

Karamoja region has received a lot of support in the past, but this was not targeted towards sustainability but rather on addressing short term effects. There are many Urban Centers relying on point sources rather than piped systems being the standard for Urban Centers and RGCs and key for social economic development of urban and rural settlements. The O&M issues have not been addressed properly in the past. The costs of development of ground water are high and yet it is the main option in the region, although with low potential.

The overall project objectives are to improve the socio-economic situation and opportunities for people living in the Small Towns (STs) and Rural Growth Centres (RGCs) through provision of safe, adequate, reliable, sustainable and accessible water supply and promotion of improved practices of hygiene and sanitation in Karamoja."

The annual approved budget in FY 2016/17 was Ug shs 5 billion, of which Ug shs 4.275 billion (85.51%) was released and spent by end of June 2017.

Performance

The overall physical performance of the project was poor at 24.2%, because most of the planned outputs were not achieved. Table 14.6 summarizes the performance of the project.

Table 14.6: Performance of Karamoja Small Town and Rural Growth Centers WSS by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Administration and Management Support Contract staff salaries paid Adverts and shortlists for recruitment of staff conducted	100%	118,000,000	75%	1.77	Adverts placed in the local newspapers. Recruitment for contract staff is ongoing

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Improved sanitation services and hygiene Hygiene education and sanitation promotion campaigns conducted in Napak, and Moroto districts Sanitation baselines conducted in Napak, and Moroto	4	100,000,000	2	1.05	Promotion of hygiene education and sanitation in Amudat and Kacheri-Lokona as planned. Hygiene education and sanitation promotion campaign conducted. Conducted Sanitation Baselines for Sanitation intervention for Amudat and Kacheri-Lokona Water Supply Schemes.
Monitoring, Supervision, Capacity building for Urban Authorities and Private Operators (Stakeholder consultation/ engagement conducted in Napak, and Moroto	2	170,000,000	2	3.40	Stakeholder consultations / engagements, monitoring of ongoing works carried out in Amudat and Kacheri-Lokona as the planned output. 2 meetings carried out with stakeholders in Napak and Moroto.
Purchase of Motor Vehicles and Other Transport Equipment Vehicles for contracts staff purchased	2	600,000,000	0	0.00	Contract for supply of motor vehicles was awarded to M/S Toyota and was awaiting for Permanent Secretary's signature.
Purchase of Office and ICT Equipment, including Software ICT equipment purchased for project staff operations	100%	30,000,000	100%	0.60	ICT equipment was purchased and delivered.
Purchase of Office and Residential Furniture and Fittings Office furniture and fittings procured.	100%	50,000,000	0	0.00	Office and residential furniture and fittings to be purchased after deployment of staff in Moroto.
Construction of Piped Water Supply Systems (Urban) 3 water supply systems constructed/ rehabilitated in Napak, and Moroto districts.	100%	3,932,000,000	18.3%	17.33	Designs for Amudat completed and tendered and evaluation finalized. Contract signed and sites handed over to contractor and works commenced in May 2017. Physical works at 7%. Design for Kacheri-Lokona finalized 8 boreholes were drilled, tested and constructed in Matany, Orwamuge, Kalapata, and Tokora.
Total		**5,000,000,000**		**24.2**	

Source: MWE and Field Findings

The major achievements included ICT equipment purchased for project staff operations and stakeholder engagements/consultations and monitoring ongoing works. The construction of three piped systems in Napak and Moroto districts was changed to Amudat and Kacheri-Lokona in Kotido District due to lack of project designs documentation. More still the three planned projects were at design stage which led to the poor performance of the project.

Challenges

1) Lack of approved designs to commence construction of schemes in the planned areas of operation.

2) Delay to initiate the procurement process for construction of water supply systems.

3) Delay in recruitment of staff to be based in Karamoja Region to monitor implementation of the project.

4) Delayed procurement of vehicles for use in executing the activities/monitoring and routine supervision of project activities.

Recommendations

1) The MWE should procure design consultants early enough to fit within the project timing.

2) The MWE should initiate the procurement processes early to avoid unnecessary changes.

3) The MWE should fast track recruitment of staff for the Karamoja Region.

4) The MWE should fast track the procurement of vehicles for monitoring/supervision of the project.

14.2.5 Protection of Lake Victoria-Kampala Sanitation Program (Project 1188)

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 for the FY is Ug shs 48.365 billion (including donor funding, of which Ug shs 58.111 billion was released and spent by end of June 2017.

Performance

The performance of the project was fair at 68% as few targeted outputs were achieved. The cumulative progress of Nakivubo Waste Water Treatment Plant (NWWTP) was 84%, the Nakivubo-Kinawataka sewer network were laid to 75% and construction of Nakivubo pre-treatment plant had just commenced. Table 14.7 shows the project performance.

Table 14.7: Performance of Protection of Lake Victoria-Kampala Sanitation Program by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs □000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Construction of Sanitation Facilities (Urban): Nakivubo Waste Water Treatment Plant (NWWTP) constructed 100%. Complete construction of Nakivubo and Kinawataka sewer network works to 90%. Commence construction of Kinawataka Pretreatment plant (30%).	81.70%	48,365,268,520	0.66	0.68	The cumulative progress of NWWTP was at 84%due to delays in URA granting tax exemptions for crucial construction materials. The Nakivubo and Kinawataka sewer networks were 75% complete due to site acquisition and compensation challenges. Kinawataka 20% complete due to delay in effecting advance payment to the contractor.
Total		**48,365,268,520**		**68**	

Source: NWSC and Field Findings

The sewer network area first had four black spots (Kasokoso, Banda, Nakivubo and Kyambogo valley) with land compensation matters and later Centenary Park wrangles that slowed down works. The land wrangles caused delay by more than one year. The contractor has unpaid certificated worth Ug shs 56 billion which affected progress of works. The sewer network coverage under NWSC was at 7% coverage.

L-R: Anaerobic sludge digester; and Coarse screens at NWWTP Bugolobi, Kampala

L-R: Grit washer; Sludge thickening and watering building at the NWWTP in Bugolobi, Kampala district

Implementation Challenges

1) There were delays in completion of the NWWTP attributed to relocation of the project site from Nakivubo swamp to Bugolobi, Wampewo.

2) Delays caused by land acquisition and compensation challenges e.g. Centenary Park wrangles, compensation of Kasosoko project affected persons. Private land owners request big sums of money for compensation in order to allow access for the sewer networks. Some of these areas such as Banda and Kasokoso are in wetlands yet individuals have land titles for those pieces of land.

3) Payment of contractor and consultants' certificates to the tune of Ug shs56.8 billion with Ug shs 6 billion expected from GoU.

4) Delays in URA granting tax exemptions for crucial construction materials e.g. Sulphate Resistant Cement which cannot be stored for a long time thus requiring frequent importation.

Recommendations

1) The MFPED should adequately allocate the GoU counterpart contribution and release the funds timely to avoid accumulation of interest on delayed payments.

2) The URA should expedite tax exemptions of donor funded projects for the crucial construction materials e.g. Sulphate Resistant Cement.

14.2.6 Kampala Water Lake Victoria Water and Sanitation (Project 1193)

This project is aimed at promoting sustainable socio-economic growth and improved health through enhanced access to safe water, thereby contributing to the poverty eradication efforts of Government. The project targets to provide safe water to a population of over 4 million within the Greater Kampala Metropolitan Area (GKMA) up to the year 2035. The project start date is 07/01/2011 and the end date is 06/30/2018.

The project objective is to increase coverage, reliability and access to clean, affordable and economically viable water supply services for the population of metropolitan Kampala, in particular the urban poor, for sustainable growth until 2035.

The approved budget of the project is Ug shs 47,255,225,000, of which Ug shs 47, 239,006,333 (99.9% of the budget was released) and all spent by 30th June 2017.

Performance

The performance of the project was poor at 33.3% and the project only completed and commissioned Ggaba works. The performance of the project is presented in Table 14.8.

Table 14.8: Performance of Kampala Water Lake Victoria Water and Sanitation by 30th June, 2017

Output	Annual Planned Quantity or Target (%)	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity (%)	Weighted Physical Performance Score	Remark
Construction of Piped Water Supply systems (Urban): Kampala Water Network Improvement & Extension made Construction of new water treatment plant in Katosi and associated transmission network and storage facilitiescompletion. Institutional support and capacity building achieved	100	47,255,225	33	33.31	Under networks, Ggaba water works and Namasuba works were substantially completed and commissioned. However extension of 42km mains was not carried out. Transmission Main Works Contract signed while evaluation of the Drinking Water Plant are still ongoing. Training needs assessments identified and developed ToRs for gaps identified.
Total		**47,255,225**		**33.31**	

Source: NWSC, IFMS and Field Findings

The project was still far from achieving its objectivities. A number of challenges were faced which dragged down implementation and they include the following:

The Implementation challenges

1) Delays caused by bureaucracy in the financing packaging among donors - French Agency for Development (AFD), German Financial Cooperation (KFW) and European Investment Bank) which all had to approve processes, until they chose AFD as lead agency.

2) The lengthened project cycle affected budget estimates initially made in 2011. The budget estimate then was about 212 million euros but in 2017 the estimate came to about 350 million euros, hence additional funding for the project was required.

3) Ambiguity in the policies on compensation causes unnecessary conflict that leads to delays in implementation and increase in costs.

4) Difficulty in mobilization of different arms of government for coordinated action e.g. NEMA Act forbids issuance of land titles in wetlands and restricts use of the wetlands, however, titles for the wetlands are still being issued by Ministry of Lands, Housing and Urban Development to private companies and high costs are incurred by NWSC for their use and compensation.

5) The GoU requires all NWSC's operations to be taxed. Accumulation of funds to finance the tax components on project certificates takes a long time and causes delays in implementation of projects.

6) High costs of permits e.g. for wetland use, and lengthy approval periods by some government departments e.g. Chief Government Valuer (CGV), and NEMA.

7) The GoU does not allocate funds for projects in accordance with its commitments under the various financing agreements which affects the progress of implementation.

8) The payment procedures for projects require that invoices be paid with 56 days, however, delays in payment of certificates forwarded to MWE often leads to high interests on delayed payments.

Recommendations

1) The Government should fast truck reassessment of its policies concerning securing land for installation of public infrastructure.

2) The GoU should consider eliminating taxes from infrastructure projects since there is no value addition in moving taxes from one government department to another.

3) The MWe should create a forum within which infrastructure development can be discussed with a wider stakeholder engagement like URA, NEMA, UNRA, KCCA, and NFA in order to quicken approval processes, streamline infrastructure plans and safeguard public assets.

4) The GoU should allocate sufficient funds as detailed in the Mid-Term and other Budget Frameworks for infrastructure development.

5) Some of the approval processes for certificates at MWE that are a duplicate of NWSC's processes can be eliminated.

6) The Ministry of Lands, Housing and Urban Development should decentralize services of the CGV, and change the structure to recruit more staff so that they can speed up evaluations.

The urban water supply NPA target for the FY 2016/17 was 90% coverage. By June 2017, the urban water coverage will be 77% having increased by 6%. This is against the NDP II target of 90%[64] coverage for the FY 2016/17.

14.2.7 Water for Production (Project 0169)

Background

Water for Production refers to development of water resources for productive use in agriculture (crop irrigation, livestock and aquaculture), rural industries, wildlife recreation, hydropower generation, transport and commercial uses. Water for Production (WfP) is a key area for the successful implementation of the GoU's Plan for Poverty Eradication under the second priority area of PEAP. The implementation framework is derived from recommendations of the subsector reform studies and WfP sector investment plans (2005-2015). The project is among others contributing to the implementation of the Prosperity for All (*Bonna Baggaggawale*) programme.

The overall objective of the project is to improve the quality of life and livelihoods of the population through provision of water for productive use in irrigation, livestock, domestic, aquaculture and rural industry.

The annual approved budget in FY2016/17 is Ug shs 32,100,000,000, of which Ug shs 27,517,668,521 (85.7%) was released and spent by 30th June 2017.

Performance

The performance of WfP was good at 70.9%, however, the general performance was not good because so many projects were planned which either did not commence or were not completed. So there was not much done to increase the cumulative storage capacity of water for production. Table 14.9 shows the summarized performance of the project.

64 Second National Development Plan (NDPII) 2015/16-2019/20

Table 14.9: Performance of Water for Production (Project 169) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Supervision and monitoring of WfP activities:Ongoing and new facilities under WfP; Mabira dam in Mbarara, Rwengaaju Irrigation scheme in Kabarole, Kyabal and Kabingo valley tanks in Sheema district; 9 valley tanks in Gomba and Sembabule districts under Kisozi Livelihoods Improvement Project; Iwemba and Nabweya valley tanks in Bugiri district, Ongole dam in Katakwi district, Akwera pilot irrigation scheme in Otuke district, Wind-powered water supply systems in Karamoja sub region, construction of WfP facilities countrywide using Ministry WfP equipment monitored and supervised.	100%	2,500,000,000	70%	19.49	Supervised and monitored construction valley tanks in Gomba, Sembabule, Bugiri, Ongole dam in Katakwi and windmills in Karamoja. Contract for reconstruction of Mabira, Rwengaju and procurement of contractor for Akwera awaited availability of funds; Supply and installation of windmill-powered watering systems delayed by changes in some sites which were found non-feasible after test pumping.
Acquisition of Land by Government Land for facility development secured where appropriate, land owners compensated for construction of WfP facilities.	100%	200,000	200,000,000	1.75	50 acres were secured in favor of Government through signing agreements of land offer by the land owners for 15 sites.
Purchase of Office and Residential Furniture and Fittings: Furniture, AC, Shelves, curtains and internet for the center office procured.		150,900	0	0	Furniture, AC, shelves and curtains for the center office not procured.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Sustainable Water for Production Management Systems established Sustainable management and establishment of seven (7) farmer field schools at WfP facilities of Andibo dam in Nebbi, Longoromit dam in Kaabong, Olerepec valley tank in Apac, Ongole dam in Katakwi and Olami-A valley tank in Apac, Leye dam in Kole and Arechek dam in Napak district. Sustainable management and establishment of six (6) farmer field schools at WfP facilities of Mabira dam in Mbarara district, Kakinga dam- Sembabule, Obwonjerero and Kagamba bulk Water supply system -Rakai, Kyabal and Shuku valley tanks in Sheema. Environment protected through watershed management of the areas around WfP facilities. Four facilities protected (Arecheck dam in Napak District, Andibo dam in Nebbi district, Ongole dam in Katakwi District and Mabira dam in Mbarara District). Baseline surveys and performance evaluation of WfP facilities Countrywide carried out.	100%	2,214,000	25%	10.9	The procurement of consultants for the establishment of the 13 farmer field schools for sustainable management was ongoing. The process had reached contract signing. Environment not protected. This activity awaits establishment of the farmer field schools. Baseline surveys and performance evaluation of WfP facilities countrywide carried out.
Purchase of Motor Vehicles and Other Transport Equipment 3 Construction equipment, Low bed and Dump truck; 3 Service Trucks for WfP Department procured and Machinery, Equipment and vehicles maintained.	100%	300,000	100%	2.83	The 3 construction equipment, low bed, dam; 3 service trucks were procured.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Construction of Bulk Water Supply Schemes Eight WfP facilities designed: Seretyo irrigation scheme in Kween district, Namata/Nakaale dam in Nakapiripirit district, Geregere dam in Agago district, Ojama dam in Serere district, Ogwete dam in Otuke district, Nabitanga, Buteraniro in Sembabule district and Kenwa in Kiruhura district. Rwengaaju Irrigation Scheme in Kabarole district constructed to 30% cumulative progress.	100%	5,186,000	18.75%	17.57	Three WfP facilities were designed (Nabitanga, Buteraniro in Sembabule district and Kenwa in Kiruhura district). Procurement for design consultants had just been initiated for the remaining five WfP facilities.Seretyo Irrigation Scheme in Kween District delayed by the procurement process. Design of Ogwete dam in Otuke district and Acanpii dam in Oyam district affected by community resistant. Construction of Rwengaaju Irrigation Scheme had not commenced awaiting payment of advance certificate.
Construction of Water Surface Reservoirs Two WfP facilities designed: Acampii dam in Oyam and Bigasha dam in Isingiro districts. Construction completed at the following dams Andibo dam in Nebbi (100%cumulative progress), Ongole dam in Katakwi (100% cumulative progress), Mabiradam in Mbarara (10% cumulative progress), Wind powered water supply systemsin Karamoja (10% cumulativeProgress). 15 valley tanks constructed in Nakasongola (3), Kiboga (3), Mubende (3), Luweero (2), Sembabule (2), Nakaseke (2) under Global Climate Change Alliance project (100% Cumulative progress).	100%	21,313,100	50%	18.00	Design of Acanpii dam in Oyam district affected by community resistant. The site was replaced by Kyenshama dam in Mbarara district. After failing to attract responsive bids, the procurement process for design of Bigasha dam was retendered. Progress was as follows Andibo dam (100%), Ongole dam (100%), 14 windmill powered water systems (15%), reconstruction of Mabira dam (0%) awaits funds. The procurement process of Mabira dam failed to attract a responsive bidder. The construction of 15 valley tanks was at substantial completion stage (95%).
Total		28,713,100		70.9	

Source: MWE and Field Findings

The valley tanks in Gomba and Sembabule districts under Kisozi Livelihoods Improvement Project were completed but had not received enough rains and some were not yet fully operational. The intake at Butugo Valley Tank and the watering troughs at Lutunku Valley Tank had cracked, however, the tanks were not yet commissioned. They were under the defects liability thus the cracks should be rectified before handover.

L-R: Butugo Valley Tank; Watering Toughs at Lutunku valley tank, Lutunku A village, Lugusulu sub-county, Sembabule District

The formation of farmer field schools for sustainable management of facilities had lagged due to delayed initiation of procurement. The design of Ogwete dam in Otuke District and Acanpii dam in Oyam District were affected by community resistance. The sites were replaced by Makokwa and Kyahi dams in Gomba District and Kyenshama dam in Mbarara District respectively. The project performance was affected by inadequate funds to initiate procurement of some projects, slow response of bidders and land acquisition to establish projects.

Challenges

1) Failure to attract responsive bidders for some WfP works which delays works, for example construction of Bigasha dam in Isingiro District. The bidding quotation for Mabira was too high at Ug shs 6.8 billion compared to the estimated cost of Ug shs 1billion.

2) The construction of bulk water supply systems requires a lot of money which may take a long time given the funding gaps in the sector. For example Rwengaju did not commence due to lack of advance payment.

3) Acquisition of land for big projects is not easy and projects have either been delayed awaiting exorbitant compensations or shifted to other beneficiaries. Ogwete dam in Otuke District and Acampii dam in Oyam District affected by community resistant. The sites were replaced by Makokwa and Kyahi dams in Gomba District and Kyenshama dam in Mbarara District respectively.

Recommendations

1) The MFPED should provide more funds to the Sector to meet the funding gap for the NDP2 target of provision of water multipurpose as a mitigation measure against rain fed agriculture.

2) The Government through MLHUD should provide a legal instrument that will ease the process of government acquisition of land for public projects.

3) The MWE should rationalize resources and phase projects into short term projects that can have an impact on ground other than scattering projects which cannot be completed.

4) The MWE should fasttrack use of force on account for projects where feasible to reduce on implementation costs thus eliminating time wastage of retendering the projects.

14.2.8 Water for Production Regional Center-East (Project 1397)

Background

The water sector has undertaken significant investments in the water for production since the early 1990's in the cattle corridor districts that stretch from Isingiro in South Western Uganda to Karamoja in North Eastern. Bringing service coverage to 65%, to-date, a sharp increase in demand is being experienced, primarily because of the high population growth, new approaches (force on account) to service delivery and the effects of climate change resulting in water stress in most parts of the Country. The Ministry decentralized its service delivery operations at regional level to bring services closer to the communities.

The overall development objective is to improve the quality of life of the population through provision of water for productive use in livestock, aquaculture and mitigate effects of climate change through modern irrigation technology.

The annual approved budget in FY 2016/17 is Ug shs 5,000,000,000 of which Ug shs 4,999,999,888 (99.9%) was released spent by end of FY2016/17.

Performance

The overall physical performance of the project was very good at 68.4%. Most of the planned half year targets were not achieved. Table 14.10 reflects the performance of Water for Production Regional Center-East.

Table 14.10: Performance of Water for Production Regional Center-East by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Supervision and monitoring of WfP activities On-going and completed works in Ongole dam in Katakwi district, Kajamaka and Kodhukul dams in Kumi district, Arechet, Kobebe, Longoromit, and Windmill powered watering systems in Karamoja, Lodoon dam, Valley tanks constructed in Katakwi district, valley tanks constructed in Teso and Karamoja sub-regions monitored and supervised. Feasibility study and design of strategic dams in Karamoja sub region, design of Ojama dam in Serere district, Ngenge Irrigation Scheme in Kween district and Namatata/Nakale dam in Nakapiripirit and Lodoon dam in Napak district supervised	100%	316,000,000	44%	6.67	Supervised construction of: Iwemba and Nabweya valley tanks in Bugiri District (95%), Ongole dam in Katakwi district (100%), 2 Valley tanks using Ministry equipment in Tororo and Soroti. Windmill-powered water supply systems in Karamoja sub-region (25% cumulative progress). Supervised feasibility studies and design of Ngenge Irrigation in Kween District. Atari Irrigation scheme in Bulambuli

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Sustainable Water for Production management systems established Consultancy services for sustainable management of WFP facilities in Eastern and Karamoja regions (training/ capacity building, establishment of management structures (No.10) for completed and ongoing works, mobilization and sensitization. Watershed of the areas around constructed WFP facilities managed and protected.	100%	450,000,000	0%	4.75	Contract signed, commencement letter issued and consultant was to start works by end of July, 2017 to carryout Watershed management of Abileng Valley tank in Kumi District.
Acquisition of Land by Government: 15 pieces of land purchased for the sites of construction	15	100,000	15	0.71	Land was acquired for 15 sites to construct the water systems.
Construction of Water Surface Reservoirs Construction of Four (04) Community valley tanks using equipment through force account mechanism. Construction of Iwemba and Nabweye valley tanks in Bugiri District (95% cumulative progress) Consultancy services for Condition assessment of WfP facilities in Eastern and Karamoja region and design of at least sixteen (16) valley tanks in eight (08) districts of Easternand Karamoja regions. Consultancy services for Engineering design of a miniirrigation scheme at Ongole damin Katakwi district.	100%	3705131977	80%	52.52	Iwemba and Nabyeya valley tanks in Bugiri District constructed up to 95% cumulative progress as planned. Final design report submitted for sixteen (16) valley tanks in eight (08) districts of Eastern and Karamoja regions. Final design report of a mini irrigation scheme at Ongole dam in Katakwi District submitted.
Total		**4,471,131,977**		**68.4**	

Source: WfPRC-East and Field Findings

Procurement of a consultant for the establishment of management systems for water for production facilities and facilitating protection of watershed areas around the facilities delayed. The contracts had just been signed. Iwenba and Nabweya valley tanks were completed and functional. The community appreciated the facilities for water stress relief especially during dry spells. A community member in Nabyeya was taking advantage of the protected dam and growing rice using the protected water in the valley tank for irrigation.

L-R: Pump house, solar panels at Iwemba Valley Tank in Iwemba sub-county; Watering toughs at Nabweya Valley Tanks in Nabukalu Sub County, Bugiri District

Challenges

1) Inadequate staffing. The project covers 38 districts in Eastern Uganda and Karamoja and therefore requires additional technical staff to adequately deliver.

2) High costs involved in acquisition of land as landlords get excited over government funded projects and charge high rates for compensation.

3) Inadequate complementary services especially on-farm support services in agronomy.

4) Inadequate funding for the project yet it is supposed to cover a wide area of operation.

Recommendations

1) The MWE should build the capacity of DLGs in order to strengthen the operation and maintenance of the completed projects to enhance sustainability.

2) The MWE should increase the staff levels in regional centers.

3) The DLGs together with the beneficiary communities should provide land as a contribution for water for production facilities.

4) The MWE should put in place management structures in consideration provision of funding for payment of caretakers on the completed facilities.

5) The MWE should lobby for more funding for the project to have a meaningful impact.

The project completed 18 valley tanks of 10,000m^3 capacity and other 96 valley tanks with various capacities using Ministry equipment. The consultants for setting up management structures for WFP facilities were yet to be procured. There are many projects still under design and procurement. Therefore, there was little contribution to the cumulative quantity of water for production storage capacity for multipurpose use and increasing the functionality and utilization in the FY 2016/17 as the WFP NDP objective.

14.2.9 Support to WRM (Project 0165)

Background

The project aims at improving water services and outputs of water resources management and reporting on compliance with policies standards and regulations. Water resources management is indirectly linked to poverty alleviation in so far as it enables efficient implementation of crucial economic and social infrastructure such as water supply, roads, irrigation and hydropower.

The overall development objective of the project is improved regulation of water abstraction, pollution monitoring and assessment of the water resources, water quality analysis and monitoring network upgraded and operated in an integrated and sustainable manner.

The annual approved budget in FY2016/17 was Ug shs 6,415,975,981 billion of which Ug shs 6,415,975,981 billion (100%) was released, and Ug shs 6,096,237,273 billion (95%) spent by 30th June, 2017.

Performance

The performance of the project was good (71.4 %) as a number of planned targets were achieved. Table 14.11 shows the summarized performance of the project.

Table 14.11: Performance of Support to WRM by 30th June, 2017

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Administration and Management support: Amendments of Legal Framework for WRM approved by government 30% establishment of Water Resources Institute Water Policy (WPC) Committee Supported.	100%	666,206,000	0.67	8.57	ToRs were prepared and a consultant to be hired to undertake finalization of the Water Policy and Water Bill. Operationalization report for WRI Institute completed and actual operationalization planned for next FY. 1 Water Policy (WPC) Committee meeting held & 1 strategic meeting to discuss policy recommendations regarding self-supply within gazette areas of NWSC.
Uganda's interests in trans boundary water resources secured Trans boundary catchments identified, mapped and trans boundary sub catchment management plans developed (Middle Malaba, Lower Sio) at 100%. Water allocation Tools for trans boundary River Basins developed at 100%, implemented and regularly maintained.	100%	676,000,000	0.946	10.82	Transboundary catchments identified, mapped and transboundary sub-catchment management plans are being developed (Middle Malaba, Lower Sio). Water allocation tools for transboundary river basins developed to 40%. 3 transboundary projects of Lake Edward and Albert Fisheries (LEAF), Nyimur and Kabuyanda prepared. Implementation is at 100%, 80% and 70% respectively.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Coordinate preparation of 1 New trans-boundary Project Uganda's interests in regional programmes (IGAD, LVBC, NBI) promoted and secured					4 transboundary projects coordinated and NBI water Summit held in Uganda.
Water resources availability regularly monitored and assessed: 93 surface water monitoring stations operated and maintained. 66 Telemetry stations maintained. 40 new surface water telemetric stations constructed. 42 Groundwater stations operated and maintained. 8 surface water assessments undertaken to support hydropower development and other development projects. Rating curves for 40 stations reviewed and updated. 3 Databases operated and Maintained. Upgraded the water resources database with a new software. Flood and Drought Management Strategy developed	100%	939,000,000	0.844	15.03	60 out of 93 surface water monitoring stations were operated and maintained. 66 Telemetry stations were maintained. Construction of 40 new surface water telemetric stations ongoing. 42 groundwater stations were operated and maintained. Construction of 13 new Groundwater Monitoring Stations was being finalized. 8 surface water assessments were undertaken to support hydropower development and other development projects. Activity was carried out. 4 databases (water resources, water quality, dam safety, and water permit) were operated and Maintained. Upgrade with Aquarius software done. Flood and Drought Management Strategy was not developed

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
The quality of water resources regularly monitored and assessed: 2 Regional Water Quality Laboratories in Fort portal and Mbarara set-up and equipped. National Water Quality Reference Laboratory in Entebbe operated and maintained. National Water Quality Database finalized and linked to regional water quality laboratories. A National Laboratory Policy for water, wastewater and environmental quality services implemented. Water Quality Management Strategy for Inner Murchison Bay Lake Victoria implemented On-line remote sensing water quality data collection for oil and gas waste monitoring operated and maintained. National Water Quality Status/Outlook report prepared and disseminated. National Framework for drinking water regulation and monitoring developed	100%	1,240,000,000	0.77	13.73	1 regional laboratory at Fort portal set up with basic equipment while Mbarara laboratory lacked space. 3 New laboratory equipment installed (high performance liquid chromatography-HPLC, Gas chromatography mass spectrometer-GCMS, and Liquid chromatography mass spectrometer-LCMS). 90% of the National Water Quality Database developed. A National Laboratory policy for laboratory was completed. Implementation awaits completion of the National Drinking water framework study, Bankable Project proposal for implementation of Inner Murchison Bay strategy submitted to MFPED for funding. On-line remote sensing data collection technique operated and maintained. National Water Quality status/outlook prepared and disseminated as part of the sector performance report Draft Final National Framework for drinking water regulation and monitoring developed.
Water resources rationally planned, allocated and regulated 240 water permits (groundwater and surface water abstraction, drilling, construction, dredging and waste water discharge) issued. 54% of waste water discharge permit holders comply with permit conditions. 75% of water abstraction permit holders comply with permit conditions.	100%	405,485,000	0.9647	2.21	290 water permits issued, both renewal and new ones. 55% of waste water discharge permit holders with permit conditions achieved. 75% of water abstraction permit holders comply with permit conditions. Compliance attributed to the water resources regulation campaign done. 60% of major polluters/ abstractors regulated.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
60% of major polluters/ abstractors regulated according to the water laws and regulations. 40 Environmental Impact assessment (EIA) reports assessed and reviewed. A water permits database redesigned and updated with online facilities. Dam safety and reservoir regulation and management framework developed and operational					40 Environmental Impact Assessment (EIA) reports were assessed and reviewed. These are demand driven. A water permits database was redesigned and updated with online facilities. Dam safety and reservoir regulation and management framework were developed.
Catchment-based IWRM established 14 catchment management plans developed and being implemented 30% of the actions in 6 catchment management plans being implemented 11 catchments with established and operational structures for stakeholders involvement in catchment based water resources management	100%	686,515,000	96.42	10.99	12 catchment management plans developed and being implemented, other two are being finalized. 30% of the action plans was implemented as planned. Stakeholders Forum, Catchment Management Committees (CMCs) were established in the 11 catchments
Degraded watersheds restored and conserved Annual subscription to intergovernmental bodies such as Nile Basin Initiative (NBI) paid	100%	630,000,000	1	10.08	Annual subscription to intergovernmental bodies such as Nile Basin Initiative (NBI paid.
Purchase of Specialised Machinery & Equipment Laboratory equipment procured	100%	1,003,834,000	0	0.00	Contract for procurement of laboratory fume hoods signed.
Total		**6,144,198,054**		**71.4%**	

Source: DWRM and Field Findings

L-R: High performance liquid chromatography; Liquid Chromatography Mass Spectrometer; Gallery plus Spectrometer in Entebbe laboratory, Wakiso District

Over the NDPII period, the focus of the WRM is on implementing the water resources management reforms and promoting catchment based integrated water resources management and implementing the water resources management reforms. There was continuous water resources monitoring and regulation, water quality management among others. Key to note is the lack of equipment for monitoring, expertise in WRM, inadequate water quality, quantity and component measurements taken.

Implementation Challenges

1) Due to limited funds, many applications for permits are not assessed which affects water quality monitoring.

2) The laboratory operation at Entebbe uses very expensive chemicals yet its budget is small.

3) There is no follow up on Environmental Impact Assessment recommendations which lead to violations of conditions in some instances.

4) Shortage of manpower due to unfilled structure of the WRM Directorate.

5) The water samples analysis is very small where assessments consider an entity/industry alone thus missing out on the cumulative impact and currently limited to Biological Oxygen Demand (BOD). There are other organic components like phosphorous and nitrates which may be dangerous to the environment like L. Murehe in Kisoro District which is highly nitrified from nonpoint source effluent from the big gardens of tea estates.

6) The national water quality network is ambient especially at the receiving end. Case in point is the Murchison Bay, Namanve Industrial Park which do not have a proper discharge network inbuilt. The industries' effluent will end up affecting the environment.

Recommendations

1) The MWE should seek Parliamentary approval to use non-tax revenue at source to supplement the Directorate budget for laboratory consumables. The fund could be piloted as a special fund for regulation purposes to regulate and enforce penalties.

2) The MWE should give priority budgeting to EIA recommendation adherences such that proper follow ups on terms and conditions are made.

3) The MWE should increase the discharge sample size and regularize data water quality analysis (quarterly) to make meaningful results. Other categories especially factory effluent, pesticides, insecticides and herbicides effects should be included.

4) The sector should develop specific water quality network to address specific areas. An assessment of the flow system of different water bodies and know how much volumes/ flows they can handle and classify them accordingly.

14.2.10 Water Management Zones (Project 1348)

Background

The Water Management Zone (WMZ) offices were established in each of the four WMZs in July 2011 and each is currently staffed by five to eight officers including a WMZ Coordinator. The WMZ teams raise awareness among key stakeholders about the need to promote integrated planning, management and developmentand water resources following a catchment based approach. The WMZs zones are fully established and operationalized and demand for their services in terms of laboratory services, water resources, technical guidance and support to LGs, water users and other stakeholders continues to increase.

The objective of this project is to support catchment based planning, management and development of water resources of Uganda for meeting the socio-economic needs of the present and future generations of Uganda in a sustainable manner.

The annual GoU approved budget in FY 2016/17 for the project was Ug shs 1,370,000,000, of which Ug shs 1,350,000,000(98.5%) was released and Ug shs1,349,981,582 (99.9%) spent by 30th June 2017.

Performance

The performance of the project was fair at 58%. The WMZs had achieved most of the planned outputs. However currently they have limited capacity to plan, manage and develop the waters resources in sustainable manner. Table 12 reflects performance of the project in the FY.

Table 14.12: Performance of Water Management Zones Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remarks
Catchment-based IWRM Established 204 (71 Surface water, 30 Groundwater and 103 water Quality) monitoring stations maintained and operated. -360 Water Permit holders monitored for compliance. -100 permit applications assessed. -3 regional water quality laboratories operated and maintained. -4 stakeholder awareness raising workshops held. -4 catchment management plans for Kiha, Katonga, Lokok and Lokere catchments in Albert, Victoria and Upper Nile WMZs developed. -30% of the investments in 6 catchment management plans implemented. -2 catchments in which climate change adaptation	91%	1,290,000,000	0.53	55.2	71 surface water, 30 groundwater and 103 water quality monitoring stations were maintained and operated. 380 Water Permit holders were monitored for compliance. 110 permit applications assessed. 3 regional water quality laboratories of Lira, Mbale & Fort Portal were operational: 1,898 samples were collected and analyzed; UGX 15.2m NTR was collected. 2 Catchment Management Plans for Lokok and Lokere catchments were completed. Preparation of Kiha catchment management plan was at 40%. Preparation of Katonga Catchment Management Plan was not achieved due to delays in finalizing the procurement and seeking no objection from the World ts.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remarks
measures targeted at reducing vulnerability are implemented 11 catchments with established and operational structures for stakeholders					Bank hence differed to FY 2017/18. 35% of the investments in 6 catchment management plans (Rwizi, Mpanga, Semuliki, Aswa, Ruenzamyenda and Awoja) implemented. Climate change adaptation measures targeted at reducing vulnerability were implemented in Awoja and Maziba catchments. Catchment based water resources management structures (Stakeholders Forum, Catchment Management Committee) were established and operational in 12 catchmen
Government Buildings and Administrative Infrastructure Offices for Water Management Zones in Mbarara and Fort portal renovated	100%	80,000,000	50%	2.92	Offices for Water Management Zone in Fort Portal renovated but the Mbarara offices were not renovated
Total		**1,370,000,000**		**58.2%**	

Source: DWRM and Field Findings

The performance of the Zones was fair in as far as achieving the set targets is concerned. So far 12 catchment management plans were developed and were being implemented. There are CMCs in place to coordinate and oversee catchment management plans. However, the targets may not be easily measured because they lack a clear baseline and the contribution of each zone is not clear in some instances. There is limited operational water resources monitoring and information management, licensing and regulation at WMZ level, limited capacity in terms of staffing numbers and facilitation of station operators, equipment for data collection, centralized data bases which affect operations of the zones.

L-R: River Tochi II Monitoring station in Aber sub-county, Oyam District; Telemetry station at River Rwizi in Mbarara Municipality; Waste water discharge management point at Busia Sugar and Allied Ltd in Busia District

Implementation challenges

1) There are abstractors within the jurisdiction of NWSC who cannot be issued with permits unless NWSC grants them a letter of no objection, yet the Corporation is not ready to do this, which calls for review of the Water Policy.

2) Limited staffing in the Zones, for example in the Upper Nile Management Zone has only two staff to operate the laboratory and carry out field activities.

3) There is limited expertise in Integrated Water Resources Management. This implies that very few consultants respond to works advertised and more so their ability to adequately do the work is limited.

4) Funding for the laboratory equipment is limited, yet operating the laboratories is quite expensive.

5) Over centralization of roles in the zones incapacitates the staff on ground. For example it takes long to get feedback on permits issued because assessment are done at zonal level and issuance at central level, making follow up difficult.

6) Lack of water level measuring equipment, discharge measuring equipment (River Ray ADCP Machine) at zonal level for quality checking data. There are only two machines which are at the center.

Recommendations

1) The MWE should fasttrack the revision of the Water Policy in line with the sector strategic interventions vis-à-vis the private sector development interests for water abstractors.

2) The Sector should prioritise funding equipment e.g. for laboratories as it is critical for quality assurance of the safe water supplies.

3) The MWE should take advantage of the regional integration to tap on the skills of the East African Community by calling expertise from the region for water resources management contractual works.

4) Some of the central roles should be decentralized for coordination and ease of work.

14.2.11 Saw log Production Grant Scheme Project (Project 1189)

Background

Sawlog Production Grant Scheme (SPGS) Phase II was a GoU project funded by the European Union (EU) and the Government of Norway (GoN). The program supports private sector investors in commercial tree planting throughout Uganda by offering conditional planting and maintenance grants as well as a practical training and technical support in various techniques to establish and maintain profitable forest plantations. The Project period was 01/07/2011 to 30/06/2017.

The overall project objective is to support households to increase income through commercial tree planting.

The annual approved budget for FY 2016/17 was Ug shs 878,000,000 which was all released and spent by end of FY2016/17.

Performance

The performance of the project was poor at 42%. Most planned outputs were not carried out as there was a mixture of roles and responsibilities with FAO which affected the set targets (Table 14.13).

Table: 14.13 Performance of Saw log Production Grant Scheme by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score	Remark
Promotion of Knowledge of Environment and Natural Resources. (10 DFS staff backstopped 200 farmers trained/ advised,	100%	50,000,000	100%	5.69	Undertook inspection of Phase II clients and woodlots in 8 districts of North and North Eastern Uganda. Technical backstopping was undertaken for DFS in the 18 districts. Over 330 farmers trained/ advised.
Restoration of degraded and Protection of ecosystems Support the establishment of community plantations and out grower scheme for all clients	100%	40,000,000	5%	0.21	Held various short trainings with 50 tree farmers on forest management in 3 districts of Lwengo, Masaka and Rakai, however, no forest contractors was certified and no nursery operators was certified. These activities were implemented by FAO/SPGS III.
Capacity building and Technical back-stopping. Improved skills and knowledge among all project staff and other stakeholders in the forestry sector.	100%	30,000,000	75%	2.56	Undertook technical backstopping advice to 76 farmers and 2 DFS in the districts of Tororo, Mbale, Soroti, Kumi, Serere, Amuria, Bukedea, Hoima and Masindi. Inspected forest demonstration sites and gave technical advice to farmers in 6 cattle corridor districts of Nakaseke, Luwero, Nakasongola, Kiboga, Sembabule and Mubende.
Administration and Management Support Administrative overheads for the project office supported	100%	608,000,000	26%	17.94	7 staff paid salaries, office sundries, vehicle maintenance, IT support and utilities.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical Performance Score	Remark
Purchase of specialized machinery and equipment (Specialized tools and equipment purchased for plantations management)	100%	5,000,000	100%	0.57	Procured 1 GPS (GPSMap64) and 1 digital Camera. Though this looks to be on a higher side.
Purchase of Residential Furniture and Fittings (Project office furniture and fittings purchased)	100%	5,000,000	100%	0.57	Procured one (1) filing cabin and (1) office chair.
Acquisition of Other Capital Assets Grant payments to all private planters for tree plantations established to standards	100%	140,000,000	88%	14.97	The output is done by FAO. So changed to demonstration woodlots. 26.3Ha (88%) of demonstration woodlots were successfully established out of the planned 30Ha.
Total		**878,000,000**		**42.5%**	

Source: Field Findings, MWE and IFMS

L-R: Tree seedlings in nursery bed for woodlots at Bugema University in Luwero District; The overgrown weed cleared in the woodlot in Omoko-Kitunge Village, Lalogi sub-county, Omoro District

Implementation challenges

1) Delayed issuance of contracts to staff which affected implementation of the project activities.

2) Delayed approval of budget reallocation submitted to MFPED for SPGS III since SPGS II donor funds ended.

3) Delayed release of means of transport from FAO (vehicles under SPGS II) led to little flexibility in transport.

Recommendations

1) The MFPED should fast-track reallocations as per the request submitted to bridge the gap in implementation.

2) The MWE should ask FAO to transfer assets like vehicles to FSSD for implementing SPGS III counterpart activities.

The project performance was affected by the separation of the grant from MWE which is run under FAO as an independent entity. Some of the planned outputs like grant payments to all private planters for tree plantations established to standards was taken by FAO. The project instead supports woodlots and there were no Research and Development activities supported.

14.2.12 Farm Income Enhancement and Forestry Conservation (FIEFOC) Project (1417) -Phase (II)

Background

The FIEFOC – 2 Project seeks to consolidate and expand achievements of the first phase and to address gaps through the development of the irrigation schemes. The government had commissioned feasibility studies for detailed designs of 11 irrigation schemes located in the North, South and Eastern regions of Uganda. This formed a basis for prioritization and selection of proposed sites.

The main objective is to improve household income, food security and climate resilience through sustainable natural resources management and agricultural enterprises development.

The annual approved budget for FY2016/17 is Ug shs 74,011,724,000, of which Ug shs 17,734,942,576 (23.9%) was released and spent by the end of FY2016/17.

Performance

The project performance was poor at 62.8%. The overall performance was affected by late procurements and poor releases to the project. The summarized performance is given in Table 14.14.

Table 14.14: Performance of FIEFOC Project Phase (II) by 30th June, 2017

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Promotion of Knowledge of Environment and Natural Resources (Three consultants to do skills development in climate smart farming in irrigated areas conducted, Needs assessment survey for agri-business potential in water sheds conducted, Fuel saving stoves to reduce fuel wood consumption and carbon emissions promoted	3	727,358,000	00	0.00	Procurement of three consultants to undertake works did not take place.
Restoration of degraded and Protection of ecosystems (1000 ha of trees planted, Identify and DLG leaders in three selected districts sensitized)	100%	248,893,000	50%	0.336	Undertook farmer entry meetings in the districts of Butaleja, Kween, Kasese, Oyam and Nebbi with the district technical team.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Policy, Planning, Legal and institutional Framework (Institutional management framework of irrigation schemes developed)	100%	2,429,036,000	00%	2.94	Consultancy for developing Institutional management framework of irrigation schemes is under procurement.
Coordination, Monitoring, Inspection, Mobilization and supervision (Monthly technical committee supervision and monitoring meetings in Olweny, Wadelai, Tochi, Mubuku II, Doho II and Ngenge conducted; 5 Project inception and awareness meetings held, Hold 2 Joint missions between the African Development Bank and Nordic Development fund)	19	4,713,080,000	11	6.368	5 No. site meetings attended by MWE, MAAIF and Lira district officials were held for Rehabilitation/ Reconstruction of Olweny Irrigation Scheme.
Capacity Building and technical Backstopping (3 study tours for irrigation management committees and staff ; Capacity building, technical backstopping of local government personnel and farmers involved in tree planting undertaken)	100%	1,520,227,000	00%	0.00	Activities differed to FY2017/18.
Government Buildings and Administrative infrastructure (Olweny irrigation scheme civil works 100% complete, Construction of civil works and access roads of the 5 irrigation schemes to 5%, Renovation of National Project Coordination Unit Offices (NPCU)	68%	55,701,027,000	27%	51.22	Olweny was halted at 82% due to nonpayment of works certificates and NPCU offices stopped being in the way for the Standard Gauge Railway (SGR) project
Purchase of Motor Vehicles and Other Transport Equipment(3 station wagons, 7 pickups and 45 Motor cycles procured)	100%	2,222,728,000	00	00	The contract for procurement of vehicles and motor cycles is at Solicitor General awaiting approval for the supplier deliver.
Purchase of Specialized Machinery (Specialized Agricultural Machinery and equipment procured)	100%	1,074,013,000	00	00	Procurement referred to next FY.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Acquisition of Other Capital Assets (Catchment areas of Olweny, Doho, Mubuku and Agoro irrigation schemes rehabilitated through tree planting)	100%	2,918,883,000	25%	1.99	Procured 1,658,793 seedlings that were supplied in catchment areas of the five irrigation schemes. These were planted on approximately 1,500 ha.
Total		**66,413,634,000**		**62.8**	

Source: Field Findings


L-R: Valve control house; One of the water control gates of Olweny Irrigation Scheme in Alebtong District


L-R: A section of a canal filled with water; A section of a canal under construction of Olweny Irrigation Scheme in Alebtong District

There was slow implementation of project works by the end of the FY and the project did not achieve its objectives. The progress of civil works of Olweny Irrigation Scheme in Dokolo District was halted at 82% completion level because of non-payment of the contractor's certificates. There was general delay in procuring service providers like consultants and thus services and motor vehicles were not procured. There were expenditures on different line items yet they were not procured; for example specialized machinery, motorvehicles and other transport equipment not procured and but money was spent.

Key issues in implementation

1) The construction of Olweny Irrigation Scheme halted due to nonpayment of the consultant's certificates. The donor funding is mainly off budget and cannot easily be controlled which makes planning and budgeting difficult.

2) There was general late initiation of procurements which affected implementation of works.

3) Vandalism of metallic manholes and theft of construction materials (cement and fuel) Manhole covers especially at outlet supply chambers in the scheme were vandalised.

4) There were technical staffing gaps in the project which made it difficult to carryout technical work, like initiating procurements early enough and producing reports.

Recommendation

1) The MWE should ensure payment of the contractor's outstanding certificates to enable resumption of works.

2) The MWE should initiate procurement process early following the procurement plan to avoid delay in implementation.

3) The MWE should recruit technical staff to run the project otherwise not much of the objectives will be achieved.

14.2.13 Climate Change (Project 1102)

Background

Climate change is one of the greatest challenges facing humanity this century, as the earth's surface temperatures continue to rise. Climate change is likely to disrupt the earth's ecological systems and to have serious negative consequences for agricultural production, forests, water supply, health systems and overall human development.

Objectives: The main objective is to strengthen the coordination of Uganda's implementation of the UNFCCC and its Kyoto protocol, as well as coordinate and monitor the implementation of the Uganda's Climate Change Policy, thus increasing the resilience to Climate Change of the Ugandan population.

The project annual budget and release was Ug shs 2,760,414,593, of which Ug shs 2,017333,897 (73.1%) was spent by 30th June, 2017.

Performance

The physical performance of the project was good at 78%. However, the major achievement was Knowledge Management Online System operationalized and Green House Gas (GHG) inventory launched, development, and launch of a National Adaptation Plan roadmap for climate change. Table 14.15 shows the summary of the project performance.

Table 14.15: Performance of Climate Change Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Weather and climate change services Knowledge Management System (KMS) developed for the National Climate Change Resource Center (NCCR) National Green House Gas(GHG) Inventory System developed and operationalized	100%	1,259,424,750	75%	35.68	100% knowledge Management System developed but not yet fully functional because of limited funds. National GHG Inventory System developed but not fully operational though CCD was able to engage 5 sectors of Energy, Agriculture, Forestry, Transport and waste to provide data used for the analysis of the emissions.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Policy legal and institutional framework National Climate Change policy (NCCP) Disseminated and popularized to MDAs and DLGs. National Climate Change(NCC) Law developed, passed by Parliament and popularized	2	82,000,000	1	1.55	National Climate Change policy (NCCP) disseminated to district LGs during all meetingand popularized in 6 local languages of Swahili, Luganda, Luo, Lumasaba and Lunyakitara The law was not developed.
Administration and management support (Annual UNFCCC and Kyoto Protocol subscription paid.	100%	78,216,170	0.833	2.46	Annual UNFCCC and Kyoto Protocol subscription paid.
Adaptation and Mitigation measures 6 Districts of Buhweju, Bushenyi, Rukungiri, Ntungamo, Kiruhura and Rakai supported to mainstream Climate Change in their District Development Plans Baseline survey on Climate Change carried out in 4 districtof Amuru, Pader, Lamwo andKitgum. 6 National institutions (MAAIF, UBOS, MoFPED, NPA, MoLG and OPM) trained on the use of the overall National Climate Change Performance Measurement Framework Climate Change Action Plan developed and National Adaptation Plan (NAP) developed	18	828,222,673	21	31.29	2 districts of Rakai and Rukungiri supported to mainstream Climate Change in their District Development Plans. 11 Baseline surveys conducted in Amuru, Pader, Gulu, Kole, Rukungiri, Ntungamo, Mbarara, Bushenyi, Moroto, Kotido, Nakapiripirit and Kabong The objective was to highlight the Climate Change Impacts of different districts and update the district climate change profiles One workshop held to train 6 National institutions (MAAIF, UBOS, MoFPED,NPA, MoLG and OPM) trained on the use of the overall National Climate Change Performance Measurement Framework National Adaptation plan roadmap was developed and a workshop to Launch the NAP held.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Strengthening institutional and coordination capacity Uganda's effective participationin inter -governmental Climate Change Policy Processes Facilitated National climate	1	211,100,000	0.667	5.32	Twelve preparatory thematic group meetings were conducted for the 22nd United Nations Framework Conference on Climate Change Conference of parties that was held between 7th and 19th November 2016 in Marrakech City in Morocco
Change Resource Center Burglar proofed.					Ugandan government delegation of members were facilitated to participate in the 22nd United Nations Framework Conference on Climate Change Conference of parties that was held between 7th and 19th November 2016 in Marrakech City in Morocco.
Purchase of Motor Vehicles and Other Transport Equipment one motor vehicle procured	1	145,000,000	0	0.00	This was not achieved since the terms and conditions of JPF could not allow for purchase of a motor vehicle
Purchase of Office and ICT Equipment, including Software Two laptops purchased	2	43,000,000	2	1.62	Air conditions installed in only the commissioner's office One laptop and printer procured
Total		**2,603,963,593**		**77.9**	

Source: MWE and Field Findings

The Water and Environment Sector aims at increasing the country's resilience to climate change as an NDPII target. This would be achieved through integration and implementation of the National Climate Change Policy (NCCP) and improving climate change legal and institutional framework. The policy was disseminated to LGs however there is to follow up on its implementation in order and whether the country is in line international standards and commitments. However, there was no budget expenditure for climate change adaptation measures of ministries and LGs,change in Uganda's climate change vulnerability index and no measure for change in direct and indirect Greenhouse gas emissions.

Key Issues

1) The donor funding is mainly off budget thus there is a mismatch between funding and the annual planned out.
2) The department uses 52.7% of GoU budget to finance salaries for staff which leaves little money for development outputs.
3) The Climate Change Department has a number of activities to deliver, however the funds allocated from GoU for the FY were limited.
4) Lack of the Law of Climate Change that will enable CCD to have the mandate to compel other institutions to address Climate Change.

Recommendations

1) The department should stick to the approved work plan despite the source of funding.
2) There is a need to boost the budget allocated to the Department for activities to be implemented.

14.3 National Forestry Authority (Vote: 157)

Background

The National Forestry Authority (NFA) is mandated to manage 1.26 million hectares of forest land in Central Forest Reserves (CFRs) on a sustainable basis in partnership with private sector and local communities and supply high quality forest related products and services to government, local communities and the public sector. Government of Uganda (GoU) expects NFA to operate in a business-like manner, according to the functions enshrined in section 54 of the National Forestry and Tree Planting Act, 2003. The NFA is mainly charged with managing 506 CFRs totaling 1,265,742 hectares spread across the country.

Key objectives

Increased supply of quality tree and fruit planting materials for restoration of environmentally sensitive areas such as bare hills, riverbanks, and other degraded forestlands and forest reserves and establishment of industrial round-wood.

The NFA annual budget for the FY 2016/17 was Ug shs 28.513 billion including Appropriation in Aid (AIA) of Ug shs 21,054,284,000. The total receipts by June 2017 were Ug shs 15.790 billion (55.4% of the budget), of which Ug shs 9.612 billion was internal collections (NEF) and all spent.

14.3.1 NFA Programme 01 Headquarters

The main objective of the programme is to establish systems and procedures for effectively managing the 1.266 million hectares on 506 Central Forest Reserves of permanent forest estate for sustainable development for posterity.

The programme annual budget including AIA was Ug shs 22.7 billion, of which Ug shs 14.2 billion (52.3%) was released and Ug shs 14.3 billion (100%) spent by 30th June 2017.

Performance

The programme physical performance was good at 70%. The overall physical performance is given in Table 14.16.

Table 14.16: Performance of NFA Programme 01 Headquarters by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Management of Central Forest Reserves Information Systems Security Management Inventory (ISSMI) covering 500ha carried out in Budongo, Bugoma, Itwara, Kalinzu and Zoka CFRs 203km of boundaries resurveyed and opened in Kyoga range, Muzizi River Range, Acwa Range, Budongo Systems Range, West Nile Range, South west Range. 627 hectares of forest restored through encroachment/enrichment planting in Apac, Lwankima, Zirimiti & Buvuma, Masaka and Lake Shore Ranges.	100%	14,518,686,000	0.41	36.12	ISSMI covering was carried out in Itwara 100ha and in Mabira. 100ha though Mabira was not planned for. 306km of boundaries were resurveyed and opened in Achwa-4.9Km, Budongo-152Km, 11.3Km, 106.8Km, Muzizi-28Km, South West-1.5Km, West Nile-1Km. 351Km hectares of forest were restored through encroachment/enrichment planting in Achwa-30ha, Kyoga-6.3ha, Lake shore 328ha, Karamoja-20ha, Muzizi-103ha, South West-4ha.
Establishment of new tree plantations 875 plantations established in L/shore (25ha), Bugamba (150), N/Rwenzori (150), Mwenge (100), Mayuge (20), Mafuga (200), Opit (45), Karamoja (20), Kisindi (40) and Nakwaya (50) 10 maps of newly planted areas done 8 Refresher training course in fire management for plantation staff undertaken 4 trainings in plantation maintenance conducted	100%	832,204,000	0.44	3.26	635ha of plantations were established in Lendu-120ha, Mafuga-149.5ha, Mbarara-75ha, Mwenge-100ha, South Busoga-20ha, Muzizi-166ha 3 maps of newly planted areas were donein South Busoga, Mafuga, and Lendu 6 trainings were conducted although not in fire management and plantation maintenance.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Plantation Management 4,036 hectares of all newly and old planted crop maintained by slashing and Spot hoeing 1,940 hectares of plantations maintained by thinning (1st and 2nd thinning) 1,940 hectares of plantations maintained by pruning 300 kilometers of roads maintained 243 Km of fire breaks opened and maintained in various plantations	100%	2,670,811,000	0.51	9.89	3,140ha in (Katugo-11ha, Lendu-550ha, Mafuga-450ha, Mbarara-500ha, Mwenge-351ha, North Rwenzori-644ha, South Busoga-300ha, Kyoga-4ha) maintained by slashing and spot weeding 757 hectares of plantations were maintained by thinning in Lendu-60ha, Mafuga-50ha, Mbarara-150ha, South Busoga-350ha, Achwa-44ha. 80 hectares of plantations maintained by pruning. Roads were maintained in Mbarara-7Km, Mwenge-30Km, South Busoga-1Km. 443Km of fire breaks were opened and maintained in plantations of Katugo-8Km, Lendu-20Km, Mafuga-40Km, Mbarara-11Km, Mwenge-70Km, North Rwenzori-47km, Opit-40Km, South Busoga-30Km.
Forestry licensing 400 M3 cubic meters of pine sawn timber produced in plantations 1,000M3 cubic meters of round wood produced Tropical High Forests 4 ecotourism sites monitored to ensure compliance with licensee fee payments. 100Km of trails constructed and maintained 10 renovated Bandas, camping sites and Ecotourism site houses and shower rooms mainly for Mpanga, Kalinzu and Mabira Ecotourism sites.	100%	992,533,000	0.27	4.21	294m3 cubic meters of round wood was produced in Tropical High Forests (Budongo Lake shore, Muzizi, and West Nile). 4 ecotourism sites of Mpanga. Kalinzu, Mabira and Kaniyo-Pabidi were monitored to ensure compliance with licensee fee payments. 8Km of trails were constructed and maintained in South West

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance Score (%)	Remark
Supply of seeds and seedlings 7,269,223 tree seedlings raised for sale at National Tree Seed Center and regional nurseries 894,960 tree seedlings raised for own planting at National Tree Seed Center and regional nurseries. 308 Kg of imported pine seed (pine/Brazil) procured. 10,118 Kg of locally available seed (Eucalyptus grandis, Pine caribaea and other species) procured	100%	3,754,910,000	0.63	16.49	A total of, 406,291 tree seedlings were raised for sale. (NTSC-5,093,678, Katugo-557,000, Mafuga-289,000, Mbarara-325,560, Mwenge-175,000, South Busoga-41,492, Achwa-123,000, Budongo-116,387, Kyoga-245,156, Muzizi-1,115,802 Sango Bay-150,000, West Nile-174,126. Actual seedlings sales-2,079,628). A total of 792,692 tree seedlings were raised for own planting (NTSC-16,665, Lendu-109,000, Mafuga-277,702, Mbarara-233,325, Mwenge-120,000, South Busoga-36,000. 636ha) 150 Kg of imported pine seed were procured (50Kg F2 and 100Kg F1 Pinus caribaea var hondnurensis from Brazil)
Total		**22,769,144,000**		**70.0**	

Source:Field Findings, NFA and IFMS

The National Forestry Authority is mandated to manage the Central Forest Reserves on a sustainable basis and to supply high quality forestry-related products and services to Government, local communities and the private sector. Under the programme, the NFA continued to preserve, restore degraded natural forests and do maintenance works. However little is done in terms of value addition, restoration of natural forests, sustainable development of commercial forest plantations and industry. The achievements do not match the planned outputs and it was difficult to get the actual expenditures on specific outputs especially with AIA. This made it difficult to get the actual performance of the project.


L-R: Tree seedlings in nursery bed (new); The overgrown Eucalyptus for past season Mbarara NFA Region, Mbarara Municipality, Mbarara District

Key issues

1) There was low funding under the development budget performing at 55.4% (Ug shs 15.79billion released of the annual budget of Ug shs 28.513 billion); AIA at 44% (Ug shs 9.61 billion of the annual budget of Ug shs 21.054 billion).

2) Encroachment and illegal timber/tree extraction threaten forests in protected areas leading to degradation of natural forests and those planted by private planters on forest reserves. In Mityana District, private famers cut down over 100ha of private forests in Musamya and Kasa Forest Reserves in the ongoing land conflicts.

3) Unclear forest boundaries which encourage encroachment of forests and increase the cost of law enforcement and litigation. People hold titled land in forest reserves.

4) Inadequate forest management infrastructure and equipment, for example forest roads, staff accommodation and forest management stations limit effective and efficient forest management in all central forest reserves.

5) The Authority operates an old fleet of transport affecting mobility of staff and fuel releases are unreliable. For example fuel was last received in Q2 which makes it difficult to monitor the forest reserves and make quick responses to emergences.

6) Most of the works are contracted out and payments done later. The Mbarara office had a debt of Ug shs 122m with the contractors. The unpaid works include spot weeding, thinning and support activities.

7) Unpredictable weather changes affected the planting seasons especially in North and Eastern part of the country, and the survival rates of the seedlings to about 70%. In some cases the planned seedlings were not raised or seedlings remained in the seed beds because of the long drought and they overgrew for the next planting season. This too affect the expected revenue collections where AIA contributes 74% of the budget.

8) Demotivated support staff who hadnot been paid since Q3 making it difficult to operate.

9) Procurement delays which cannot be approved before the financial year begins yet the forest activities are crosscutting into the FYs. For example the September planting season would require procurements for seedling preparation should begin in March which is not the case.

Recommendations

1) The DLGs should mobilize and lobby district leaders, communities and development partners to actively support forest conservation and tree-planting efforts and enforce the law. Continue encouraging and support people to plant trees on private and public land

2) The NFA should plan to open up forest boundaries by resurveying and putting up pillars in order to stop encroachment.

3) The NFA should plan to rehabilitate infrastructure and replace equipment e.g. transport (vehicles, boats and motorcycles) and forest stations/offices.

4) Enforcement of laws by deploying police to protect and prosecute the culprits to enforce compliance in trade of forest products and curbing illegal activities in CFRs.

5) The NFA should plan to do procurements in the previous FY for activities that are affected by seasons. September planting could have procurements done in March which falls in the previous FY.

6) There is need for policy review (National Forestry Policy 2,000; National Forestry Tree Planting Act 2003) and NFA role in regard to forest conservation which takes a long time to be realised *vis*-à-*vis* revenue making.

14.3.2 Project 0161: Support to National Forestry Authority (NFA)

Background

The project was created to support the National Forestry Authority (Community Tree Planting Program) was therefore conceived and designed to increase involvement of the population in tree planting, afforestation of bare hills to restore catchments and watersheds and or watersheds that are critically important for agriculture, apiculture, aquaculture and benefit conservation and support rangeland farming systems.

The project objectives are to increase supply of quality tree and fruit planting materials, for restoration of environmentally sensitive areas.

The Annual approved budget for the project for the FY2016/17 was Ug shs 5,743,709,000 of which Ug shs 861,325,744 was released (15% of the budget), and Ug shs 848,419,161 (99% of the release) was spent by the end of June 2017.

Performance

The project annual performance was 70.2% given the little money received. Most of the planned outputs were not achieved. The project only procured Kgs 6,206,900 of seedlings, Lake Kyoga and Karamoja Range offices and 110 tyres were procured due to delay in procurement process for the vehicles and motorcycles.

14.4 Votes 501-680 Sector Grants to Local Governments

There are four District Conditional Grants released namely; (i) District Water Development Grant for rural water facilities (DWSDCG), (ii) District Sanitation and Hygiene Grant for district sanitation (DSHG) (iv) Urban Water Supply O& M Conditional Grant to support system expansions, improve on sustainability and (iv) Environment and Natural Resources Conditional Grant provided for Wetlands Management in LGs.

14.4.1 District Water and Sanitation Development Conditional Grant (DWSDCG)

Background

The DWSDCG is disbursed to DLGs to implement hardware and software activities/outputs including: boreholes, springs, piped systems, rainwater harvesting tanks and sanitation facilities. The DLGs are expected to plan and budget for the outputs based on sector grant guidelines where their budget was divided into recurrent (wage and non-wage) and development budget. The vote performance was exemplified by the 10 district of Butaleja, Kagadi, Kakumiro, Mityana, Mpigi, Nakasongora, Omoro, Pallisa, Rubanda and Sheema which were sampled for annual performance.

The Local Government's development budget for the FY 2016/17 was Ug shs 59.762 billion and by June 2017, all the money budgeted was released.

Performance

The performance was good at 85.3%. The DLGs had substantially completed construction works and had a few ongoing software activities by June 2017. Table 14.16 summarizes the grant performance.

Table 14.16: Performance of the DWSDCG by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Weighted Physical performance Score	Remark
Stakeholder coordination	126	78,668,518	115	1.69	The meetings reduced because of the small budget on recurrent non-wage.
Office equipment	9	68,832,251	10	1.57	
General Office Operations	117	107,183,070	97	2.36	
Monitoring and supervision	311	112,554,008	315	2.57	
Software	527	107,593,279	480	2.0	Some works were ongoing
Sanitation hardware	6	163,689,960	6	3.74	38% did not plan for this due to lack of land /need to for facilities
Water Supply Facilities (HW)	128	3,570,403,437	137	60.01	Where a saving was made, more sources were drilled
Rehabilitation of Water facilities	172	498,566,069	177	10.02	More sources were rehabilitated where HPMAs were used.
WQ surveillance	366	38,402,018	299	0.72	
Salaries and wages	16	19,871,610	16	0.45	20% 0f the districts planned for contract staff.
Total		**4,378,654,763**		**85.3**	

Source: Field Findings, District Q4 Reports and MWE

By the end of Q4, the DLGs had utilized all the money released to them. The development grant budget expenditure was 88%, while the recurrent shared 12%. All districts completed construction works because all development budget was received by Q3, which was good. Ongoing works included post construction support for districts which were training Water User Committees formed for the newly constructed sources. One district (Mityana completed construction of the water office, whereas Mpigi District planned to renovate their office, but did not. Out of the 10 districts sampled, there was 56% samples were non-compliant to the national standards for ecoli.



L-R: New Office block for the District Water Office-Mityana District; New borehole in Kitegula Village, Kakumiro District; Rehabilitated borehole at Dog-Lagude Village, Lalogi sub-county, Omoro District

Key implementation challenges

1) Lack of office space, equipment and transport most especially in the new districts which affected the pace of works as staff operate on mobile offices and it is difficult to produce reports in time. For example Omoro DWO is run by one person.

2) Late initiation of procurement process mainly in the new DLGs which lack procurement committees. They had to use the committees of the mother districts which caused some delays.

3) The political atmosphere after elections slowed down progress of work as new office bearers were getting acquainted with mode of operations and made several changes in the work plans.

4) Conflicts over land in source locations (both water and sanitation) especially in the rural growth centers.

5) No sanitation funds were released to the newly created districts to carryout sanitation activities. The budgets for the same were made under the mother districts, and after creation of new districts, releases could not be separated. The outputs planned under sanitation were therefore not carried out.

6) Poor quality materials especially the GI pipes and in some cases the stainless steel on the market which corrode in a short time. This increases the level of non-functionality of sources.

7) Poor quality of water sources especially the old sources.

8) Low potential in some cases which lead to striking dry holes during drilling, for example 75% success rate was achieved in Nakasonga.

9) Low turn up of communities during mobilization stages which is reflected in refusal to contribute to operation and maintenance of water sources thus reduced functionality of water sources.

10) Insufficient means of transport in some districts. Some districts especially new ones lack transport means while others operate old vehicles with high operational costs.

11) Insufficient funds for non-wage where some outputs are forfeited most especially software activities.

Recommendations

1) The MWE should take on the quality of materials with Uganda National Bureau of Standards and standardize/accredit the manufactures/suppliers of material in particular the GI pipes and stainless steel on the market.

2) Joint and continuous community mobilization and sensitization by politicians and technical staff to participate in the operation and maintenance of water and sanitation facilities.

3) The MWE should allocate the sanitation grant to the new districts in the FY2017/18 to carry out sanitation activities.

4) The MWE/MFPED should follow the allocation formula in regard to the recurrent and development budget to see the impact on implementation.

5) The sector should encourage the district water office to take advantage of the regional laboratories and do water quality surveillance to reduce costs, thus pick many samples which increases on the quality of water supplied.

The Rural safe water target for the FY 2016/17 was 74%, however the safe water coverage was at 67% on average. The DLGs on average increased by 1% which makes it 68% a shortfall of 6% for NDPII target.

14.5 National Environment Management Authority (Vote 150)

Background

NEMA advises Government and spearheads the development of environmental policies, laws, regulations, standards and guidelines; and guides Government on sound environmental management in Uganda. NEMA's activities are focused on providing support to Government's main goal of ensuring sustainable development through the National Development Plan (NDP II); in accordance with the policy framework of the GoU and the Millennium Development Goals (MDGs).

NEMA's development objective is to create, establish and maintain an efficient mechanism for sustainable environment and natural resources management at the national, district and community levels.

The approved budget of NEMA in FY2016/17 is Ug shs 20,052,632,000 including Appropriation in Aid (AIA) of Ug shs 11,081,723,000. The total receipts by end of June 2017 were Ug shs 17,952,809,266 (98.5%) of which Ug shs 11,051,722,000 was internal collections (NEF). Expenditure by end of F 2016/17 was Ug shs 15,248,932,999 (84.9%).

NEMA implements one recurrent program and one development project. The annual performance of NEMA is the highlighted below.

14.5.1 Programme 01 - Administration

The objectives of the programe are to: Enhance environmental compliance and enforcement; Integrate ENR into national and local government plans and policies; Enhance access to environmental information; Enhance the institutional capacity of NEMA and its partners;; Strengthen national, regional and international partnerships and network.

The approved budget of programme 01 (Administration) in FY 2016/17 was Ug shs 18,122,632,000 (AIA inclusive) of which Ug shs 16,667,697,469 (91.9%) was released and Ug shs 14,337,260,000 (86%) spent by end of June 2017.

Performance

The physical performance of programme 01 by end June 2017 was good (87.5%). A number of planned targets were achieved as detailed in Table 14.17.

Table 14.17: Performance of Programme 01 (Administration) by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Integration of ENR Management at National and Local Government levels 40 CSOs and private Sector institutions, in integrating environmental sustainability measures. 20 LGs supported on effective integration of environmental concerns into plans, budgets and programmes including fragile ecosystems. Capacity building of project staff, monitoring visits and support supervision of 13 CDM projects undertaken all over the country. 13 CDM projects verified and marketing of CDM products supported 4 Urban authorities to establish green belts supported National commitments to CBD and targets implemented Early warning climate change generated and analyzed and disseminated	100%	310,000,000	45%	2.29	Planners, CAOs, Information Officers and DEOs were not trained because no funds were released. 11 LGs were supervised and Supported on effective integration of environmental concerns into plans, budgets and programmes including fragile ecosystems. Monitoring visits and support supervision of CDM projects completed in the 16 Municipalities. Capacity building conducted in 12 CDMs municipal councils. The challenge is health and safety materials used limited skip loaders, and mixing of non-degradable products like Kaveera in garbage. Only the 9 registered CDMs councils were verified. Kapchorwa Municipality and North Ankole, Emanuel Cathedral in Rushere Town Council, Kiruhura districts were supported to establish green belts, avenue tree planting and a water harvesting unit to support the greenery. Support to Uganda delegation to participate in the High Level Segment on Mainstreaming Biodiversity across sectors. COP decision is guiding development of the Guidelines for mainstreaming biodiversity. Early warning climate change alerts not achieved

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
Environmental compliance and enforcement of the law, regulations and standards Inspections and inventory of affected land titles (database) undertaken 800 EIAs reviewed and baseline verification with lead Agencies conduced 1200 environmental inspections, audits, post EIA inspections and compliance The ban on polythene carrier bag (Kaveera) enforced. Critical degraded fragile ecosystems restored and protected Cabinet directive on the cancellation of tittles in wetlands in Wakiso, Mukono, Kampala implemented Capacities of environmental compliance monitoring and enforcement enhanced	100%	1,320,000,000	79%	18.95	Technical report on the locations of affected titles within Greater Kampala produced and reviewed by the Policy Committee on Environment (PCE), awaits the decision of the committee. 962 EIAs reviewed and approved for development projects in different locations in Uganda though these are violated amidst. A total of 1,341 Environmental inspections and audits carried country wide with focus on the green and brown environment. The Ministry of Trade and Industry petitioned the Government through the Cabinet against the operationalization of the ban and has proposed for review of the law. 35 square km of Mpologoma-Limoto ecosystem (Wetlands) in Pallisa and Kibuku was undertaken and the wetland system was recovered. Technical report produced and submitted and Cabinet approved the cancellations of land titles in wetlands.
Access to environmental information/ education and public participation increased 40 ToTs trained on integration of ESD into academic and nonacademic programmes (Tertiary institutions) 40 ToTs trained on integration of ESD into academic and nonacademic Programmes (Schools) Thematic environmental information generated	100%	400,000,000	100%	9.77	46 ToTs in Ndejje University (students and academic staff) were trained on integration of ESD into academic and non-academic programs. 104 Teachers (ToTs) were trained in mainstreaming Environment and Education for Sustainable Development (ESD) into academic and non-academic programmes in Fort portal Municipal Council-Kabarole District (Buhinga Primary School); and Kapchorwa DLG. Albertine Graben Environmental Baseline

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Weighted Physical Performance Score	Remark
and disseminated NEMA quarterly Newsletter produced and disseminated Environmental literacy enhanced The National State of Environment Reports (NSOERs) produced and disseminated					Monitoring Report (AGEBMR) was completed and launched covering five thematic areas of the Albertine Graben, namely: Aquatic; Terrestrial; Physical and Chemical; Society; and Business and Management. 16,000 newsletters were produced and disseminated. A draft 2016 NSOER was produced.
National and Regional and international Partnerships and networking strengthened Sound Environmental management promoted; Enhanced domestication of the Multi-lateral Environment Agreements; MEAs project synergies and linkages enhanced and National commitments to the Regional, sub-regional and UN Development Agenda enhanced	100%	990,423,000	100%	5.47	Experiment planting of shea butter trees was carried out in Otuke and Kitgum districts. Prepared a Cabinet paper on the outcomes CBD COP13 meeting which took place in December 2016 and its implications for Uganda. The Cabinet paper has been submitted to the Cabinet Secretariat. Organized the Annual meeting of the Oxford University project on Achieving No Net Loss for Communities and Biodiversity in Uganda on 3rd April 2017.
Total		**3,250,423,000**		**87.5**	

Source: NEMA and Field Findings



L-R: Solid waste sorting in the Windrow in Walukuba Masese Division, Jinja District; Sieving compost; sorted plastics at CDM site in Mbale Municipality, Mbale District

The NEMA achieved a number of the set targets, but there is little impact on ground. Environmental degradation is on the rise, and enforcement of environmental protection laws still weak. Some annual targets like cancellation of tittles and ban on Kaveera were not effected and the LGs were not yet integrated environmental issues in their plans and budgets. Poor environmental management contributes to climate change. The country is experiencing adverse effects of climate change and this has had a toll on social economic environment. Thus the role of NEMA stipulated in the National Environment Act 1995 to manage environment is not yet realized fully.

14.5.2 Support to NEMA Phase II (Project 1304)

The major objective of the project is to create a fully established, equipped and strong institutional set up for the effective management of the environmental impacts of oil and gas development and chemicals.

The approved budget of the project in FY2016/7 is Ug shs 1,050,000,000 of which Ug shs 209,739,999 (19.97%) was released and Ug shs 177,436,323 (84.6%) of the release was spent.

Performance

The performance of the project was good at 71% and is summarized in Table 14.18.

Table 14.18: Performance of Support to NEMA Phase II by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Integration of ENR Management at National and Local Government levels Capacity for climate change responses developed	100%	50,000	30%	41.96	NEMA received a satellite data receiving station under the Monitoring of Environment for Security in Africa (MESA). As a way of building capacity among other institutions. Environmental Information Network (EIN) was trained on the use of this data to track environmental changes in the country.
Environmental compliance and enforcement of the law, regulations and standards Critical degraded fragile ecosystems restored and protected by restoration of at least 2 ecosystems	100%	60,000	20%	29.09	Conducted a follow-up and compliance inspections of sand mining activities in Lwera (Mpigi and Kalungu districts). Notices were served (to halt activities, restore and submit relevant plans to NEMA) to all sand miners in Lwera who did not comply with permit conditions. Assessment of compliance and assess restoration achievements of the miners with the directives contained in the notices issued in November, 2016 was done. Although efforts were being made for restoration of degraded wetlands, in Pallisa district for example, one of the wetlands along L. Lemwa was destroyed by the community for rice planting. Politics aggravates the problem where people are supported in illicit activities.
Total		**110,000**		**71.0%**	

Source: NEMA and Field Findings

Training of the Environmental Information Network was done to build capacity for climate change responses in the country. Efforts to restore fragile ecosystems were done, for example stopping of sand mining activities in Lwera although this would have been avoided had monitoring for EIA's been followed closely. In Pallisa District, communities had harvested the last season of rice which was given to them and the wetland in Limoto and Lemwa were regenerating.

L-R: Regenerated wetland; fishing cages and children fishing in Limoto Wetland, Pallisa District

L-R: Pillars for demarcating the wetlands in Pallisa District; Harvested rice field in the wetland around Lake Kawi in Kawi Village, Apopong Sub-county, Pallisa District

Key Issues in NEMA

1) Inadequate staffing at NEMA and the environment sub-sector at large to effectively handle new and emerging environmental issues in the country. The staffing level at NEMA currently stands at 30% of the approved structure.

2) Low funding for environmental management at NEMA, MDAs and LGs which leaves environmental issues an attended to thus continuous strain on environment.

3) Environmental degradation by some investors and politicians who think they are above the law and doing all sorts of activities in wetlands e.g. dumping and raising structures there.

4) Lack of institutional coordination among MDAs which results in conflicting roles during implementation. They end up blaming each other, leaveing the environment to suffer.

5) Continuous encroachment on wetlands by private developers, settlers and in some cases people holding tittles in wetlands.

6) The general public is indifferent towards management of the environment, thinking its only the role of government. People throw rubbish and empty toilets during rainy periods into water drainage channels.

Recommendations

1) The MFPED should fast-track wage bill allocation to the NEMA and LGs to support recruitment of necessary personnel in the approved structures.

2) The MFPED should provide conditional grants for the ENRs to supplement the Wetlands grant which is inadequate. In district visited the ENR budget ranges between Ug shs 800,000 to Ug shs 3million. The EIA money should be granted to LGs for environmental management as Parliament recommended.

3) NEMA should increase environmental inspection, audit measures and apply naming and shaming of impunity investors.

4) NEMA should fast-track cancellation of titles in wetlands and implement in practice the presidential directive of "No encroachment on wetlands and those already there leave by June 2017".

5) The NEMA should spearhead its coordination role to ensure there is no development at the expense of environment by involving the relevant stakeholders in the whole process to avoid conflicts.

6) The NEMA should be vigilant to produce and disseminate environmental information in a wide spectrum using multimedia channels to sensitize and advocate for environmental protection.

14.6 Uganda National Metrological Authority (Vote 302)

Background

The meteorological sub-sector has faced significant neglect in the years of civil strife in Uganda leading to vandalism and breakdown of most equipment. Efforts in the 1990s to-date have yielded positive results including the recent reforms transforming the Meteorology Department into Uganda National Meteorological Authority. Uganda requires advanced technologies on monitoring weather and climate and in processing data, production of various products and display to much with current trends and development needs. This calls for heavy investment on robust modern equipment and systems to match with the challenges of climate change. The current weather monitoring network by UNMA is obsolete and needs to be overhauled and automated in line with National Development Plan (NDP2) and Vision 2040.

The strategic objectives of UNMA are:(i) To improve the quantity and quality of meteorological services to customers; (ii) To build a skilled and motivated workforce through good human resource management practices; (iii) To promote greater awareness of the benefits of using meteorological services, information and products; (iv) To improve the accuracy and reliability of forecasts and advisory services to customers; (v) To achieve a sustained increase in revenue generation.

The approved budget of UNMA in FY 2016/17 is Ug shs 22,612,035,576, of which Ug shs 7,683,870,908 (33.9) was released and Ug shs 3,269,109,278 (42.5%) of the release was spent.

14.6.1 Uganda National Meteorological Authority (UNMA) - Project 1371

For UNMA to perform effectively at the required standards (ISO 9001 2015) the challenges of lack of equipment need to be addressed, staff trained to use meteorological information for maximum benefit.

The project annual budget is Ug shs 16,277,000,000, of which Ug shs 11,990,513,044 (33%) was released and Ug shs 1,920,832,296 (35.5 of the release) spent by 31st December, 2016.

The performance of the project was fair at 64.4%, and is reflected in Table 14.19. The project performance was mainly affected by failure to purchase the radar.

Table 14.19: Performance of Uganda National Meteorological Authority Project by 30th June, 2017

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Weather and climate change 4 consultancy studies conducted 14,400 Aviation forecasts (flight folders) issued for domestic and international flights 1,000 Marine passengers given mobile weather alerts for lakes Victoria, Albert and Kyoga 200 water vessel operators given marine weather forecasts Aeronautical coordination and support undertaken in aerodromes, airfields, and airports (Gulu, Soroti, Entebbe, Kasese, Arua, Jinja) Quality Management Systems established and compliance with International Civil Aviation Organisation (ICAO) and World Meteorological Organisation (WMO) standards achieved (ISO certification) Improved functionality of existing 80 weather stations (10 Agromets, 10 Hydro mets, 12 synoptic, and 48 automatic weather stations) and 70 rain gauges Improved coverage of net work stations through installation of 100 new rain gauge stations and 40 automatic weather stations Meteorology mainstreamed in the national budget process of 112 district local governments 4 seasonal climate outlooks and Monthly climate forecasts issued	100%	730,000	47%	47.853	3 consultancies carried out for development of a Strategic Investment Plan, Board charter, reviewing of job description. 15,718 flight folders were issued for domestic and international flights. No specific messages for marine passengers and water vessels were given but used broader platforms for all stakeholders. 8 Aeronautical trips were undertaken to the airfields of Gulu, Soroti and Kasese to provide coordination and support. The Aeronautical Meteorological Services (AeMS) provided by UNMA were certified ISO-90001: 2008. Functionality of 60 weather stations and 30 rain gauges improved. This affects the accuracy of information provided. No new raingauges installed. 20 automatic weather stations installed out of the 40 planned. UNMA was represented in the LG Budget Framework Workshops . 4 seasonal climate outlooks were issued. Though sometimes these come in late. 12 monthly forecasts were issued to the general public.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
4 climate change assessments and studies					Climate change assessments and studies not done due limited funds
Government building and administrative infrastructure 18 Meteorological structures built/renovated in the districts	18	100,000	1	2.632	Renovation of structures halted due to land ownership issues.
Purchase of Office and ICT Equipment, including Software(5 computers and 3 printers procured)	100%	80,000	100%	8.147	All equipment procured.
Purchase of Specialized Machinery & Equipment Weather radar procured	1	12,000	0	0.002	There were delays in harmonization of sites with Civil Aviation Authority due to ongoing expansions at the Entebbe airport.
Purchase of Residential Furniture and Fittings office furniture procured	1	60,000	0	6.11	6 standard office desks,35 office chairs, 2 tables and 9 filing cabinets were procured.
Total		**982,000**		**64.4**	

Source: UNMA and Field Findings

General maintenance was provided to the station including checking installations, testing sensors and cleaning them, upgrading and replacement of accessories. The information on weather and climate change (weather alerts, and forecasts) was provided as planned but the issue of timeliness and quality is affected by the quantity and quality of information received. Building/renovation of metrological structures was done in Buku (Entebbe station) only. The exercise was halted pending clearance on land acquisition issues. The stations are mainly on land that does not belong to the Authority, making it difficult to renovate/rehabilitate them. The radar was not procured because of changes of sites by CAA, with the ongoing airport renovations and late procurement.

The Authority aims at increasing the functionality and usage of meteorological information systems which require refurbishing stations, strengthening Legal and Regulatory Framework, information sharing and research. The Authority still operates old equipment. Seasonal climate outlooks and monthly climate forecasts were issued but little is done on early warnings on climate change, adoption measures and research on climate change and impacts.

L-R: Supplied office furniture and computer; Automatic weather station at Ngeta Zonal Agricultural Research Development Institute in Lira District

Key Challenges in UNMA

1) Seasonal weather forecasts are issued four times a year in the months of (March, June, September and October), however, due to the effects of climate change, seasons have shifted and some regions receive rains earlier than is expected. This means that the routine forecasts are issued late for the benefit of the nation.

2) Weak dissemination of updates on weather forecasts. Only people with registered emails with the authority are able to get this information. This leaves out a great proportion of people that would benefit from this information.

3) Limited national understanding and appreciation of meteorological science and its benefits, which limits attraction of funding and use of information.

4) Limited and dilapidated infrastructure of some weather monitoring stations which were installed during the 1970's and needs overhaul. This renders some weather information not to be recorded.

5) The security of the stations in some cases is not guaranteed. Safety of the station equipment depends on the security provided by the institution where they are located be it a district or any other entity. There is no burglar proof for the equipment in place.

6) Tools and equipment for operation are not enough(no radar yet, limited computers, printers); Internet connections limited for data sharing; No calibration laboratory to set instruments accuracy especially thermometers, pressure readings. These have to be sent to Nairobi or Uganda National Bureau of Standards whose capacity too is limited; No automated relaying system for communication to the pilots.

7) There is scanty coverage in terms of weather stations which is a key ingredient for qualitative data. There are only 12 synoptic stations which are supposed to work 24 hours. Due to understaffing weather information is only recorded for 12 hours a day instead of 24 and only Entebbe station does so. Besides the existing staff are few thus working for longer hours and in some cases information gaps are realized with smart phone delays or manual errors which limits the data quality and quantity collected in Uganda compared to other parts of the world.

8) Limited number and demotivated staff with no transport, uniforms, and protective gears for technicians and reflective jackets. The training opportunities are limited.

Recommendations

1) The UNMA should devise a mechanism of issuing early regional forecasts for the benefit of different regions which experience different weather patterns for planning purposes.

2) The UNMA should improve the means of weather forecast information dissemination to the public. The Authority should fast track acquisition of license code to use mobile phones and take advantage of the multimedia channels to further disseminate information.

3) The UNMA should create more awareness to the public, legislators and planners on issues of meteorological science.

4) The UNMA should plan to put burglar proof on places where the equipment is kept and provide facilitation for security personnel to provide security in critical circumstances.

5) The UNMA should do routine maintenance and procure modern equipment to improve on quantity and quality of data for data capturing, processing, storage and communication.

6) The UNMA should provide mobile calibration for stations outside Kampala. Agromet and Hydromet stations need to be established to supplement the synoptic stations for improved quality of data.

7) The UNMA should plan and procure more Automatic Message System in other stations like Soroti which links observatories by checking errors, system operations and directs messages to other networks where it is supposed to go.

Part 4: CONCLUSIONS

Chapter 15: CONCLUSIONS

Financial Performance

The overall GoU budget allocated to MDA&LGs for FY2016/17 was revised to Ug shs 12.587trillion, of which Ug shs 12.007trillion (95%) was released, and Ug shs 11.785trillion (98%) absorbed which was very good performance. The LGs exhibited the highest absorption (100%); so did sectors of Agriculture, Energy and Mineral Development, and Water and Environment.

The timeliness of release of funds significantly improved, especially for the development budgets (all funds were released by quarter three), resulting in high absorption levels for the GoU funds for projects. It was noted that 91% of the sectors and LGs experienced supplementary budgets; the highest revision of Ug shs 474.742billion was registered under the Works and Transport sector, followed by the Accountability sector with a supplementary of Ug shs 126.444billion, and Ug shs 98.557billion for LGs. Overall 105% of the LGs[65] approved budget of Ug shs 2.484trillion was released by the end of the FY2016/17.

Quarterly funds released to the DLGs took a minimum of 30 days from the time of announcement of the release by the PS/ST prior to the warranting, which was long (expected time is 14 working days from the start of the quarter). Warranting for the DLGs on the IFMS and the TSA took averagely three working days to complete and access funds which was good. However, for the DLGs that were not yet on the IFMS and TSA, warranting took on average 5 working days. Total lead time to access quarterly funds translated into a minimum of 35 working days.

Service delivery in LGs was constrained by delayed access to funds, inconsistent communication of expenditure limits and failure to warrant funds by DLGs on account of non-provision of budget lines; network failure, and non-alignment between the PFMA (2015) and Local Government Act (Cap. 243).

Agriculture

The approved budget for the sector for FY 2016/17 including taxes and arrears but excluding donor funds was Ug shs 773.277 billion, of which Ug shs 737.785 billion (95.41%) was released and Ug shs 736.450 billion (99.82%) spent. This was very good release and expenditure performance.

The overall performance of the agricultural sector during FY 2016/17 was good (75.97%). The good performance was primarily due to doubling of the sector budget, improved timeliness in release of funds by the MFPED, increased quantities and timely procurement of inputs, increased mechanization, and availability of donor financing for some strategic interventions.

There was a variance, however, in the level of achievement of outputs by the different programmes/projects. Among the good performers in output delivery were: i) National Agricultural Genetic Resource Centre - NAGRC&DB (77%) ii) National Farmer Leadership Centre – NFLC (81.55%) iii) Improving Access and Use of Agricultural Equipment for Mechanization (75.74%) iv) Production and Marketing Grant – PMG (93.34%) v) Uganda Coffee Development Authority – UCDA (95.82%) vi) Vegetable Oil Development Project Phase II - VODP2 (65.20%) and vii) Uganda China South to South Project (72.44%).

Fair performance was recorded for: a) National Agricultural Advisory Services/Operation Wealth Creation - NAADS/OWC (69.26%) c) National Agricultural Research Organization – NARO (84.2%) c). Examples of the poor performers were: i) The Export Goat Project in Sembabule – low achievement of planned targets ii) Agriculture Cluster Development Project However, an emerging issue was the weak link between the outputs that are being delivered and the outcomes.

Among the key implementation challenges were: a) Loss and theft of inputs and low survival of planting materials under NAADS/OWC Programme, b) Unauthorized spending of NTR at source, c) High level of arrears in the agricultural sector due to poor planning, budgeting and cost estimation, d) Low absorption of funds and partial implementation of programmes due to delayed releases, disbursements and procurements. There was a persistent problem of slow approval of requisitions for funds in the sector by the Accounting

65 LGs include both Municipalities and Districts

Officers and Finance Departments both in the Central and LGs.

Education

Overall performance was good at 74.4%. The recurrent programs performed better than development projects, as the latter were largely constrained by low releases and procurement delays which led to low absorption across the sector.

The overall performance of the Ministry of Education and Sports was fair with 68.58% of the annual output targets achieved. The best performing VF was Higher Education with 93.5% of the annual targets achieved followed by Policy Planning and Support Services with 87.5% and Quality and Standards with 82.7%. The Secondary Education VF performed well with 70.9% of the annual output targets achieved. The worst performing VF was Skills Development largely because five of its projects had not started long after becoming effective and thus were not absorbing funds. On the other hand the Quality and Standards, Pre-Primary and Primary Education and Physical Education and Sports VFs performed fairly with 67.8%, 62.2% and 55.1%, respectively

Performance by the University Votes ranged between good and fair. The best performing was MUBS which achieved 93% of its planned targets, followed by Kyambogo University (87.2%), Kabale University (85.8%), Mbarara University of Science and Technology (79.4%), Busitema University (78.1%) and Muni University (70.7%). The other University Votes had fair performance including Gulu University (65.5%), Lira University (55.2%), and Soroti University (56.2%). Majority of the universities performed better on the recurrent than the development budget, as the recurrent activities were constrained by low releases.

Physical performance of the presidential pledges was poor. All the 11 beneficiary institutions monitored received funds although one (Toroma S.S) received part of its budget. Only three institutions were able to complete civil works by end of the FY2016/17.

Districts across the country implemented their selected development interventions using the School Facilities Grant (SFG). Construction works were at different levels of completion in various districts. A number of districts procured vehicles for the education departments using the SFG.

Overall, the sector performance was hampered by shortfalls in counterpart funding, outstanding arrears, inadequate staff, salary arrears and the influx of refugees in some districts.

Energy

The overall sector performance was fair at 67.7%. The good performing projects were Isimba Hydropower project (79.5%), Design, Construction and Installation of Uganda National Infrasound Network(77.5%), Rural Electrification Project (80%), Mineral Wealth and Mining Infrastructure Development (74.0%). Projects that performed fairly include Karuma Hydropower Project (64.4%), Mputa Interconnection (65.4%) and Downstream Petroleum Infrastructure (67.7%).

The key constraints in the achievement of sector outcomes for most of the programmes was delayed acquisition of RoW for the power transmission projects, and inadequate funds for compensation on projects, manpower capacity constraints, and cost of affordability of electricity also continues to negatively affect the access to electricity especially in the rural areas.

Health

Overall sector performance was fair, as 69% of the annual set targets were achieved against 88% financial performance. The variance between financial and physical performance was attributed to; reallocations, diversion of funds from planned outputs, payments for items not delivered by 30th June, 2017, and poor planning characterized by overly ambitious targets which could not be achieved within the allocated funds.

The sector made performed well in infrastructural development, immunization, disease surveillance, preparedness, and control, and most of the epidemics were contained. This translated into a reduction in mortality and morbidity rates in Uganda.

Inspite of the achievements, a number of challenges in relation to planning, mismanagement of allocated funds, poor quality infrastructural works, procurement delays, drug stock outs, and land disputes at government hospitals constrained efficient service delivery.

Information and Communications Technology

The overall sector performance was good estimated at 78%. The development project of National Transmission Backbone Infrastructure (NBI) achieved 100% of the annual targets, while the recurrent programmes for NITA–U posted good performance (86%), the Program for Rural Communication Infrastructure posted fair performance (63%) as most of the outputs were preliminary to execution of key outcomes. On the other hand, the Ministry of ICT recurrent programmes posted fair performance (65%) while the development component was good (75%).

Performance in the sector was mainly hampered by; duplication of effort, low ICT technical capacity and staffing within MDAs, insufficient counterpart funding to meet the financing needs of the projects/programmes, long delays in securing procurement approvals/no objection from the World Bank, resistance to integration of IT systems for government agencies and low utilization of the NBI.

Industrialization

The overall physical performance for industrialization in FY2016/17 was fair (65%). The United States African Development Foundation (USADF) achieved 90% of annual targets representing very good performance. Good performance was also observed at the Presidential Initiative on Banana Industrial Development (81%), Uganda Industrial Research Institute (85%), and the One Village One Product (80%). Although the PIBID project exhibited a seemingly good performance, most of the funds were spent on clearing outstanding arrears for civil works and gratuity spanning more than three years.

Fair performance was noted for Development of Industrial Parks (66%), Soroti Fruit Factory (63%) and Kiira Motors Corporation (63%). Civil works under the Soroti Fruit factory were 100% complete and the contract was under defects liability. A total of 21 containers of machinery and equipment were delivered and awaiting installation. However, some of GoUs obligation such as construction of waste disposal site had not yet been achieved.

The poor performing projects were Value Addition to Tea (48%), Strengthening UNBS (construction of laboratories project) at 29%, and the Sheet Glass Project that registered a paltry 19%. Funds for the Sheet Glass Project were released in Quarter 3, thus delaying execution. The funds released under Phase II of UNBS project (construction of laboratories) were used to clear outstanding arrears carried forward from Phase I, this was complicated further by a low budget outturn (50%).

The sub-sector performance was affected by; i) Poor budgetary allocation, ii) Lack of industrial parks infrastructure and a centralized waste treatment plant, iii) Lack of a project code for the Value Addition Tea project, iv) Delayed approval of the PIBID business plan, v) Inadequate volumes of industrial appropriate fruit varieties, vi) Presence of poor quality seedlings, vii) Delivery of defective machinery to Value Addition Tea project, viii) Poor intersectoral linkages and low uptake of technologies for commercialization

Microfinance

The MSC achieved fair performance of 55%, as 50% of its planned outputs were fully achieved and 17.5% partially achieved. The MSC disbursed Ug shs 33.417billion to clients (56% of the planned target). Percentage growth in portfolio outstanding was 7% (to Ug shs 65 billion) which was below the annual target of 10% from FY2015/16. The P.A.R > 90 days was 14% and the outstanding portfolio was Ug shs 65billion from Ug shs 61billion in FY2015/16. Loan recovery rate was 57.5% declining from 72% in FY2015/16 and loans disbursed from repayments formed 27.5% of the total disbursements which was a fair performance.

In terms of zonal disbursements; Kampala zone with the biggest area to cover had the highest value of loans disbursed of Ug shs 8.996billion followed by Kabarole zonal office with total disbursements of Ug shs 7.010billion.The SME loans for agriculture and environment were best performing products at 32.6% (Ug shs 11billion) of the disbursements.

Key constraints to achievement of targets included; limited capacity of SACCOs to access loans from MSC, inefficiencies and delays in loan processing leading to loss of potential clients, poor communication flow between the MSC head office, zonal offices and SACCOs, poor governance and management in most SACCOs resulting in misappropriation of funds, theft, collusion, endemic fraud, understaffing of MSC zonal offices and insufficient funds for onward credit.

Public Sector Management

The sector physical performance was fair at 62%. The release was good at 82.4% of the annual budget and resource absorption was very good at 99.3%.

Good performance was exhibited under the *Humanitarian Assistance Project* (OPM) at 79.7% where over 1,000 metric tons of relief food (maize, beans, rice); and 2,000 non-food items (tarpaulins and blankets) were distributed to famine hit districts in Uganda.

The *Public Service Commission (PSC) and Local Government Finance Commission (LGFC)* also registered good performance at 71% and 71.2% respectively. Planned outputs were achieved with clear performance targets. A total of 41 out of 50 districts were monitored and on spot technical support provided, 74 selection tests administered to 17,444 applicants; whereas for LGFC, Fiscal data validation and verification exercise was conducted and 32 LGs and 20 Urban Councils were provided with skills to establish Local Revenue Databases.

The *Millennium Villages Project (MVP) II* **donor** component under MoLG in Isingiro District was at70% attributable to good quality works on completed and ongoing works. Over 21 projects in agricultural production, business development and micro-finance, health service delivery systems, infrastructure development, and water for domestic consumption were completed and the remaining 18 projects averaged at 56% completion.

Fair performance was observed with *Support to Luwero-Rwenzori Development Program (LRDP)* under OPM at 60% where 33 micro projects were supported with funds for enhancement of household incomes; *Ministry of Public Service (MoPS)* was at 61% with at least 50% of the reforms implemented in MDAs and LGs.

Poor physical performance was recorded under OPM for *Karamoja Integrated Development Programme (KIDP*) at 33% and *Post War Recovery and Presidential Pledges* at 42.4% as most funds released were used to clear debts than actual implementation. Most funds were spent on meetings, consultancies, travel inland and abroad, and payment of contract staff salaries. For projects under MoLG, poor performance of the *Millennium Villages Project II* (***GoU component***) was at 0%, as there was no documented evidence of planned outputs implemented against funds released and spent.

Sector performance was hampered by; weak planning, budgeting and prioritization creating poor linkages between outcomes and outputs; unpredictable wage bill due to poor coordination amongst MFPED, MoES, MoPS, Education Service Commission and LGs; corruption resulting in duplicated payments and overpayments, non-compliance to public finance provisions, and non-recruitment of critical staff.

Roads

The overall roads sub-sector financial performance was good as the budget release and absorption by 30th June, 2017 was 78.6% and 87.9% respectively. The three votes (MoWT, UNRA and URF) had a combined release of Ug shs 3,090.36 billion, of which Ug shs 2,715.81 billion was spent.

The overall physical performance of the roads sub-sector was fair at an estimated 69%. The National Roads Construction and Rehabilitation program; and URF performance were good at 85% and 71% respectively, while that of MoWT was fair at 52%.

The National Roads Construction and Rehabilitation Program implemented by UNRA was affected by the following: Insufficient and inadequate designs especially for rehabilitation projects which lead to substantial change in scope of works thus calling for additional resources; slow pace of land acquisition for the RoW; poor mobilisation by the contractors; and poor release of donor funds which was attributed to the many projects that were at procurement and project preparation stage.

The MoWT underperformance was mainly attributed to irregular and inadequate release of funds resulting in delays of paying service providers. Despite having received 150% of the budget, the funds were not directly used to implement planned activities within the FY but rather to clear outstanding arrears for the FY2015/16.

The URF performance was as a result of the DUCAR Maintenance Programme and NRMP performance which was good at 72.24% and fair at 70.5% respectively, however, all the LGs and UNRA stations did not achieve their annual targets. The current URF budget allocation does not match the ever increasing road network. Absorption of funds was mainly affected by: delays in procurements for construction materials, spares, plus other mechanical parts (tyres, etc) under NRMP; and lack of full sets of road equipment under the LGs, thereby hindering progress of force account activities.

Overall, the key sector challenges were: budget cuts in the FY2015/16 which led to accumulation of arrears whose payments were prioritised with the release of FY2016/17 funds; poor mobilisation of contractors; slow pace of the land acquisition for the RoW; lack of full sets of road maintenance and construction equipment for force account units in LGs; and delays in procurement of road construction materials and equipment spares at the UNRA stations.

Water and Environment

The sector performance was good at 75% achievement of planned outputs by the end of the FY. The sector had an approved budget of Ug shs736.41billion (AIA inclusive), of which Ug shs 464.108billion (63%) was released and Ug shs 427.788billion (92%) spent, which was good budget expenditure. The sector had both good and poor performing projects within the different Votes.

Good performance was noted under the District Water and Sanitation Development Grant at 85%, Water and Sanitation Development Facility-Central at 81%, NEMA performance was at 79%, Climate Change at 77% and Water Resources Management performance at 71%. The reasons for good performance included early releases of the development grant to the DLGs, de-concentrated staff on ground in the zones, and utilization of funds on multiyear projects which did not require undergoing procurement.

Poor performance was noted among many projects inclusive of Provision of Improved Water Sources for Returned IDPs – Acholi sub-region rated at 18%, and Karamoja Small Town and Rural growth Centers Water Supply and Sanitation at 24%. The Kampala Water Lake Victoria Water and Sanitation was rated at 33% and Sawlog Production Grant Scheme at 41%. The poor performance was due to late procurements, lack of approved designs for the piped systems, land conflicts which led to site changes in some case; ambitious project plans that could not be met and insufficient counterpart funds or resources to engage consultants.

The sector is moving towards increased access to and improved functionality of water and sanitation facilities, though the rates of increase are small especially in Water for Production and Urban water supply. In FY2016/17, access to rural water supply is 69% and 77% for urban water supply which are below the second National Development Plan (NDP II) targets of 74% and 90% respectively. The increased restoration of degraded and protection of eco-systems for forest cover is currently (15.2%) and area covered by wetland (10.9%) against the NDPII targets of 15.6% for forest cover and 11.3% for area covered by wetlands. The ecosystems are challenged by lots of degradation.

Other hindrances to implementation included; limited realization of the AIA budgets and releases; limited follow up of Environmental Impact Assessment (EIAs) recommendations by the various stakeholders; continuous encroachment on ecosystems by private developers and settlers; inadequate staffing in central and LGs; low funding for environmental management at NEMA, MDAs and LGs; weak dissemination of updates on weather alerts and forecasts, and dilapidated weather monitoring stations.

Chapter 16: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on physical and financial performance of selected government programmes during the FY2016/17.

Financial Management

i) The MFPED and BoU should respectively work towards curbing the untaxed yet growing informal sector, and ensuring stabilization of interest rates.

ii) The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

iii) The MFPED-BPED and Accountant General should address delays in accessing funds by LGs.

iv) The MFPED working with MoLG should align the PFMA to the Local Government Act for efficient service delivery and control.

Agriculture

i) The MFPED should ensure that sector and district Accounting Officers fully comply with public financial regulations with regard to timely disbursement of funds, and use of NTR.

ii) The MAAIF and agencies should prioritize and clear of all outstanding arrears in the sector.

iii) The MAAIF, agencies and DLGs should improve programme supervision and fast track equipping the extension workers.

iv) The PPDA should review and improve the performance levels and capacities of PDUs in both the central and local governments.

Education

i) The Pre-Primary and Primary Education Vote Function should improve the performance of the two projects; Uganda Teacher and School Effectiveness Project (UTSEP), and Emergency Construction of Primary Schools Phase II.

ii) The MoES should budget for and pay all arrears under APL 1 and other projects, (after verification by the Internal Audit Department).

iii) The MoES should prioritize and adequately budget for counterpart funds for all projects in the sector.

iv) Government should make adequate provisions for recruitment of staff in all public universities to solve the staff shortages.

v) Government should make special provisions to assist districts with an influx of refugees to solve the issues of classroom congestion, inadequate sanitation facilities and scholastic materials.

Energy

i) The MFPED should ensure timely and adequate release of funds to sector agencies for critical activities such as RAP.

ii) The Government through the MLHUD should expedite review of the land law in regard to land acquisition to enable quicker acquisition of land for infrastructure projects.

iii) The sector agencies (MEMD, UETCL, and UEGCL) should build capacity in execution of infrastructure projects through continuous skills development and training in areas of procurement and contract management.

iv) The Government through REA should provide subsidies for the cheapest category of connections (No-pole and 1-pole) in all REA service territories to enable intended beneficiaries access electricity.

Health

i) The health sector spending agencies should engage the MFPED Health Desk Officer to guide them in proper planning and budgeting, especially where the required investments are more than the MTEF ceilings to avoid stalling of projects.

ii) The MFPED Department of Project Analysis and Public Investment Management (PAPM) should ensure multiyear projects are properly vetted taking into account allocative efficiency and value for money.

iii) The spending agencies should adhere to the work plans and approved procurement plans to reduce procurement delays.

iv) The MoH and other sector votes should reduce waste through minimizing inputs for any given embracing the estimated key unit costs provided by the health sector every financial year.

v) The PPDA should regulate and investigate contractual agreements of various entities. The OAG should also undertake value for money and forensic audits on various hospitals. Administrators guilty of misuse of public funds should refund and be apprehended.

vi) The MoH should continually focus on disease prevention, which will translate into reduction of 75% of the Uganda's disease burden, drug budget, congestion in health facilities, and doctor-patient ratio among others.

vii) The MoH should also prioritize acquisition of land titles to foster consolidation and ownership of its investments.

viii) The MoH and National Medical Stores (NMS) should establish a systematic drug tracking mechanism with checks and balances right from the warehouse to the pharmacy, and lastly the patient to avoid drug leakages and unnecessary shortages

Information and Communications Technology

i) The NITA-U and MFPED should prioritize counterpart funding of the RCIP Uganda project.

ii) The MoPS, MFPED, Public Service Commission and MoICT&NG should review the ICT staff establishment at MDAs with a view of recruiting and posting technical staff to agencies that do not have any and those with below optimum requirements.

iii) The MoICT&NG and NITA-U should develop a change management strategy and roll it out to MDAs.

iv) Government through NITA-U should rationalise the usage of NBI and engage other government entities such as the UETCL which laid fiber optic cables to areas where NITA-U has none, such as Karamoja and West Nile sub-regions to avoid duplication.

v) The MoICT&NG should ensure that subsequent tenancy agreement currency is in Uganda Shillings. Arrangements should be made to have the shortfall cleared to avoid domestic arrears.

vi) The NITA-U should regularly review market prices for data and accordingly adjust the prices to avoid being seen as overcharging government entities.

Industrialization

i) The MFPED should prioritize funding to the sub-sector to enable it achieve its intended goals.

ii) The UIA should prioritize the construction of a central waste treatment plant in the industrial parks to ensure proper management of effluent waste from the factories.

iii) The UDC should prepare and submit a separate project for tea and sheet glass with detailed profiles to streamline the scope of these projects.

iv) The MFPED/Ministry of Science and Technology should expedite the approval of the PIBID business plan to facilitate commercial operations as a legal entity.

v) The KMC should consider an alternative leaner financing model such as leasing facilities for vehicle manufacturing to attract prospective partners in the short to medium term to showcase the possibilities of the concept, as adequate financing for construction of a fully-fledged motor vehicle manufacturing plant is being sought.

vi) The MAAIF should endeavor to inspect certified nurseries to ensure that quality seedlings are supplied.

vii) The UDC should at all-times form pre-shipment inspection teams with relevant expertise to assess the quality of equipment being loaded to avoid delays in project implementation.

viii) The MoTIC should conduct thorough assessment of its beneficiaries, and prepare them with adequate training in business skills to ensure that strategic and business plans are developed for sustainability.

ix) The OPM as a coordination office should strengthen and harness intersectoral linkages between MDAs to realize the collective impact of public interventions.

x) The UIRI and the Ministry of Science and Technology should institute mechanisms that support innovations beyond proto-typing.

xi) Incubatees at UIRI facilities with signs of growth should be encouraged to develop private premises to allow other new entrants access and use the services at the incubation centres.

Micro Finance

i) The MFPED should expedite the development of regulations to operationalize the recently passed Microfinance Institutions (MFIs) and Money Lenders Act.

ii) The PROFIRA should enforce compulsory training of MFI and SACCO managers before accessing credit.

iii) The MSC should continue to offer Business Development Services (BDS) to SACCOs to enable MSC clients upgrade their capacities to manage businesses profitably and sustainably.

iv) The GoU should capitalize MSC to enable further disbursements.

Public Sector Management

i) The MFPED in consultation with MDAs and LGs should strengthen the planning and budgeting functions through improved application of the PBB. Realistic budgetary provisions should be made for programme interventions to reduce supplementary budgets and associated cuts.

ii) The MFPED and MoLG should enforce provisions of the PFMA by instituting penalties for offenders.

iii) The MoPS, MFPED, MoES, Education Service Commission should carry out a comprehensive validation of secondary teachers in Government-Aided schools and tertiary institutions, and thereafter develop systems and policies on recruitment postings to avoid fraud and wastage of public resources.

iv) The MFPED, MoLG, MoPS, MoH and PSC should critically analyze recruitment plans from MDAs and LGs and make serious follow ups on implementation of approved recruitments of critical positions especially with the Health Service Commission, Education Service Commission and LGs.

Roads

i) The implementing agencies should prioritize paying outstanding commitments for service providers in the FY 2016/17 before engaging in new ones.

ii) The GoU should expedite the procurement of the roads maintenance equipment from Japan so as to fully exploit the force on account units.

iii) The UNRA should ensure that the acquisition of the RoW for development projects precedes the procurement of the works contract.

iv) The Solicitor General, MoWT and UNRA should provide a clause in the works contracts which penalises contractors who do not meet their equipment and personnel mobilisation levels as provided for.

v) The GoU should expedite the passing of the Uganda Construction Industry Commission (UCICO) bill in order to enhance the capacity of the local construction industry.

Water and Environment

i) The MWE plan to implement projects with already approved designs to avoid time loss.

ii) The MWE should fast-track land acquisition before project initiation as a policy guideline and agreement with MFPED.

iii) The MWE should prioritise monitoring the EIA adherences through budgeting and monitoring the various projects given recommendations.

iv) The MFPED should continue enforcing compliance to procurement deadlines by the Accounting officers through sanctions that include suspension of releases to agencies/projects not following procurement plans in the FY.

v) NEMA should fast-track cancellation of tittles in wetlands and put into practice the Presidential Directive of "No encroachment on wetlands and those already there leave by June 2017"

vi) The MFPED should fast-track wage bill allocation to the NEMA and LGs to support recruitment of necessary personnel in the approved structures.

vii) The MWE in consultation with MFPED should provide conditional grants for the ENRs to supplement the Wetlands Grant.

viii) The UNMA should improve on the means of disseminating weather forecast information to the public. The authority should fast track acquisition of a license code to use mobile phones and take advantage of the multimedia network to disseminate information.

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