THE REPUBLIC OF UGANDA

Community Agriculture Infrastructure Improvement Programme (CAIIP): What are the implementation challenges?

Overview

The Government of Uganda (GoU) through the Ministry of Local Government (MoLG) formulated the Community Agricultural Infrastructure Improvement Programme (CAIIP) in 2006 to enhance commercialization of agriculture and improve market access. It is projected to increase the volume of agricultural produce marketed by 45% and increase household incomes by 50% at completion by enhancing farmer's access to markets; attracting competitive prices and increasing incomes through improvements in rural infrastructures and their management by well-mobilized communities.

This briefing paper discusses the key constraints to effective implementation of CAIIP and gives policy recommendations.

Key Issues

- Inadequate road designs led to project cost escalations, substandard works, and project delays.
- Delays in completion of projects due to vagaries of weather and limited availability of gravel material and the difficult terrain.
- Establishment of permanent structures on untitled land exposed the districts/ sub counties to loss of infrastructure.
- Poor quality of works on some of the roads, markets and APF shelters leading to quick deterioration.
- Partial functionality of completed infrastructure resulting in poor value for money.

Introduction

Agriculture has for a long time been a core sector of Uganda's economy in terms of its contribution to Gross Domestic Product (GDP) and employment. The sector's performance has been poor in recent years mainly due to inadequate physical infrastructure, limited extension support, high risks and cost of investment, and inadequate meteorological services, among others.

In a bid to tackle the inadequate physical infrastructure challenges in the agricultural sector, Government formulated the Community Agricultural Infrastructure Improvement Programme (CAIIP) in 2006. It was to improve rural agricultural infrastructure through rehabilitation of district feeder and community access roads that link farmers to functional markets; equipping districts with adequate facilities, including stalls, slabs, stores, agro-processing facilities, water and sanitation, and rural energy.

The project is funded by a loan from the African Development Bank (ADB) and the International Fund for Agricultural Development (IFAD) to a

tune of US$77 million for CAIIP 1; US$72.960 million for CAIIP 2; US$60 ADB Loan and US$8 Million IDB Loan for CAIIP 3-***(Table 1)***.

Table 1: Financial performance of CAIIP in Units of Accounts (UA)

Projects	Budget	Expenditure	% spent
CAIIP I (FY 2009/10-2013/14)	30,000,000	28,048,624	93
CAIIP II (FY 2010/11-2014/15)	45,000,000	37,963,161	84
CAIIP III (FY 2012/13-2014/15)	40,000,000	12,637,666	32
Total	115,000,000	78,649,451	68

Source: MoLG Performance Reports December 2015

Variances between planned and actual implementation were often noted during BMAU monitoring. This has affected the performance in completion of outputs under CAIIP (Table 2).

Table 2: Physical performance of CAIIP from FY2012/13 - FY2014/15

Outputs	Roads, Streets and Highways (CARs)			95 APFs completed		
FY	Planned	Actual	Variance	Planned	Functional	Non functional
2012/13	2,000 km	2,651 km	+651 km	-	-	-
2013/14	3264 km	1,271 km	1,993km	-	-	-
2014/15	2053 km	2723 Km	+670 km	95	76	19

Source: MFPED, Annual Budget Performance Reports

From Table 2, CAIIP met its target of rehabilitating Community Access Roads (CARs) in FY2012/13 and FY2014/15 but performed poorly in FY2013/14.

Despite the heavy investment in the project by Government, there are still reports of abandoned road construction sites, substandard road works, un-utilized agro-processing facilities, inadequate physical infrastructure, limited extension support, high risks and cost of investment and inadequate meteorological services.

Key issues

Delayed completion of projects: Most contracts delayed despite numerous extensions of completion times. In most cases, it was due to factors beyond the control of both contractors and employers. For instance vagaries of weather (floods and mudslides); limited availability of gravel material and the difficult terrain in some project districts. An analysis of 12 selected contracts for construction of CAIIP I markets in 7 districts revealed that 17% of the contracts were completed within the stipulated time, 75% experienced an average delay of eight months while 8% of the sites were abandoned. The abandonment was attributed to inadequate financial and equipment capacity of the contractors, a problem that should have been addressed at the procurement stage. Delayed completions of works were also partly caused by late payment of contractors which ultimately impacted on their cash flows.

Under CAIIP II, 57 (60%) of 95 installed Agro Processing Facilities (APFs) had energy sources completed and were fully operational; 16 (17%) of installed APFs had energy sources but were non-operational and 10 (10%) of installed APFs had incomplete energy sources and were non-operational. Under CAIIP III, 30 out of 45 (67%) contracts for Batch A- CARs were completed within the contractual period whereas 15 (33%) of contracts were extended (by 3 months) beyond their contractual period because contractors abandoned the sites. For example, as a result of abandonment of works for the rehabilitation of 6km of Kyakaigo-Kikonge-Harugongo CARs in Kichwamba sub-county Kabarole district, works that were previously carried out had deteriorated beyond rectification leading to review of scope of works and re-tendering.

Poor road designs: The consultants failed to carry out proper road inventories to establish detailed road conditions to determine accessibility and re-alignment to avoid compensation costs that had not been provided for. For example, some CAR roads were under designed as key road features like bridges and rocks were left

out during project implementation. For example during implementation, the Abangpoka 1 (Otwonogwenoting-Ongoko Ojee-Alworo) road (CAIIP III) in Myene sub-county, Oyam district construction works were extended for another nine months in order to review the bridge design so as to consider the weak soils to hold the bridge bed.

Establishment of infrastructure on un-registered public land: All the 12 market sites, valued at Ug shs1.318 billion in the districts of: Iganga, Mukono, Mityana, Masaka, Sembabule, Pallisa and Kapchorwa were constructed on land without proper ownership (untitled land), contrary to the programme operations manual and market guidelines. This was attributed to failure to secure land titles due to lack of funds to facilitate the land registration process. This exposes the investment to a risk of loss should the land on which they are established be claimed by another party.

Poor quality of works: Some of the roads, markets and APF shelters constructed were not up to the expected standard. This led to quick deterioration hence increasing the overall maintenance costs. Buildings works on 83% of the 12 constructed markets under CAIIP I had good visual finishes and roofs such as Kyawagonya Market in Masaka district. However, Mityoru market in Kaptanya sub-county, Kapchorwa district was not satisfactorily constructed. This was reflected in the cracking of floors and slab tops, cracks in curtain walls, and failed slabs for VIP latrines.

It was also observed that on some CAR sections, localized rutting and pot holes had started developing. The work defects were caused by use of poor quality working materials that led to quick deterioration of infrastructure, increased maintenance costs, reduction of the useful life of the infrastructure, loss of the invested amounts and endangering of the lives of users.

Partial functionality and poor maintenance of established market infrastructure: In spite of the heavy investment (Ug shs 1.33 billion) under CAIIP 1, only 45% of the markets were occupied. A total of 55% of the markets, valued at Ug shs 964,206,454 were not occupied hence putting to waste the amount spent on their construction. Non-occupancy of the constructed market structures was attributed to failure by the district authorities to enforce their occupancy, absence of adequate storage facilities, remote locations (some of the markets were far from the trading centers or traditional market sites) and non-operational agro processing facilities, which would have attracted vendors to the markets.

The failure to put the markets and APFs to their intended use has led to their physical deterioration as a result of absence of preventive maintenance measures and this has exposed them to vandalism/ theft and misuse as some have been reduced to playgrounds, animal shelters and grazing land.

Poor maintenance of road infrastructure: The routine and periodic maintenance of the entire infrastructure put in place under the program is the responsibility of the beneficiary districts. Most of the infrastructure was deteriorating due to lack of maintenance. For example, the roads constructed in earlier batches of CAIIP I were in bad state with potholes, silted culverts and over grown vegetation along the roads reducing their effective carriage way widths. The failure to maintain the roads was due to inadequate funding from the Uganda Road Fund and absence of agreed arrangements between the MoLG and the implementing districts on the maintenance of the established infrastructure.

Lack of routine maintenance increases the future maintenance cost for the infrastructure and compromises the safety of road and market users. Without maintenance, the sustainability of the established infrastructure put in place by the program is bound to remain a challenge.

Poor functionality of Agro Processing Facilities (APFs): In a bid to address the challenge of post-harvest handling and value addition in the CAIIP implementing sub counties, the program planned to supply and install maize

mills, coffee hullers, rice hullers and milk coolers The non-functionality of APFs under CAIIP II was attributed to delays by sub-counties and districts to source out operators to run the completed facilities.

Conclusion

The overall sector goal is contributing to poverty reduction and economic growth in Uganda through commercialization of agriculture.

However, designs which do not represent the actual condition of the road have led to project cost escalations, diversion of resources, substandard works, and project delays. Works which do not conform to the required quality specifications lead to quick deterioration of roads hence increasing the overall maintenance costs. Delayed completion of works deprived communities of services. The non-operational APFs in all the CAIIP participating districts deprived communities of benefits of value addition to their products, which would have improved their farm gate prices and improved household incomes. The non-maintenance of infrastructure constructed under the program is likely to increase future maintenance costs and compromise the safety of the users.

In other words CAAIP will not contribute significantly to reduction of poverty in the beneficiary communities and districts.

Policy Recommendations

As lessons for future programme design and implementation:

i) The MoLG should ensure that consultants and District Engineers carry out detailed road inventories prior to designing the road infrastructure and review process.

ii) Respective LGs should obtain titles for the land boards prior to receiving projects.

iii) The MoLG should improve on contract management by invoking the relevant contract clauses for timely execution of contracts, by charging liquidated damages and termination of contracts in extreme cases.

iv) Contractors who do not perform according to requirements should be black listed by the client and the Public Procurement and Disposal Authority (PPDA) to avoid future recurrences.

v) The LGs should step up mobilization and sensitization campaigns, and enact ordinances to enforce occupancy and utilization of the established market facilities.

vi) Districts should effect routine and periodic maintenance of infrastructures so as to prevent further deterioration.

vii) The government, through the Uganda Road Fund, should prioritize allocations to districts and consider matching the amount of allocation to the stock of roads in a given district

References

1. MFPED, Annual Budget Performance Reports for FY2012/13 to FY2015/16
2. MFPED, BMAU reports for FY2014/15-FY2015/16
3. MoLG, CAIIP Progress Reportsfor FY2012/13- FY2014/15

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
Plot 2-12 Apollo Kaggwa Road, P.O.Box 8147 Kampala.
www.finance.go.ug