



## Roads Sub-Sector Semi-Annual Performance FY 2016/17: The Achievers and Key Sector Issues?

### Over View

The second National Development Plan (NDPII) recognizes that an efficient transport system is a pre-requisite for economic and social transformation; and thus it is accorded high priority. An efficient transport system lowers production costs through timely delivery of inputs and enhances economies of scale in the production process.

Among the four transport modes in Uganda (air, railway, road and water), the roads sub-sector is the most dominate and comprises of four categories: National, District, Urban and Community Access roads. It accounts for over 90% of the volume of freight and human movement; and by far the commonest mode of transport in the country.

However, the country's road transport network is very small by international standards. There is need for the Government of Uganda (GoU) to develop the road network infrastructure to improve transport connectivity, effectiveness and efficiency to comparable levels of the developed countries with an average of paved road density.

For FY 2016/17, the Budget Monitoring and Accountability Unit (BMAU) monitored a number of projects/programs to assess the extent to which the sub-sector is achieving the key planned outputs.

This **briefing paper** outlines the performance of the sub-sector by half year, FY 2016/17. It further spells out the challenges and constraints faced by the sub-sector in the execution of its mandate and also provide recommendations for improvement.

**Performance Rating:** A qualitative Weighted Scoring method was used to rate the extent to which the planned outputs were achieved. The performance scores were as follows: (90 and above very good); (70%-89%) Good, (50%-69%) Fair, and (Less than 50%) Poor.

### Key Issues

- Inadequate designs for tendered road works at UNRA.
- Delayed acquisition of Right of Way (RoW) due to untimely relocation of utilities on development projects.
- Under funding, irregular and piecemeal (quarterly) release of funds affects timely implementation of works.
- Frequent breakdown and lack of full sets of road equipment and machinery.
- Delayed procurements at Ministry of Works and Transport (MoWT) and Uganda National roads Authority (UNRA) headquarters for force account work.
- Low capacity of local construction industry.

### Background

The roads 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: Ministry of Works and Transport (MoWT), Uganda National Roads Authority (UNRA), Kampala Capital City Authority (KCCA), District Local Governments (DLGs), Lower Local Governments (sub-counties) and urban councils (municipalities and town councils).

### Roads Sub-Sector Key Planned Outputs for FY 2016/17:

- Upgrading of 400km of gravel roads to bitumen standard, and reconstruction of 250km of old paved roads, under the National Road Construction/Rehabilitation Programme (NRC).
- Carry out manual maintenance of 32,560km, mechanized maintenance of 5,206km and periodic maintenance of 1,050km of roads; routine maintenance of 30 bridges and installation of 1,050 pieces of culverts in Districts, Urban and Community Access Roads (DUCAR).

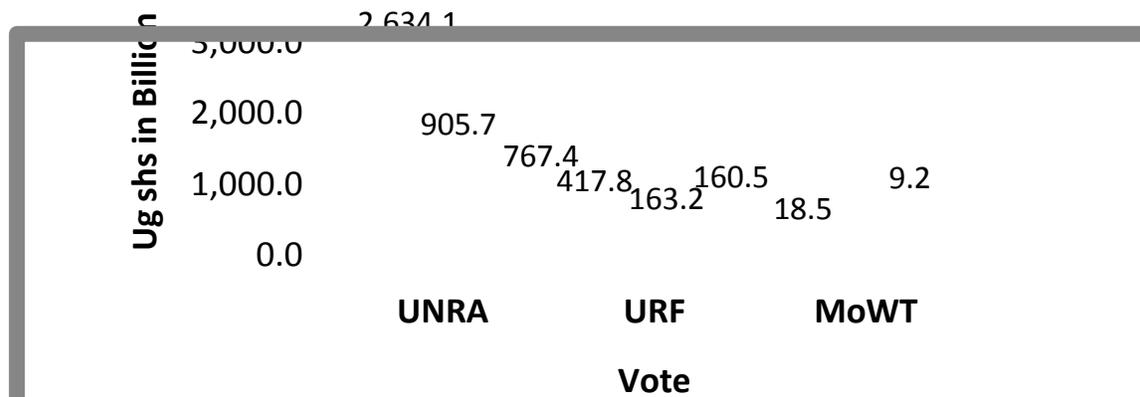


- Maintenance of 19,600km of the national roads network, ferry services or inland water transport services and axle load control across the network, through UNRA stations.
- Tarmacking of 2.8km of roads and 8,600m<sup>2</sup> of stone pitched drainage channels in Kyankwanzi and Kalungu districts under Urban Roads Re-sealing project.
- Construction of 66 selected bridges in various parts of the country.

**Financial Performance**

The financial performance of the sub-sector was good as 35.1% (Ug shs 1,078.16 billion) of the approved budget (Ug shs 3,070.46 billion) was released and 86.9% of the release absorbed by half year. Details of the performance by Vote are presented in Figure 1.

**Figure 1: Overall Financial Performance of the Roads Sub-sector as at 31<sup>st</sup> December, 2016**



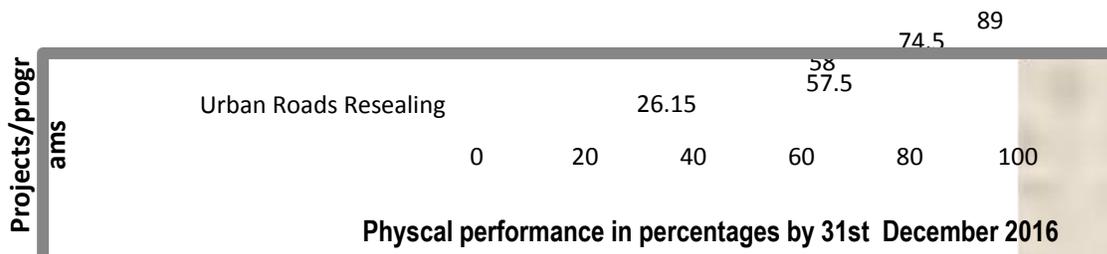
Source: UNRA, URF and MoWT<sup>1</sup> Q2 Performance Reports for FY 2016/17, IFMS for the half year FY 2016/17

With exception of MoWT which had an excellent release performance (50%) by half year, the other votes had a good release performance with UNRA having the lowest (34.4%) against its budget. This under performance was attributed to the low donor release of only Ug shs 131.297 billion (10.3 % of the Ug shs 1,268.906 billion donor budget). Absorption was good for all the three votes monitored.

**Physical performance**

The overall sub-sector performance was fair at 63%, with some projects/programs performing better than others (figure 2).

**Figure 2: Percentage achievement of planned outputs for the different projects/programs**



Source: Field Findings

<sup>1</sup> MoWT financial performance analysis is only for the roads component- Vote Function 0404 DUCAR.



Good performance was noted under the National Roads Construction and Rehabilitation Program under UNRA and Construction of Selected Bridges under the MoWT. Other projects/programs performed fairly with Urban Roads Resealing having the worst performance. Cases of the good and poor/fairly performing projects/programs, and the issues that affected their performance are highlighted hereafter.

## Good performers

**i) National Road Construction/Rehabilitation Programme (NRC):** The overall performance of this programme was good at 74.5%. The construction of the Mbarara bypass (41km) project was ahead of schedule at 84.4% against planned progress of 81.8%.

The construction of Leresi Bridge on Butaleja-Leresi-Budaka road was at 98% physical progress against a planned progress of 100%. Challenges like poor mobilization of contractors, delays in acquisition of the Right of Way (RoW) and relocation of utilities, and inadequate designs tendered for construction were however noted under this programme.



**Leresi Bridge on Butaleja-Leresi-Budaka road completed**

**ii) Construction of Selected Bridges:** The GoU represented by MoWT undertook the construction of selected bridges in various parts of the country to remove bottlenecks on the district and community access roads. In FY2016/17, MoWT planned to construct 14 Bridges in North and North Eastern Uganda funded by the Islamic Development Bank (IDB) and to complete projects that were on-going by 30<sup>th</sup> June 2016.

The overall physical performance was 89%. Lot 1: Balla Bridge in Kole District-360m, Abalang-3 Bridge in Dokolo District- 384m, Agali Bridge in Lira District –600m, Enget Bridge-Single Span Bridge were complete.

The physical performance of Lot 2 was at 70%: Nyawa Bridge, two abutments and one pier were completed on Kochi 2 Bridge in Moyo District.

## Poor/Fair Performers

**Urban Roads Re-sealing:** The project objectives are to create a better working environment by reducing mud and dust in urban areas. The project performance was poor at 26.15%. The low achievement of planned outputs was attributed to: frequent breakdown of the bitumen distributor and delays arising from the procurement of materials which is done centrally at the MoWT headquarters.

## District, Urban and Community Access Roads (DUCAR)

**Maintenance Program:** The physical performance was at 57.5%, hence a fair physical performance. However, the absorption of funds was good at 81.5%. The lower performance was majorly caused by shortage in financial resources as only about 40% of the required funding was released and failure by some LGs to recruit road gangs.

**The National Roads Maintenance Program:** The overall physical performance of the program was fair (58%) due to a shortage of financial resources as only 77% of the required funding was released, delays in procurements of materials leading to low absorption, late release of funds by URF and lack of full sets of road equipment by stations thereby hindering progress of Force Account activities.

## Key observations

- National Roads Construction projects have continued to suffer delays arising from poor planning and budgeting for compensation of the Project Affected Persons (PAPs) within the project RoW and relocation of utilities. The attempt to compensate the PAPs and relocate utilities has taken place concurrently with construction works, and the funds allocated are inadequate.
- There were anticipated cost overruns on some projects mainly under the National Roads Construction Program due to delays in payment of contractors, change in road alignment and increase in earth works arising from inadequate designs. Examples of projects affected were Bulima-Kabwoya (66km) and Kampala Northern Bypass (17km).
- With exception of Mbarara Bypass (41km) which was ahead of schedule by 2.61%, all the projects monitored under National Roads Construction Program were behind schedule. Extremes were Kyenjojo-Fort Portal



(50km) and Mubende-Kakumiro-Kagadi (107km) roads with a slippage of 21% and 7% respectively.

- Under DUCAR, some of the road sections in the different districts monitored were not well maintained due to inadequate routine manual maintenance; these included Kyenjojo, Masaka, Buliisa and Nakaseke districts.



Part of Kijwiga-Kijugo Road with high vegetation cover on the road sides in Kyenjojo District

- The level of mobilization on most of the contracts implemented by the Chinese was low despite UNRA having made advance payments. Additionally, the management and full control of most of the Chinese companies is in China and as such, the managers on the ground always had to seek authorization from China to undertake most key decisions which delayed works.
- Budget cuts in FY2015/16 across all the votes led to accumulation of arrears whose payments were prioritized with the release of FY 2016/17 funds. As a result of these cuts the Ministries, Departments and Agencies (MDAs) were forced to prioritize certain activities leaving out others in the work plan.
- The quarterly mode of release of Force Account funds is in most times done in four equal proportions. This delays the start of works as planned since most activities require front loading, hence causing further delays.
- The GoU through the MoWT has procured new construction equipment units from Japan for Force Account units at the Local and Central Government levels. This equipment had started arriving in the country as of May 2017 and will hopefully address issues of equipment breakdown and inadequacies.

## Conclusion

The overall performance of the sub-sector was fair at 63%; good performance was noted in the Construction of Selected Bridges and National Roads Construction and Rehabilitation Program under UNRA. The MoWT and URF had a fair performance. The key sector challenges were; accumulation

of arrears whose payments were prioritised in FY 2016/17, inadequate designs tendered for construction, lack of full sets of road maintenance and construction equipment for Force Account units, low capacity of the local construction industry which was observed especially in the term maintenance contracts and bridges projects.

## Recommendations

1. The GoU/UNRA should endeavor to always mobilize sufficient funds for full compensation of the PAPs prior to the signing of construction contracts.
2. The GoU/UNRA should introduce a penalty clause in contracts to target contractors who fail to mobilize all the necessary and specified equipment on site.
3. The Ministry of Finance, Planning and Economic Development should commit funds once contracts are signed to ensure timely settlement of the contractors' payments.
4. 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.
5. The UNRA should ensure that design consultants give adequate time to the design process and stick to the design standards so as to avoid cases of inadequate designs.

## References

1. Second National Development Plan 2015/16-2019/20 (NDPII)
2. Semi-Annual performance Report FY 2016/17, BMAU
3. Semi-Annual performance Reports FY 2016/17 for MoWT, URF, UNRA Stations and District Local Governments.

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