THE REPUBLIC OF UGANDA

Ministry of Finance, Planning and Economic Development

Semi-Annual Budget Monitoring Report

Financial Year 2016/17

March 2017

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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

A.I.A	Appropriation in Aid
ACDP	Agriculture Cluster Development Project
ACF	Agriculture Credit Facility
ADB	African Development Bank
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
ARSDP	Albertine Region Sustainable Development Project
ARVS	Anti-Retroviral
ASM	Artisanal and Small Scale Miners
BADEA	Arab Bank for Economic Development in Africa
BBW	Banana Bacterial Wilt
BFP	Budget Framework Paper
BIRDC	Banana Industrial Research and Development Centre (BIRDC)
BMAU	Budget Monitoring and Accountability Unit
BMZ	German Federal Ministry of Economic cooperation and Development
Bn	Billion
BOT	Budget Operations Table
BoQs	Bills of Quantities
BP	Blood Pressure
BPO	Business Process Outsourcing
BTVET	Business, Technical, Vocational Educational and Training
CAIIP	Community Agriculture & Infrastructure Improvement Programme
CAO	Chief Administrative Officer
CARs	Community Access Roads
CBMS	Community Based Management System
CBOs	Community Based Organizations
CCD	Climate Change Department
CCTV	Closed Circuit Television Network
CDM	Clean Development Mechanisms
CERT	Computer Emergency Response Team

CFM	Collaborative Forest Management
CFRs	Central Forest Reserves
CGV	Chief Government Valuer
CMCs	Catchment Management Committees
CNOOC	Chinese National Offshore Oil Company
COP	Conference of the Parties
COP	Child Online Protection
CSOs	Civil Society Organizations
CWD	Coffee Wilt Disease
CWE	China International Waters and Electric Corporation
D/CAO	Deputy Chief Administrative Officer
Das	Designated Agencies
DC	Development Committee
DCPT	Dynamic Cone Penetration Test
DDEG	Discretionary Development Equalization Grant
DEO	District Education Officer
DFS	District Forest Services
DHO	District Health Officer
DIS	District Inspector of Schools
DLG	District Local Government
DLGs	District Local Governments
DLP	Defects Liability Period
DP	Directorate of Petroleum
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
ED	Enterprise Development Investment
EEI	Enterprise Expansion Investment
EIA	Environmental Impact Assessment
EIN	Environmental Information Network
EIPL	Energy Infratech Private Limited
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 Bank of China
FAO	Food and Agriculture Organisation
FBU	Fully Built Units
FEED	Front End Engineering Design
FFS	Farmer Field School
FGDs	Focus Group Discussions
FIEFOC	Farm Income Enhancement and Forestry Conservation
FLO	Farm Level Organisation
FMPs	Forest Management Plans
FSM	Fecal Sludge Management
FSSD	Forestry Support Department
FY	Financial Year
GASf	Geological Society of Africa
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
GoN	Government of Norway
GoU	Government of Uganda
Ha	Hectare
HC	Health Centre
HEST	Higher Education, Science and Technology

HIV	Human Immune Virus
HMIS	Health Management Information System
HPP	Hydro Power Project
HQs	Head Quarters
HR	Human Resource
HSE	Health Safety and Environment
HSS	Health Strengthening Support
HSSP	Health Sector Strategic Plan
HW	Hand Washing
ICT	Information and Communication Technology
ICTs	Information and Communications Technologies
ICU	Intensive Care Unit
ID	Infrastructure Design
IDA	International Development Association
IDA	International Development 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
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
KCCA	Kampala Capital City Authority
KfW	German Financial Cooperation (KfW Bankengruppe)
Kg	Kilogram
KHPP	Karuma Hydro Power Project
KIBP	Kampala Industrial and Business Park- Namanve
KIL	Kilembe Investment Limited

KIP	Karuma Interconnection Project
Km	Kilo Meter
KMC	Kiira Motors Corporation
KMS	Knowledge Management Systems
KOICA	Korean International Cooperation Agency
kV	Kilo volts
LBC	Labour Based Contracts
LG	Local Government
LGFC	Local Government Finance Commission
LGMSD	Local Government Management Service Delivery Programme
LGs	Local Governments
LLG	Lower Local Government
LPO	Local Purchase Order
LRDP	LuweroRwenzori Development Project
M	Million
M/s	Messers
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MDAs	Ministries Departments and Agencies
MDD	Music Dance and Drama
MDGs	Millennium Development Goals
MEACA	Ministry of East African Community Affairs
MEMD	Ministry of Energy and Mineral Development
MESA	Monitoring of Environment for Security in Africa
MFPED	Ministry of Finance, Planning and Economic Development
MGSLD	Ministry of Gender, Labour and Social Development
MLA	Monitoring the Learning Achievements
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoICT&NG	Ministry of Information and 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
MoUs	Memoranda of Understanding
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement

MRI	Magnetic Resonance Imaging
MT	Metric Tonne
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
NAGRC&DB	National Agricultural Genetic Resource Centre
NALI	National Leadership Institute
NARC	National Archives Records Centre
NARO	National Agriculture Research Organization
NBI	National Backbone Infrastructure
NCC	National Climate Change
NCCP	National Climate Change Policy
NCCR	National Climate Change Resource Centre
NCDC	National Curriculum Development Centre
NDP	National Development Plan
NDP II	National Development Plan II
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 -Uganda
NMS	National Medical Stores
NOC	National Oil Company
NOC	Network Operating Centre
NOGP	National Oil and Gas Policy
NPA	National Planning Authority
NPCU	National Coordination Unit
NRB	Natural Resources Base

NRC	National Road Construction/Rehabilitation
NRMP	National Roads Maintenance Programme
NSSF	National Social Security Fund
NTC	National Teachers College
NTR	Non Tax Revenue
NTSC	National Tree Service Center
NUSAF	Northern Uganda Social Action Fund
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
OPD	Out-Patient Department
OPM	Office of the Prime Minister
OPUL	Oil Palm Uganda Limited
OVOP	One Village One Product
OWC	Operation Wealth Creation
PAPs	Project Affected Persons
PAU	Petroleum Authority of Uganda
PAYE	Pay As You Earn
PCE	Policy Committee on Environment
PDHs	Physically Displaced Households
PDU	Procurement and Disposal Unit
PEAP	Poverty Eradication Action Plan
PEPD	Petroleum Exploration and Production Department
PES	Physical Education Sports
PFT	Project Facilitation Team
PHC	PrimaryHealthCare
PRDP	Peace Recovery and Development Plan
PHRO	Principal Human Resource Officer
PIBID	Presidential Initiative on Banana Industrial Development
PIM	Project Implementation Manual
PIP	Public Investment Plan
PMC	Project Management Consultant
PMG	Production and Marketing Grant

PPDA	Public Procurement and Disposal of Public Assets Authority
PPDU	Public Procurement and Disposal Unit
PPP	Public Private Partnership
PRDP	Peace Recovery and Development Programme
PREEP	Promotion of Renewable Energy and Energy Efficiency Programme
Pre-FID	Pre- Final Investment Decision
PSA	Production Sharing Agreements
PSC	Public Service Commission
PSM	Public Sector Management
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
RGCs	Rural Growth Centers
RoW	Right of Way
RRH	Regional Referral Hospital
S/C	Sub-County
SACCO	Savings Credit and Cooperative Organization
SDR	Special Drawing Rights
SEAMIC	Southern and Eastern Africa Mineral Center
SESEMAT	Secondary Science Education and Mathematics Teachers
SFD	Saudi Fund for Development
SFG	School Facilities Grant
SMCs	School Management Committees
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
STs	Small Towns
T/C	Town Council
T/I	Technical Institute
TA	Technical Assistance
TOR	Terms of Reference
ToTs	Trainer of Trainees
TVET	Technical Vocational Education and Training
UBOS	Uganda Bureau of Statistics
UBTS	Uganda Blood Transfusion Services
UCC	Uganda Communication Commission
UCDA	Uganda Coffee Development Authority
UCI	Uganda Cancer Institute
UCICO	Uganda Construction Industry Commission
UDC	Uganda Development Corporation
UDET	Uganda Development Trust
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Uganda Shillings
UHI	Uganda Health Institute
UHSSP	Uganda Health Sector Strategic Plan
UMMDAP	Urban Markets 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
UNICEF	United Nations International Children Emergency Fund
UNMA	Uganda National Meteorological Authority
UNMHCP	Uganda National Minimum Health Care Package
UNOC	Uganda National Oil Company
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
URF	Uganda Road Fund
US$	Unites States Dollar
USD	United States Dollar
USE	Universal Secondary Education
UTC	Uganda Technical College
VAT	Value Added Tax
VC	Vice Chancellor
VF	Vote Function
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	With Holding 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

FOREWORD

The Government has stepped up efforts to achieve a middle income status by 2020 through commercialization of agriculture, acceleration of industrialization, and increasing production and productivity in all sectors of the economy. Heavy investment has been made in transport and energy infrastructure, education and agriculture services among other sectors to accelerate growth and development.

This report, from the Budget Monitoring and Accountability Unit (BMAU) in the Ministry of Finance, Planning and Economic Development shows that the semi-annual physical performance was generally fair across all monitored priority sectors. These include; Agriculture, Education, Energy, Health, Information and Communication Technology, Industrialization, Micro-finance, Public Sector Management, Roads, and Water and Environment.

Key impediments to project and budget execution include delayed/prolonged procurement processes, low staffing levels, and delayed release of funds to implementing agencies/departments. I urge all decision makers and project implementers to address these issues through the proposed recommendationsin order to ensure that tax payers' monies are utilized efficiently and effectively.

Patrick Ocailap

For: Permanent Secretary and Secretary to the Treasury

EXECUTIVE SUMMARY

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

Projects selected for monitoring were based on regional representation, level of capital investment, planned annual outputs, and value of releases during the Financial Year 2016/17. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations or physical verification of reported outputs. Physical performance was rated using weighted achievement of the set targets by 31st December, 2016.

FINDINGS

Overall Financial Performance

(a) Central Government Ministries/Agencies

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

Financial performance

The ten priority sectors including Local Governments (LGs) constitute Ugshs 8.706 trillion (46%) of the Government of Uganda (GoU) approved budget excluding external financing, Appropriation in Aid (AIA), arrears, debt and Bank of Uganda capitalization.The release performance for the ten sectors including LGs transfers as at 31st December, 2016 was Ugshs 4.695 trillion (54%) of the approved budget. The Central Government Votes spent Ugshs 2.716 trillion (80%) of the funds released while the LGs spent Ug shs 777 billion (60%).The low absorption for the LGs was on account of a less than 30% expenditure ofthe development funds released. This was due to delayed commencement of procurement processes that were at the award stage, and the late release of quarter onefunds due to migration from the Legacy releases to the Integrated Financial Management System (IFMS).

Sector Performance

The approved budgets of 60% of the ten priority sectors were revised as at 31st December 2016.The sectors with revised budgets included; Accountability, Works and Transport, Energy and Mineral Development, Ministry of Education and Sports, Ministry of Tourism, Wildlife and Antiquities, and Public Sector Management. The Ministry of Finance, Planning and Economic Development (MFPED) underthe Accountability Sector had a supplementarybudget ofUgshs 95.902 billion,of which Ug shs 77billionwas for clearance of outstanding tax arrears and incentives for exemptedcompanies,Ugshs 16.5billion for operationalization of Presidential Initiative on Banana Industrial Development (PIBID) phase one and Ugshs 2 billion for compensation of squatters in Mbale Industrial Park under Uganda Investment Authority.

Works and Transport sector had a supplementary of Ug shs 64 billion for Vote 113 Uganda National Roads Authority (UNRA) - (Ugshs 33billion). This was for compensation of project affected persons on Fort Portal-Kamwenge road and Kampala Entebbe Express Highway, and for civil works on the Mukono-Katosi-Nyengaroad. Vote 016 Ministry of Works and Transport (MoWT) had Ug shs 31billion for purchasing earth moving equipment and settlement of insurance fees.

The supplementary of Ug shs 1.7billlion under the Energy and Mineral Development Sector was for transfers to other government units.

Overall,54% of the approved budget for sectors was released by 31st December, 2016.The highest release performance of 62% was registered under the Energy and Mineral Development sector. Public Sector Management, and Tourism Trade and Industry sectors had the least release performance of 47%.

Key Challenges

- Reallocations and supplementary budgets for the sector Votes pointed to poor planning and budgeting especially for development expenditures. This was witnessed within Project 54-Support to Ministry of Finance, Planning and Economic Development (MFPED)which received Ug shs 77billion and Project 978-Presidential Initiative on Banana Industrial Development (PIBID) got Ug shs 16.5billion.
- Delays in finalization of warrants were registered under 2% of the Votes and this affected the timeliness of availability of funds.

Recommendations

- Sector Votes should review the budget process to ensure inclusion of all possible areas of expenditure for the subsequent year and prioritize accordingly.
- The MFPED Budget Directorate should enforce finalization of warrants by sector Votes and observation of release schedules to enable the timely availability of funds.
- The MFPED should continue enforcing compliance to reporting deadlines by the Accounting Officers.

b) Districts Local Governments (LGs) Conditional Grants

Assessment focused on the Discretionary Development Equalization Grant-(DDEG) that was rolled out to support underfunded departments[1]/sectors. These development grants feed into the broader key service sectors of Health, Education, Agriculture, Water and Environment

[1] LGs currently receive three types of funds broadly categorized as wage, non-wage and development for the different departments

and Works and Technical Services.Uganda Road Fund (URF) though recurrent in nature was considered as it is transferred to all LGs as a roads sector intervention.

Financial Performance

The release performance of funds to the districts was excellent as overall 52% of the approved budget was released. The highest release performance was registered for development (67%)followed by wage (51%) and non-wage recurrent (46%) as at 31st December 2016.Quarter 1 (Q 1) releases were delayed by two months, 85% of the LGs received funds at the end of the quarter while 5% got the funds at the beginning of Q2.The overall absorption of funds released was 68% with less than 35% of the development budget spent by the LGs as at 31st December 2016.The low absorption of the development grant was attributed to delayed commencement of procurement processes and the late releases of funds to the LGs. The LGs connected to the IFMS such as Rukungiri,Kabale, Moyo and Moroto accessed funds faster than the non-IFMS LGs such as Sheema and Yumbewith a time lag of two weeks.

Key Challenges

- Delayed release of funds especially for Q1.Wheras the announcement of cash limits by Permanent Secretary and Secretary to Treasury (PS/ST)was in July 2016, 83% of the LGs monitored received Q1 funds in Septemberand 17%received in October-beginning of Q2.This was noted in the LGs of Serere, Abim, Rukungiri and Isingiro.
- Lack of Advice Notes[2] to LGs explaining the breakdown of the lump sum funds transferred to the Treasury Single Account.For example in Yumbe district Q1 unconditional grantswere in excess byUg shs 26million, which was sent back to the Consolidated Fund. However, it was discovered that the monies were meant for pension arrears.
- Very high generator costs for districts like Yumbe, Kotido, Adjumani and Kanungu that are not connected to the national grid. Lack of power led to delayed payments to suppliers through the IFMS, and hence affecting absorption of funds.

Recommendations

- The MFPED-Budget Policy and Evaluation Department (BPED) and Accountant General should urgently streamline funds release process especially warranting and invoicing processes to ensure prompt and accurate release of funds to LGs.
- The MFPED-Budget Policy and Evaluation Department (BPED) should post details of all LG funds released on the budget website prior to actual release of funds.
- The Ministry of Local Government and the LGs should invest in reliable solar energy to offset/reduce the generator operating costs.

Overall Physical Performance

The half-year performance was generally fair across all sectors. Slow or non-implementation of works was evident in most sectors due to delayed/prolonged procurement processes, low staffing levels, delayed release of funds and budget shortfalls. The health sector had the worst performance at 37% achievement of outputs.

[2] Advice notes -give details of breakdown of funds transferred to the accounts of the respective LGs

Agriculture

The overall physical performance of the agriculture sector during FY 2016/17 half year was fair (62.36%). The physical performance was however lower, and not matching the high release (93.6%) and expenditure (88.6%) for the half year.

The best performing Votes in terms of delivery of planned outputs were Vote 152 National Agricultural Advisory Services (NAADS)/Operation Wealth Creation (OWC)and Vote 160 Uganda Coffee Development Authority (UCDA). The NAADS/OWC programme scored 96% as all the planned annual quantities of inputs were procured and distributed to farmers at half year. However, there was poor outcome in crop establishment and high mortality, an area that is supposed to be handled by the LGs. The UCDA performed well (86.64%) in raising and distribution of coffee seedlings, enforcement of regulations and training farmers.

Good performance was also recorded for two Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) projects - Improving Access and Use of Agricultural Equipment Project (90.50%), and National Farmer Leadership Centre (80.33%). Under the former project, a total of 80 water tanks/dams/fish ponds were constructed or rehabilitated, 800 acres of bush were cleared and 45 farm roads improved. Under the latter project, 745 farmers, political leaders and district leaders were trained in the Korean rural development approach and model villages were established.

Good performance was associated with timely procurement, release and disbursement of funds to spending entities and delivery of inputs to farmers, availability of donor funds and collaborative work between the MAAIF institutions and LGs.

The worst performing were Vote 125 National Agricultural Genetic Resource Centre and Data Bank (NAGRC&DB) and Vote 501-850 Production and Marketing Grant (PMG). The NAGRC&DB scored 27.61%, while PMG had 52.56% and MAAIF projects (Agriculture Cluster Development Project, 25.60% and the Potato Commercialisation Project, 47.98%). This was due to the implementation challenges that are highlighted below.

Implementation challenges

i) Slow or non-implementation of planned outputs due to delayed approval and disbursement of released funds by Accounting Officers to implementing departments for two to four months from the date of requisitions.
ii) Delayed initiation and processing of procurements due to inefficiencies in Procurement Disposal Units (PDUs). Procurements were delayed by three to four months especially in the LGs.
iii) High level of arrears in the sector. By 28th December, 2016, the UCDA had seedlings arrears amounting to Ug shs 32,325,347,632. The Improving Access and Use of Agricultural Equipment Project had eight-month arrears of allowances for field staff amounting to Ug shs 560 million; under NAADS, tea distributed in Kanungu districts by private nursery operators in 2013 worth Ug shs 1,386 billion was not paid. Arrears in Kisoro district for March 2016 amounted to Ug shs 3.735 billion for 8.3 million seedlings that were distributed in March 2016.
iv) Low production and survival of crop enterprises due to drought, late delivery of planting materials and inadequate supervision and extension services at farm level.

Using a small sample of 35 randomly selected farmers in the four regions of Uganda, the survival rates of crops under the NAADS/OWC were: coffee (27.04%); mangoes (60.84%); passion fruits (100%); oranges (37.5%) and bananas (46.4%).

v) Poor performance of donor funded projects was due to delayed declaration of project effectiveness and limited release of funds. This was partly attributable to inadequate technical capacity in MAAIF to implement the prior conditionalities.

vi) Inadequate counterpart funding for donor funded projects.

Recommendations

i) The MFPED should ensure that sector and district Accounting Officers comply fully with new public financial regulations to ensure timely approval and disbursement of funds to implementing departments.

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

iii) The Public Procurement and Disposal of Public Assets Authority (PPDA) and districts should review and improve the performance levels and capacities of PDUs in the LGs.

iv) The MAAIF and LGs should fast track implementation of the single spine extension system.

v) The MAAIF and agencies, and District Production Departments should ensure gender and regional equality in access to inputs and services.

Education

The overall performance of the sector was fair at 64%. Recurrent programs performed better than development projects.

Sector Physical Performance

Ministry of Education and Sports (MoES): The Skills Development Vote Function (VF) was the best performing VF at 96%, majorly on account of the construction and rehabilitation of learning facilities funded by donors which took up the biggest share of the budget. TheGovernment of Uganda (GoU) funded projects under the same VF, however exhibited poor performance as works were still under procurement and actual construction had not stated.

Good performance was also noted under the Higher Education VF(88%), majorly on the recurrent program, while Development of Secondary Education VF scored 86% attributable to training of various secondary school teachers, and completion of construction works inPatongo S.S, Loropi S.S. AwaraCollege, and Kyenjojo S.S. Instructional materials were however not procured and some funds were disbursed to secondary schools outside the workplan.The Quality and Standards VF had its recurrent programme of Teacher Education achieve 82.3%.

Pre-Primary and Primary Education exhibited good performance (over 90%) in its recurrent program,although delivery of instructional materials was implemented at a slow pace.

Fair performance was observed under the Uganda Teachers and School Effectiveness Project (58%), although the core activity of construction and rehabilitation of the beneficiary primary schools had not started. Development of Primary Teachers Colleges had fair performance although construction works at the various national teachers'colleges had not started because the procurement process had not yet been concluded.

The Physical Education and Sports VF had fair performance for the National AltitudeTraining Centre, whereas the Akii-Bua Stadium Project performed poorly as only 10% of the funds were released and no works had started by Q2. Performance of the recurrent programs was generally good at an average performance of 88%, although other outputs could not be achieved majorly due to insufficient funding.

The development project of Support to Higher Education Science and Technology (HEST) at 45% was slightly behind schedule, whereas Development of Kigumba Technical Institute at 70% was on schedule.

Poor performance was exhibited in the Emergency Construction and Rehabilitation of Primary Schools Project as no construction had been undertaken by end of Q2.In addition, the Albertine Region Sustainable Development Project, Skills Development Project, John Kale Institute of Science and Technology, Support to Skilling Uganda Strategy, and the Technical Vocational Education and Training (TVET- LEAD) projects had not started implementation due to internal problems within MoES.

Poor performance was also exhibited in the Presidential Pledges as construction had not commenced except in two schools; Nakabugu Muslim Secondary School in Luuka district and James Mbigiti Memorial Technical Institute, Iganga.This performance was majorly attributed to schools receiving less than half of their budget, and others still at procurement stage. Additionally, there was miscommunication between LGs and MoES regarding the usage of the funds.

Education Service Commission (ESC)and National Curriculum Development Centre (NCDC): The recurrent program of the ESC performed well at 75%, while its development project of Support to ESC showed poor performance at 9%, mainly due to non-absorption of funds by Q2. The NCDC had fair performance at 67%, as it suffered significant budget cuts leading to non-implementation of several outputs.

Universities: Implementation of the recurrent programs across all the publicuniversities was very good, whereas the development projects performed fairly.

Kyambogo and Makerere University Business School (MUBS) had excellent performance for their recurrent program, and fair performance of the development programs. BusitemaUniversity achieved 93% on its recurrent programme, whereas evaluations had just been completed for the construction of the university facilities. Muni, Lira and Gulu universities too had excellent performance under recurrent programs; on the other hand, the development programs had release performance at 12%, 10% for Lira and Gulu respectively, consequently the infrastructureprojects for the universities were performing poorly.

Good performance was noted under the recurrent program at Kabale University at 81%, while fair performance was exhibited on its infrastructure development project (55%). Construction works at the Institute of Engineering and Technology at Nyabikoni campus were at 60%; computers and their accessories plus lecture chairs were procured.

Makerere on the other hand had poor performance for its recurrent program due to the presidential directive to have the university closed. The university's development projects of Food Technology Incubation II, Technology Innovations II, and Skills for Production, Employment and Development Project (SPEDA) II had fair performance at 51.9%, 53.9%, 57.6% respectively, majorly due to inadequate allocation of funds. Fair performance of 60%

was noted for both the recurrent and development projects at Mbarara University of Science and Technology.

The recurrent program outputs at Soroti University could not be achieved as the university was not yet operational. Poor release performance was also noted on the development project although physical performance on the infrastructure was satisfactory with construction of the laboratory block at 85%; the teaching block at 74% and a multi-purpose block at 78%.

Transfers to LGs: Performance of the capitation grant was very good as majority of the schools received 66.6% of the annual budget. Three schools in Rubirizi and one in Nakaseke districts however received less funds, while a few others like Lamingone Primary School (P/S) and Rubindi P/S in Agago and Mbarara districts respectively did not receive capitation for terms I and II last academic year and arrears were yet to be paid.

Performance of the inspection grant was also good at 66.6% although funds were perceived as inadequate to cover all the schools in the districts. TheSchool Facilities Grant (SFG)performance was fair. Majority of the District Local Governments (DLGs) that previously suffered issues of inadequate transport means procured vehicles. Construction works under SFG started in a few schools, with majority of works still under procurement. Construction under secondary school development was slow as majority of schools had not started civil works.

Implementation Challenges

i) The IFMS key users did not receive adequate training and consequently payments were delayed.
ii) Poor absorption of funds among programs and projects. The Emergency Construction and Rehabilitation of Primary Schools Project,and Albertine Region Sustainable Development Project each absorbed only 4%, Skills Development Project had no absorption, while Support to Implementation of Skilling Uganda Strategy (BTC) had 4.7%. In addition, Improving the Training of BTVET Technical Instructors, Health Tutors and Secondary Teachers in Uganda absorbed 16% of released funds. This was mainly due to delayed procurement processes.
iii) Late and inadequate release of funds across the education sector. This was worse in the DLGs. Local governments like Kiruhura, Mbarara, Kamwenge, and Gulu did not receive SFG funds in Q1, while a number of districts received inspection funds on 25th November, 2016 a week towards the school holidays.
iv) Lack of clear communications between the MoES and LGs regarding usage of funds, especially the Presidential Pledges which led to delays in implementation.
v) High staffing gaps in the education sector leading to high teacher to pupil ratio which compromised the quality of education.

Recommendations

i) Accounting Officers should ensure that the PDUs, both at the center and inLGs speed up the procurement processes.

ii) The MFPED should enhance training for all IFMS users in LGs to speed up the payment of contracts.

iii) The MFPED should ensure timely disbursement of funds to ensure apt implementation of programs and projects.

iv) The MoES should ensure proper coordination and communication with the LGs regarding implementation of projects in their districts.

v) The MoES and Ministry of Public Service should assess the reasons for the high staffing gaps and devise mechanisms of attracting staff to the education service.

Energy

The overall sector financial release performance was poor at 37%. This was attributed to the low disbursement from the donor component, which is dependent on physical progress of projects. On the other hand, 62% (very good performance) of the GoU annual development budget was released, while 88% of the release was absorbed.

Sector Physical Performance

The Energy and Minerals Sector performance at half year was fair at 65.3% of the semi-annual targets. Good performance was noted in the following projects: Bujagali Switchyard upgrade at 98.8%, Rural Electrification Project at 86.6%, Isimba Hydropower Plant at 82.2% and Oil Refinery Project at 83.2%.

The poorly performing projects were Nyagak III Hydropower project at 10.8%, Karuma Interconnection Project at 25.3%, and the Output Based Aid Project (OBA) at 45.6%.

Some of the major challenges in the sector include:

i) Inadequate capacity to manage and supervise works on various infrastructure projects.The large hydro power plants experienced contract management issues, and difficulty in ensuring quality works. Work on transmission projects was also affected by manpower constraints at Uganda Electricity Transmission Company Limited(UETCL).

ii) Delay in acquisition of Right of Way (RoW) occasioned by delay in compensation continued to affect works on allthe transmission line projects. Contractors were being denied access to line corridor leading Government to incur charges for idle equipment.

iii) Delayed procurement of goods, services and works leading to a setback in project implementation and service delivery.

iv) Low demand for electricity connections among the households due to the high wiring and connection costs. The cost is even higher for the service territories of the small operators (Kilembe Investments limited, and Kyegegwa Rural Energy Cooperative etc.) compared to UMEME and Uganda Electricity Distribution Company Limited (UEDCL) service territories where subsidies are provided for the No-Pole and Single Pole connections.

Recommendations

i) The sector should increase funding for capacity building sincethe projects have increased, without a matching effect in workforce that is overseeing the implementation of these projects.
ii) The UETCL and MFPED should fast track compensations to avail RoW to the contractors.MFPED should ensure timely release of money for compensation of project affected persons and enhance the capacity of the Chief Government Valuer's office to handle the workload on the various projects to ensure timely approval of compensation reports.
iii) Project implementing agencies should adhere to the work plans and approved procurement plans to curb procurement delays. Accounting officers and project managers should ensure all procurements are initiated in time.
iv) The Government should harmonize the subsidy for the cheapest category of connections (No-pole and 1-pole) so that all service territory operators can charge rates like those offered by UMEME and UEDCL.

Health

The FY 2016/17 approved budget is 1,827.26billion, out of which 50% is externally funded. By 31st December 2016, the GoU had released Ugshs520billion (56%) of which 55% was spent. This was a good release and poor absorption performance

Sector Physical Performance

The overall sector performance was poor at 37%. This was mainly attributed to delayed procurements at most entities, poor quality control of construction works, delayed site handover, blood shortages, and drug stock outs. There was an improved ambulance services/referral services in the West Nile Region through a monthly provision of 100litres of fuel,newly constructed spacious maternity and out-patient department wards at General Hospitals and Health Centre IVs.

Good performing projects included; Uganda Health Systems Strengthening Project (UHSSP), Italian Support to Health Sector Strategic Plan (HSSP),and Uganda Blood Transfusion Service (UBTS), however blood shortages were noted in all health facilities.

Projects and Votes that underperformed included: District Infrastructure Support Project (6.2%), Health Service Commission (16.9%), Rehabilitation and Renovation of General Hospitals (18%), Butabika Mental Hospital (25%), Uganda Cancer Institute (26%), Uganda Heart Institute (36%), and Support to Mulago Hospital Rehabilitation Project (45%), and Mulago National Referral Hospital (45.9%). The underperformance was attributed to low absorption of funds, and understaffing at the health facilities.

Key Implementation Challenges

i) Poor quality control asthere was no evidence of supervising consultants effectively supervising works for projects like the Global Alliance for Vaccines and Immunizations (GAVI), Italian Support to Health Sector Strategic Plan (HSSP) and Peace Recovery Development Plan (PRDP) in Karamoja. There was no one supervising the construction of staff houses in Abim, Kotido, and rectification of the defects at Moroto Regional Referral Hospital (RRH), Iganga General Hospital, and Budondo HC IV.

ii) Less involvement of stakeholdersin the construction works limits supervision and monitoring. Bills of Quantities (BoQs) were often not shared with District Engineers and District Health Officers (DHOs); for instance in Kapchorwa General Hospital, Ntoroko, and Nakapiripit districts, the DHOs had no BoQs and no explanations were availed for stalled works.

iii) Delayed procurementsaffected 90% of the districts implementing the Rehabilitation and Renovation of General Hospitals Grant; procurement of beds, the oxygen plant, and development of bed specification by stakeholders forMulago National Referral Hospital.

iv) Understaffing at the Health Service Commission(HSC) and the health facilities led to an upward trend in unresolved disciplinary cases in hospitals like Mubende RRH. At the national and regional referral hospitals, the HSC had not recruited by February 2017 against a plan of 850health workers needed.

v) Limited budget- the unit cost of processing blood is 29 USD 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 National Medical Stores (Ug shs 7.8billion for FY 2016/17) leaving a deficit of over 20billion. Staff in regional blood banks noted that they have often failed to reach distant virgin blood collection areas in the country for lack of adequate funds.

Recommendations

i) The Ministry of Health (MoH) should ensure that works are effectively supervised and that contractors attend to all defects within the stipulated timelines.

ii) The MoH should involve health facility administrators by providing BoQs for works to improve supervision and accountability.

iii) The MoH, Accounting Officers, and PPDA should reprimand spending entities that fail to initiate procurement processes in time.

iv) The HSC should fast track the E-recruitment system for technical staff in the different spending entities and effectively utilize the Job Bureau for timely recruitment of staff.

v) The MoFPED should increasebudget for UBTS to enable the entity expand on the number of regional and blood collection centres, procure hi-tech equipment to preserve already processed blood.

vi) The UBTS should reinstate vouchers and recognise blood donors to increase peoples morale to donate blood.

Information and Communications Technology

The overall sector performance was good, estimated at 76%. Performance of the development project - Rural Communication Infrastructure Programme (RCIP), National Backbone Infrastructure (NBI) and Strengthening Ministry of ICT had mixed performance with the NBI project exceedingly performance targets in spite of limited disbursement from the Exim Bank of China.

The recurrent programmes of the National Information Technology Authority-Uganda (NITA-U) achieved about 70% of the targets; which was generally due to sizeable releases from non-tax revenue to the departments of Technical Services, Information Security and e-Government Services.

The RCIP project physical progress was estimated at 74% with seven out of eleven outputs fully completed, two on-going and one had not taken off. The achieved convenants included recruitment ofa project accountant, manager and procurement specialists, establisnging a project office, undertaking procurement training, and automation of accounting system among others. The pending convenant is funding of e-Procurement operational costs by GoU which was provisioned in FY 2017/18.

Under the Phase III of the NBI project, 99.9% of the targets were achieved; the 536Kms of Optic fiber Cable were laid/installed through the districts of Masindi, Hoima to Kyenjojo, and Mbarara, Ntungamo to Kabale. The three transmission sites in Masaka, Mutukula and Kabale were substantively completed awaiting final configurations. Installation of the Closed Circuit Television (CCTV) for all transmission sites and the Network Operations Centre (NOC) was near completion.

The Ministry of ICT and National Guidance (MoICT&NG) produced the first draft policy on the use of Internet, email and social media; the E-waste Management guidelines were disseminated, sensitization and awareness campaign on the Computer misuse, the e-transactions and the e- Signatures Acts were carried out in five districts of Ibanda, Kiruhura, Iganga, Bugiri and Mayuge. A zero draft of the Cyber City Strategy was produced.

Technical support and guidance was provided to eight LGs of Kaberamaido, Kumi, Soroti, Katakwi, Hoima, Masindi, Kiboga, and Nakasongola in the development and implementation of institutional ICT policies. 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 in November 2016. The IT Certification Engine functionality training and User Acceptance were conducted in November 2016.

Under the NITA-U recurrent outputs; 50 additional MDA sites were connected to the NBI by half year bringing the total number of sites connected to 183. Internet bandwidth was delivered to 35 MDA sites, bringing thetotal number utilizing Internet over the NBI to 129.

One hundred and six (106) Wi-Fi sites (hotspots) were launched around Kampala Metropolitan area **(MYUG Wi-Fi sites).** The network is made available free to users during off peak hours (6:00pm – 6:00am daily). Continuous monitoring to assess impact of the MYUG project was on-going to address any technical glitches.

The Government Citizen's Interaction Centre (GCIC) Call Centre and Knowledge Management Modules were completed and powered by two (2) telecommunication companies (MTN and Airtel). The User Acceptance Tests (UAT) and operations of 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.

Under capacity building, the World Bank approved the Expression of Interest (EoI) for procurement of the consultant to develop the strategy for institutionalization of the communication function in government and the advertisement for expression of interest was published. The 7th African Conference on Free Open Source Software (IDLELO7) was successfully hosted. The IDLELO conference report highlighting key learning's was developed and disseminated.

The National Information Security Framework (NISF) compliance assessment was conducted in three institutions; Uganda National Council for Science and Technology (UNCST), Ministry of Finance, Planning and Economic Development (MFPED) and the Uganda High Commission –Kigali.

Information Security alerts and advisories were provided to National Computer Emergency Response Team (CERT). They include; Threat Intel Advisories to CERT constituents disseminated on *Joomla* and *Linux* High Critical Vulnerabilities; Incident Response was provided for one (1) MDA with a *ransomware* incident.

Implementation challenges

i) Low ICT technical capacity within MDAs to support the systems.
ii) Insufficient counterpart funding to meet the financing needs of the RCIP projects as per agreement.
iii) Delays in procurement approvals/securing no objection particularly from the World Bank on the RCIP project.
iv) Resistance to integration of IT systems for government agencies resulting in duplication of effort and non-optimal use of resources
v) Depreciation of the Uganda shillings against the United States Dollars causing a shortfall in rent requirements for the MoICT&NG.

Recommendations

i) The NITA-U and MFPED should prioritize counterpart funding of the RCIP Uganda 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 some staff to agencies that do not have any.
iii) The MoICT&NG and NITA-U should develop a change management strategy and roll it out to MDAs to enable officers appreciate benefits of adopting new technologies.
iv) 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.

Industrialization

The total sub-sector budget was Ug Shs58,152,037,554. Release performance was poor at UgShs 19,445,600,363(36%) was released, while absorption was fair at Ug Shs 13,213,161,900 (67%).

Sub-Sector Physical Performance

The overall performance of the sub-sector was rated fair at 56%. Good performance was noted in the projects of Development of Industrial Parks under Uganda Investment Authority (UIA) and the United States African Development Foundation (USADF) with performance of 80% and 100% respectively. The performance of UIA was largely attributed to activities implemented using non-tax revenue but not reflected in the budget, while the USADF project surpassed the half year targets. The Soroti (Teso) Fruit Factory although behind schedule was near completion with overall multi-year performance at 95%. However, the half year performance was poor (28%).

Fair performance was registered in the projects of Kiira Motors Corporation and One Village One Product (OVOP)each 65%. Under Kirra Motors, staff were trained in automotive manufacturing, while under OVOP agro-processing equipment was delivered to four groups, although one group got non-functional machinery. The Value Addition Tea project was also fair (50%), tea processing equipment was delivered to the Kigezi Highland Tea Factories pending installation scheduled for February 2017.

Poor performance was registered in the projects - Presidential Initiative on Banana Industrial Development (PIBID) at 41% and Phase 2 of Construction of Uganda National Bureau of Standards (UNBS)testing laboratories (16%). This was due to inadequate releases and clearance of outstanding arrears from the previous financial years.

Challenges

i) Lack of a centralized waste treatment plant for the Soroti Industrial Park.The construction of the factory is due for completion; however, the central effluent treatment plant for the park has not been constructed by UIA due to inadequate funds.
ii) Lack of a project code for the Value Addition Tea project. The project is irregularly housed under the Soroti Fruit Factory project and it was extended to include the tea factories of Kayonza and Mabaale without the requisite project profile and code.
iii) Lack of certified tea nursery beds resulting in farmers obtaining substandard tea seedlings.
iv) Inadequate funding and low releasesthat inhibit achievement of sub-sector objectives. Under the Kiira Motors Corporation, only Ugshs 10 billion was provisioned in FY 2016/17 against a requirement of US$33 million dollars over a period of three years. Only Ug shs 4.2billion is budgeted for development of industrial parks across the country.
v) Delayed capitalization ofUganda Development Corporation (UDC) to undertake its legal mandate. It lacks a strategic plan thus hindering its ability to mobilize funds from prospective funders.
vi) Inappropriate tenure ofland allocated to Kiira Motors Corporation.Land meant for agricultural purposes was allocated to the Corporation which is dealing in vehicle manufacturing. Without change of use, the available land remains unsuitable.
vii) Lack of clear transition plan for commercialization of the PIBID project.The pilot processing plant is set to be completed during FY 2016/17, however the purpose vehicle (business arm) to attainment of commercialization is still missing.

Recommendations

i) The UIA should prioritize the construction of the central treatment plant in the Soroti Industrial Park to ensure proper management of effluent waste from the Teso Fruit Factory.
ii) The UDC should prepare and submit a separate project with detailed profile for Value Addition Tea if it is to support the identified tea enterprises.
iii) The MAAIF and Ministry of Trade, Industry and Cooperatives (MoTIC) should certifytea nursery bed operators to avoid poor quality planting materials.

iv) The Kiira Motors Corporation should consider an alternative leaner financing model such as leasing facilities for vehicle manufacturing to attract prospective partners in the short to medium term. This will enable the entity show case the possibilities of the concept, as adequate financing for construction of a fully-fledged motor vehicle manufacturing plant is being sought.
v) The UDC should expedite the development of its strategic plan in order to attract funding from prospective funders.
vi) The UIA and Uganda Land Commission should cause a review of the land use for the Jinja industrial park from agricultural to industrial use.
vii) The MFPED and PIBID should expedite the operationalization of the Banana Industrial Research and Development Centre (BIRDC) or put in place mechanisms (private company) for commercialization of the Tooke factory in Nyaruzinga–Bushenyi.

Microfinance

The Micro Finance Support Centre (MSC) achieved fair performance at 57%, with 39% of planned outputs fully achieved, 17.5% partially achieved and 43% not achieved. The MSC disbursed Ug shs 15.7 billion to clients (63% of the planned target). Percentage growth in portfolio outstanding was 1.14% (Ug shs 62 billion) below the annual target of 10%. MSC achieved a repayment rate of 56% which was a decline from the 72% in FY 2015/16. The centre was able to mobilize resources and disburse credit funds from reflows 100%.

The MSC gave loans at favorable interest rates between ranges of 9%, 13%, 17% and 11% for agricultural, commercial, environmental loans to different clients. These were below commercial bank rates that are above 20%. The overall Portfolio at Risk (PAR) was 19% 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 from Project for Financial Inclusion in Rural Areas (PROFIRA) and MSC remained low. Some MSC zonal offices were found to have unrealistic credit targets considering past perfoamance and economic activities of the areas, for example Hoima and Soroti zonal offices.

The duration of accessing loans from MSC was averagely six months against a target of two months due to delayed verifications and incomplete submissions from clients. The participation of District Local Governments (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 have the requirements (security and governance structures).
ii) Inefficiencies and delays in loan processing by the MSC drives would-be clients (SACCOs) to other lending institutions such as banks and other sector players.
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 MSC and MFPED should enforce the recently passed Microfinance Institutions (MFIs) and Money Lenders Act to regulate all SACCOs and MFIs. This will improve compliance and governance issues.

ii) The MFPED through 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 through MFPED should consider capitalization of the MSC to enable further disbursements.

Public Sector Management

The overall sector financial release performance (excluding Local Governments) for both development and recurrent budgets (exclusive; external financing, taxes and arrears) except for Ministry of Local Government (MoLG),was Ug shs 133.185 billion (26.7%),of which Ug shs 122.618 billion (92%) was spent by 31st December 2016. This was poor release and good absorption.

Sector Physical Performance

Overall physical performance of the sector was poor at 45%. **Good** physical performance was noted in the Urban Markets and Marketing Development of the Agricultural Project (UMMDAP) under MoLG at 82%; this was attributed to completion of both markets in Nyendo, Masaka district and Busega Market Phase I.

Fair performance was observed under the Public Service Commission at 54.1% where 25 out of 20 District Service Commissions with critical capacity gaps were identified, monitored and technical guidance provided; and 78 Competence Selection Tests developed. Under the Millennium Villages Project (MVP) II in Isingiro District, performance for the **donor** component under MoLG was 56.1% attributable to; completionof MuremaPiped Water Scheme; on-going civil works at Rwekubo Health Centre (HC) IV operation theatre; Rwentango and Kihiihi Health Centre IIs (out-patient department and maternity blocks), and Rugaaga HCIV General Ward where sites were at 80% completion.

Poor physical performance was recorded under Office of the Prime Minister for the following projects: The Humanitarian Assistance Project at 43.49% due to low releases coupled with lack of clear planned outputs and performance targets. Karamoja Integrated Development Programme (KIDP) was at 26.8% because there was lack of evidence at field level on implementation of planned outputs such as procuring oxen in Karamoja; project achievements were not in line with the planned outputs for example, instead of constructing five cattle crushes in Karamoja, funds were used to pay contractor M/s BMK for construction of girls dormitory and kitchens.

Post War Recovery and Presidential Pledges project was at 22.1% andachievements were not in line with the planned outputs. The highest expenditure was on reallocation of the funds without authority from MFPED under the restocking output to pay debts of oxen purchased in FY 2015/16.

Support to Luwero-Rwenzori Development Program (LRDP) was at 46.6% where funds for micro projects sent to district accounts had not reached the beneficiaries for actual implementation of planned outputs; Nalutuntu HC III was completed however output was not planned for this FY 2016/17.

For projects under MoLG, poor performance of Support to Ministry of Local Government (39%) was attributed to reallocation of funds from payment of 111 vehicles of Local Council V (LCV) Chairpersons in District Local Governments to procure vehicles for Finance and Administration undersecretary and staff in MoLG; and lengthy procurement procedures.

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. The Community Agricultural Infrastructure Improvement Programme (CAIIP III) performance was at 44% due to delayed installation of machines hence non-functionality of Agro-Processing Facility (APFs) in Local Governments.

Ministry of Public Service (MoPS) was at (48.8%); Ministry of East African Community Affairs (MEACA) at 45.2%; National Planning Authority (NPA) at (34.7%); Local Government Finance Commission (LGFC) at 44.2%; and Local Government Management Service Delivery (LGMSD) project under Kampala City Council Authority-KCCA (44%), exhibited poor performance in their *recurrent* and *development* components.

MEACA, MoPS and LGs lack strategic plans to guide the development of quarterly work plans and performance targets, reallocation of funds that resulted in implementation of activities not in line with the annual planned outputs. Most funds were spent on meetings, consultancies, travel inland and abroad, and payment of contract staff salaries.

Under the NPA, despite the release of funding to since FY 2014/15, the achievements are still in draft form and rolled over to subsequent financial years. Some of these include the National Planning Human Resource Development Framework, the National Capacity Building Plan and the African Peer Review Reports. In essence there are no results despite money spent.

Challenges

i) Lack of strategic plansto guide the development of quarterly work plans and performance targetsin OPM, MoLG, MEACA, and MoPS. This leads to duplication of project objectives and annual planned outputs.

ii) Reallocation of funds to implement activities not in line with the annual planned outputs. This was noted in MoPS, Humanitarian Assistance Project, KIDP and Post War Recovery and Presidential Pledges, and the Millennium Villages Project II.

iii) Delayed payments for completed civil works under KIDP, CAIIP III, UMMDAP, and Support to LRDP.

iv) Lack of staff in strategic positions in MDAs and LGs, and lack of updated job descriptions in spite of the approved staffing structures by Cabinet is affecting service delivery.

v) Constant wage shortfalls in LGs especially among teachers and health workers. This was observed in Bushenyi and Kabarole LGs, and Kamuli Municipal Council.

Recommendations

i) The NPA in liaison with Planning Units in the different votes should spearhead the development of strategic plans in both the MDAs and LGs.

ii) The OPM, MoPS, MoLG, KCCA, and NPA should seek authority from MFPED before reallocation of funds for non-planned outputs.

iii) Accounting Officers should address the problem of delayed payments in their institutions.

iv) The MFPED should directly remit the GoU component of the Millennium Villages Project II to the implementing districts not through MoLG.

v) The MoPS, MoLG, MFPED and LGs should coordinate and address the issue of constant wage shortfalls in LGs.

Roads

The overall performance of the roads sub-sector was fair at 62%. This was not in line with the absorption of funds at 89% by 31st December, 2016. The National Roads Construction and Rehabilitation Program performance was good at 74.5% while that of Ministry of Works and Transport, and Uganda Road Fund (URF) was fair at 57.7% and 57.8% respectively.

Despite the good performance of the National Roads Construction and Rehabilitation Program implemented by UNRA, it has continued to suffer the following: *Insufficient and inadequate designs* especially for rehabilitation projects which lead to substantial change in scope of works thus calling for additional resources. For example, Nakalama-Tirinyi-Mbale road (102km) has a variation of 97.8% after the design review; *Slow pace of the land acquisition for the Right of Way; and Poor release of donor funds* which was attributed to the many projects that were at procurement and project preparation stage. These include; 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); and poor mobilisation of contractors especially on bridge projects.

The fair performance of the MoWT was mainly attributed to irregular and inadequate release of funds resulting in delays in paying service providers, and frequent breakdown of force account equipment. Activities under the Construction of Selected Bridges and Urban Roads Resealing have been implemented for more than four years. For example, the Saaka Swamp Crossing works started in 2013, Eastern and Northern Uganda bridges for Lot 1, 2 and 3 started in 2013 and 2014,while the urban roads resealing in Kyankwanzi and Kapchorwa has been ongoing for over four years.

The MoWT is still experiencing issues of poor project management which has seen activities under some projects implemented for over three years; unclear budgeting, targets and financial reporting.

TheURF programmes - District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP) had fair performance at 57.5% and 58% respectively. All the LGs and UNRA stations did not achieve their half year targets.

The current URF budget allocation does not match the ever increasing road network. Absorption of the released funds was affected by: delays in procurements for materials, spares, plus other mechanical parts (tyres, etc); late release of funds by URF (second month of each quarter); and lack of full sets of road equipment thereby hindering progress of Force Account activities.

Although there has been a marked increase in the budgetary allocation to the Roads Maintenance Programme 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. For example, UNRA's estimated maintenance budget requirement for the FY 2016/17 is Ug shs 596 billion to enable the ably implementation of maintenance of road activities, ferry operations, and road safety activities. This leaves a funding gap of Ug shs 301.08 billion (112% of approved FY 2016/17 budget).

Key Sector Challenges

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

ii) Lack of full sets of road maintenance and construction equipment for force account units. The available units are either in poor mechanical condition or not suitable for the type of work.

iii) The low capacity of the local construction industry observed especially in the term maintenance contracts and bridges projects. The local companies cannot compete or enter into joint venture with the international companies.

iv) Uncoordinated implementation of government programs. For example, installation of new power grid lines in the RoW which requires relocation during upgrading or rehabilitation of the roads.

Recommendations

i) The GoU should expedite the procurement of the roads maintenance equipment from Japan so as to fully exploit the force on account units.
ii) 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.
iii) Coordination between government institutions through the sector working groups should be improved.
iv) The Office of the Auditor General should carry out an audit on the Construction of Selected Bridges project in order to ascertain: why activities in under this project take over three years to be completed; and the expenditure on individual activities/contracts over time.

Water and Environment

The overall sector performance for the FY 2016/17 was fair at 55%. The sector release by Q2 was Ugshs 271.01 billion of which Ug shs 236.636 billion (87%) was spent which was a good absorption.

The physical performance was a mixture of good and poor performers. The annual performance was assessed based on the 17 projects under Votes 19, 150, 302 and 10 districts under Votes 501-580. Support to Forestry (under Vote 157) was not included as the Appropriation in Aid (AIA) revenues and expenditures were not readily available as this contributes 74% of the budget.

Very good performance was exhibited by Water Resources Management Zones (93%), Water and Sanitation Development Facility-Central (WSDF-C) 92%, Water for Production (90%),and Water for Production Regional Center-East(92%). These projects worked within the available resources to complete some planned outputs. The WSDF-C completed four water systems (Ssunga, Kiboga, Kakooge, and Katuugo) which contributed to access to safe water and sanitation. The 100% completion of Andibo and Ongole dams contributed $4.3M^3$ to storage capacity of Water for Production.The WSDF-C had excellent financial performance (100%) however, the project paid for works for the last FY which could have contributed to high performance.

Good performance was observed under Uganda National Metrological Authority (UNMA) development project (87%), Climate Change (80%), Support to Water Resources (83%), National Environment Management Authority (NEMA) at 78%. It was noted that under climate change, unclear budgets and releases of donor funds affected implementation of planned outputs, as most of the implemented outputs were outside the budget. The high performance was influenced by off-budget inputs. The NEMA had non-tax revenue which contributed 31% of the revenues, and yet this was not well reflected in the budget.

Fair performance was demonstrated in Protection of Lake Victoria-Kampala Sanitation Program at 60%.There have been delays in completion of the Nakivubo Waste Water Treatment Plant due to relocation of project site, exaggerated land compensations and low GoU financing rated at 30% compared to donor at 90%.

Poor performance was noted in Provision of Improved Water Sources for Returned Internally Displaced Persons (IDPs)–Acholi Sub-Region at 21.5%, Solar Powered Mini-Piped Water Schemes in Rural Areas at 44%, and Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation at 3.5%, Saw log Production Grant Scheme at 41% and the Farm Income Enhancement and Forest Conservation (FIEFOC) Project-Phase (II) at 35%, and District Water and Sanitation Conditional Grant (DWSDCG)at 18.9% as most planned outputs were not achieved. 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.

Key Implementation Challenges

i) Unavailability of land for project implementation (mainly big projects and Rural Growth CentersWater Supply and Sanitation Project) which caused delays in project initiation or completion. Land owners ask for exorbitant compensation prices for major installations yet funds/budgets are not readily available at both central and local governments.

ii) Delayed completion of design reviews for water supply systems by consultants affects timely commencement of procurement processes. This causes delay in works initiation thus affecting achievement of set targets.
iii) There was a general late initiation of the procurement process which delayed works implementation in the sector.
iv) Inadequate staffing in central and local governments given the limited wage bill. Staffing levelsat NEMA currently stands at 30% of the approved structure thus cannot effectively handle new and emerging environmental issues in the country.
v) Continuous encroachment of ecosystems by private developers, settlers and in some cases land owners.
vi) Low funding for environmental management at NEMA, MDAs and LGs. This results in limited outputs which may not have any noticeable impact on ground.
vii) Dilapidated infrastructure of some weather monitoring stations which were installed during the 1970s and need overhaul. This limits the weather information to be recorded.

Recommendations

i) The Ministry of Water and Environment (MWE) should fast-track land acquisition before project initiation as a policy guideline and agreement with MFPED.
ii) The MWE should adhere to the MFPED Development Committee guidelines to plan for projects with already approved designs to avoid time loss.
iii) The MWE/DLGs should expedite procurement processes and adhere to procurement timelines.
iv) The MFPED should provide the necessary wage bill and task the affected Votes to recruit the necessary personnel in the approved structures.
v) The NEMA should fast-track cancellation of titles 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 provide conditional grants for the Environment and Natural Resources (ENRs) to supplement the Wetlands grant which is inadequate. The Environment Impact Assessment money should be granted to LGs for environmental management as Parliament recommended.
vii) The UNMA should prioritize revamping the weather monitoring stations to enable recoding of all necessary information.

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 sectors/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 semiannual financial performance for FY 2016/17 for the ten priority sectors: accountability[3], agriculture, education, energy, health, information and communication technology (ICT), industrialization, public sector management, water and environment and roads.

3.2 Scope

Analysis 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) 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[4] (LGs) performance

3.3 Overall Financial Performance

The overall Government of Uganda (GoU) approved budget for FY 2016/17 was Ug shs 26.361 Trillion including external financing, appropriations in aid (AIA), arrears, debt and Bank of Uganda (BoU) capitalization. The GoU approved budget excluding5 external financing, AIA, arrears, debt and BoU capitalization was Ug shs 19.052 Trillion.

The ten priority sectors including Local Governments constitute 46% (Ug shs 8.706 trillion) of the GoU approved budget excluding external financing, AIA, arrears, debt and BoU capitalization.The release performance for the ten sectors including LG transfers as at 31st December, 2016 was 54% (Ug shs 4.695 trillion) of the approved budget. The central government votes spent 80% (Ug shs 2.716 trillion) of the funds released while the LGs spent 60% (Ug shs 777 billion).

The low absorption for the LGs was on account of a less than 30% expenditure of the development funds released.This was due to delayed commencement of procurement processes that had only reached the award stage and late release of funds in quarter 1 due to themigration of the legacy releases to the IFMS. The overall GoU budget performance for the ten sectors is shown in Table 3.1 (excl external financing, AIA and arrears).

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[3]Excluding Treasury Operations

[4] LG performance analyzed separately in chapter 4 of this report

[5]External Financing and AIA- Ug shs 7.308 trillion is 28% of the budget and is not included in this report.

Table 3.1:GoU Budget and Release Performance as at 31st December, 2016

S/N	Category	Approved Budget (Ug shs)	Release (Ug shs)	Release Spent (Ug shs)	% of Budget Released	% of Release Spent
1	Wage	2,370,051,429,662	1,213,209,379,835	1,152,548,910,843	51	95
2	Non Wage	2,409,123,164,332	1,256,978,717,467	1,131,280,845,720	52	90
3	Development	3,927,309,012,659	2,224,768,979,924	1,334,861,387,955	57	60

Source: IFMS, Approved Estimates of Revenue and Expenditure FY 2016/17 and BOT[6]

3.4 Financial Performance of Sectors (Excluding LGs Performance)

The approved budgets of six (60%) of the ten priority sectors were revised as at 31st December 2016.The sectors with revised budgets were; Accountability, Works and Transport, Energy and Mineral Development, Education, Tourism and Trade and Public Sector Management. Vote 008 Ministry of Finance Planning and Economic Development (MFPED) under the Accountability Sector had a supplementary budget of Ug shs 95.902 bn-This was for; Project 054-Support to MFPED (Ug shs 77bn) for the clearance of outstanding tax arrears and incentives for exempt companies, Project 0978-PIBID (Ug shs 16.5bn) for operationalization of phase one and Project 994- Development of Industrial Parks (Ug shs 2 bn)compensation of squatters in Mbale Industrial Park under Uganda Investment Authority.

Works and Transport sector had a supplementary of Ug shs 64 bn.This was in respect of Vote 113-Uganda National Roads Authority (UNRA)-(Ug shs 33bn) 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 31bn) for the purchase of earth moving equipment and settlement of insurance fees.

The supplementary under the Energy and Mineral Development Sector was for transfers to other government units (Ug shs 1.7 bn).Specifically, it was to cover for recruitment of staff and procurement of office equipment activities under Uganda National Oil Company and Petroleum Authority of Uganda. Education and Tourism and Trade Sectors had revisions to their recurrent budgets of Ug shs 37.74 bn and Ug shs 477m respectively. Under Education it was to cover for arrears of salaries of University non-teaching staff, conducting of national exams and facilitation of the Uganda Cranes. Under Tourism and Trade it was for a feasibility study for sheet glass production at Dima in Masaka.

Overall, 54% of the approved budget for sectors was released by 31st December 2016.The highest release performance of 62% was registered under the Energy and Mineral Development sector. The public sector management and tourism trade and industry sectors had the least release performance of 47%. The overall absorption of funds for the sectors was 80% of the funds released. The overall sector performance for the ten priority sectors excluding LGs is shown in table 3.2.

[6] Budget Operations Table FY 2016/17

Table 3.2: Sector Budget Release and Expenditure as at 31st December, 2016

S/n	Sector	Approved Budget (Ug shs)	(Ug shs) Release	Ug shs Expenditure	% of Budget Released	% of Budget Spent
1	Accountability	769,901,874,090	444,461,614,635	286,027,973,412	58	64
2	Agriculture	544,901,527,393	277,254,568,196	237,076,075,896	52	84
3	Energy and Mineral Development	454,384,357,426	279,964,893,724	244,768,601,187	62	87
4	Information and Communications Technology	33,468,077,010	18,305,571,815	17,030,230,852	55	93
6	Public Sector Management	272,989,093,066	129,498,386,723	122,201,425,427	47	94
7	Education	638,651,981,827	335,253,473,919.72	145,568,721,045	52	43
8	Health	587,683,921,935	348,390,614,546	288,719,386,947	59	83
9	Water and Environment	272,737,567,215	143,165,106,013	128,351,252,260	52	90
10	Works and Transport	2,070,138,151,284	1,147,581,945,501	1,004,499,151,118	55	88
11	Tourism, Trade and Industry	105,013,654,804	49,493,217,914	43,098,201,070	47	87
	Grand Total	**6,221,557,952,256**	**3,398,355,373,311**	**2,715,976,148,330**	**55**	**80**

Source: IFMS January 2017, Approved Estimates of Revenue and Expenditure FY 2016/17 and Budget Operations Table (BOT)

3.4.1 Accountability

The Accountability sector has nine votes (excluding LGs and Kampala Capital City Authority KCCA Accountability grants) five of which have their releases and expenditures on IFMS.

The GoU approved budget for the Accountability Sector for the FY 2016/17 was Ug shs 758.77bn (excluding treasury operations) of which 36% (Ug shs 273.21bn) was for development and 77% (Ug shs 585.57bn) for wage and nonwage activities. The Sector budget was revised to Ug shs 769.901 bn through a supplementary budget of Ug shs 95.902 bn.

The supplementary was under vote 008 MFPED, and specifically for Project 54-Support to MFPED for the clearance of outstanding tax arrears and incentives for exempt companies (Ug shs 77bn), Project 978-Presidential Initiatives on Banana Industry (PIBID) for the operationalization of phase one, payment of gratuity and outstanding contracts (Ug shs 16.651bn). Project 0994- Development of Industrial Parks - for the compensation of squatters in Mbale Industrial Park under Uganda Investment Authority (UIA)(Ug shs 2 bn).

The overall release for the sector was 58 % (Ug shs 444 bn) of the revised budget of which 64.35% (Ug shs 286bn) was absorbed by 31st December, 2016. The overall budget performance of the sector votes on the IFMS is shown in Table 3.3.

3.4.2 Agriculture Sector

The Agriculture sector has seven votes (excluding the LGs and KCCA), all with release and expenditure data on the IFMS.The Government of Uganda (GoU) approved budget for the agriculture sector for the FY 2016/17 is Ug shs 601.68 bn of which 65% (Ug shs 391.98) is development and 35% (Ug shs 209.7) for wage and non-wage recurrent. The LG and KCCA share of the sector budget is 9.5% (Ug shs 57.44bn)

Overall the sector (excluding LG and KCCA) realized 52% (Ug shs 277.253bn) of the budget and spent 84% (Ug shs 237.075bn) on development and recurrent activities. Vote 10-Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) realized 37% of the development budget (Ug shs 44.14bn) and spent 88% (Ug shs14.3bn). Vote 142 National Agricultural Research Organisation (NARO) had the least release performance of 18% (Ug shs 1.656 bn) of its development budget (Ug shs 9.130 bn). The least absorption of funds was 13% (Ug shs 958 million) registered under Vote 125 National Animal Genetic Resource Center and Data Bank (NAGRC&DB).

The release performance for the sector recurrent budget had 71% of the votes realizing less than 50% release of their respective budgets. All sector votes expended at least 70% of the funds released. 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 ten are Universities do not have their expenditures on the IFMS.

The GoU approved budget for the Education Sector for FY 2016/17 is Ug shs 2.050 trillion of which 9.26% (Ug shs 189.89bn) is for development and 90.7% (Ug shs 1.860 trillion) for recurrent (wage and nonwage) activities. The LG and KCCA share of the education sector budget is 69% (Ug shs 1.417tn)

The Ministry of Education and Sports (MOES) with the highest development budget in the sector realized 44% (Ug shs 46.070 bn) and spent 82% of the development funds released. The sector realized 50% of the recurrent budget and absorbed at least 90% of the funds released. Although there were no revisions to the sector development budget at semiannual, Universities had low release of their development budget (between 16% and 24%).This was attributed to prioritization of recurrent activities where Ug shs 28.5 bn 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 shs 2bn) to facilitate Uganda Cranes participation in the African Cup of Nationals (AFCON) tournament. The supplementary of Ug shs 7.238 bn under vote 128 Uganda National Examinations Board (UNEB) was to facilitate conducting of National Exams. 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 FY 2016/17 was Ug shs 454.29 bn of which 98% (Ug shs 446.9bn) was for development and 2% (Ug shs 7.39 bn) for wage and nonwage activities.

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 87% (Ug shs 389.93) of the funds were under MEMD. Overall the sector realized Ug Shs 279.965 billion (62% of the development budget) and spent 87% (Ug shs 244.768) of the funds released by 31st December 2016.

The MEMD had a revision to its development budget through a supplementary of Ug shs 2.549 bn towards transfers to other government units. Specifically, it was to cover for recruitment activities under Uganda National Oil Company and Petroleum Authority of Uganda. The recurrent budget performance for MEMD was good as 47% (Ug shs 3.493 bn) was released and 72% spent (Ug shs 2.532 bn) on wage and nonwage activities.The overall budget performance of the sector votes on the IFMS is shown in Table 3.6.

3.4.5 Health Sector

The Health sector has 24 votes (excluding the LGs and KCCA) which have their releases and expenditures on IFMS.

The GoU approved budget for the Health Sector for the FY 2016/17 is Ug shs 924 bn of which 15.48% (Ug shs 143bn) is for development and 84.5% (Ug shs 781 bn) for wage and nonwage 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 237.96 bn) and Ministry of Health (MOH) - 14.4 %(Ug shs 132.78bn).

Overall 59% (excluding LGs and KCCA) of the Health Sector budget was released and 82% (Ug shs 288.71 bn) was spent by the votes by 31st December 2016.

Vote 116-NMS whose budget is 100% (Ug shs 237.96) recurrent realized 76% (Ug shs 181.25bn) and spent 100% of the funds released the best absorption performance from the sector. Vote 14-MoH had 24% (Ug shs 17.18bn) of its development budget released of which 66% (Ug shs 11.387bn) was expended. The low release for the development budget was on account of work plan reviews. The other votes with low development budget releases were Uganda Blood Transfusion Service (UBTS) 11% (Ug shs 40 million) and Health Service Commission (HSC) 10% (Ug shs 44.6 million).

The sector did not have any budget revision and the budget remained as approved by 31st December, 2016. The overall budget performance of the sector votes on the IFMS 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 FY 2016/17 is Ug shs 332.42 bn of which 87% (Ug shs 287.98bn) is for development and 13% (Ug shs 44.45 bn) for wage and nonwage activities.The highest sector budget of 70% (Ug shs 233.61bn) was for Water and Environment activities, followed by Uganda National Meteorological Authority (UNMA) – 6.8% (Ug shs 22.61bn). The overall GoU release performance (excluding LGs) was Ug shs 143.65 bn (52%) of which 89% (Ug shs 128.351bn) was spent on development, wage and non-wage recurrent activities

The sector votes with the exception of Ministry of Water and Environment (MWE) experienced low release of the development budgets. Vote 157 National Forestry Authority (NFA)-realized 16% (312 million) and spent 56% (Ug shs 175M) of the release, vote 150 National Environment Management Authority (NEMA)- realized 20% (Ug shs 209M) and spent 25% (Ug shs 51M) and vote 302 UNMA- realized Ug shs 5.398bn (33%) and spent 36% (Ug shs 1.920 bn) of the release. This low release was matched with the work plan activities of the affected votes with low funds absorption rates of less than 60% of funds released registered.

The release performance for the sector recurrent budgets was on average 42%. Three of the four votes experienced less than 42% release of the recurrent budgets. Vote 157 -NFA was the only sector vote that had 50% of the recurrent budget released. The overall budget performance of the sector votes is shown in Table 3.8.

3.4.7 Information and Communications Technology

The Information and Communications sector has two votes (with no LGs and KCCA activities) all of which have their releases and expenditures on IFMS.

The GoU approved budget for the Information and Communications Sector for FY 2016/17 is Ug shs 33.47bn of which 8.6% (Ug shs 2.89bn) is for development and 91.4%(Ug shs 30.58 bn) for wage and nonwage activities. The overall sector release performance was 54% (Ug Shs 18.305bn) of the approved budget and overall expenditure was 93%(Ug Shs 17.030bn) of the funds released

However the release performance for the development budget for Vote 20: Information and Communications Technology (ICT) was 13% (Ug shs 121.5million). The poor release for the vote was attributed to changes in work plan activities. The recurrent budget for the ICT was released 72% (Ug Shs 4.612) and 96% (Ug shs 4.417bn) was absorbed. There was a higher release performance for recurrent activities and poor release for development. 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 Works and Transport sector has three votes (excluding LGs and KCCA road grants) two of which (except URF) have their releases and expenditures on IFMS.

The GoU approved budget for the Works and transport Sector for the FY 2016/17 is Ug shs 2.157 trillion of which 74% (Ug shs 1.596 trillion) is for development and 26% (Ug shs 561.12 bn) 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 had a supplementary of Ug shs 64 bn for the votes of Uganda National Roads Authority (UNRA) - (Ug shs 33bn) for compensation of project affected persons on Fortportal

Kamwenge road and Kampala Entebbe Express Highway and Civil Works Mukono-Katosi-Nyenga and Ministry of Works and Transport (MoWT) - (Ug shs 31bn) for the purchase of earth moving equipment and insurance fees

The overall GoU release performance (excluding LGs) was 55% (Ug shs 1.147 trillion) of which 88 % (Ug shs 1.004trillion) was spent on development and recurrent activities; 55% (Ug shs 1.185trillion) of the sector budget is for Vote 113-Uganda National Roads Authority followed by vote 118- Uganda Road Fund (URF) that has 19.4% (Ug shs 417.84 bn) Vote 16- Works and Transport had a supplementary of Ug shs 31.462bn towards machinery and equipment and Vote-113 UNRA had Ug shs 33bn towards land, roads and bridges.

The sector votes absorbed 86% of their development funds released. The overall budget performance of the sector votes is shown in Table 3.10.

3.4.9 Public Sector Management

The Public Sector Management has seven votes (excluding LGs and KCCA sector management grants) all of which have their releases and expenditures on IFMS.

The GoU approved budget for the Public Sector Management for the FY 2016/17 is Ug shs 904.95bn of which 28% (Ug shs 253.89bn) is for development and 72% (Ug shs 651.06bn) for wage and nonwage activities; 30% (Ug shs 272.98bn) of the sector budget is for central government and 70% (Ug shs 651.06bn) for LG and KCCA.Vote 03 Office of Prime Minister (OPM) had a supplementary budget of Ug shs 10bn under the recurrent budget in respect of disaster preparedness and management towards agricultural supplies.

The overall GoU release performance (excluding LGs and KCCA) was 47% (Ug shs 129.498bn) of which 94 % (Ug shs 122.201bn) was spent on development and recurrent activities; 43% of the sector votes had less than 45% release performance, these included: Vote 5- Ministry of Public Service 42% (Ug shs 9.210bn), Vote 03- Office of Prime Minister (OPM) 43% (Ug shs 33.084bn) and Vote 11- Ministry of Local Government (MoLG) 43% (Ug shs 8.263bn). However for these votes at least 88% of the release was spent which was good. 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 Tourism Trade and Industry sector has nine votes (excluding LGs and KCCA trade grants) five of which have their releases and expenditures on IFMS. There were no budget allocations for LG and KCCA tourism activities.

The GoU approved budget for the Tourism Trade and Industry Sector for the FY 2016/17 is Ug shs 102.39bn of which 41% (Ug shs 42.39bn) is for development and 59% (Ug shs 59.99bn) for wage and nonwage activities. Vote 15 Ministry of Trade industry and Cooperatives (MTIC) had a supplementary budget of Ug shs 477 million.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 47% (Ug shs 49.493) of the revised budget of which 87% (Ug shs 43.098) was spent. Vote 117 Uganda Tourism Board (UTB) realized 35% (Ug shs 3.762 bn) of its recurrent budget. The low release was due to prioritization of development activities and budget cuts. The overall budget performance of the sector votes is shown in Table 3.12.

3.5 Overall Conclusion

The approved GoU sector budgets for 60% of the ten priority sectors analyzed were revised as at 31st December 2016.The highest revision of Ug shs 95.9 billion was under the Accountability sector followed by Works and Transport sector Ug shs 64 billion. Other sectors with revised budgets included; Education (Ug shs 37.738bn), Energy and Mineral Development (Ug shs 1.7 bn), Public Sector Management (Ug shs 10bn) and Tourism and Trade (Ug shs 477m). The Energy and Mineral Development sector registered the highest release performance 62% (Ug shs 279 bn) of its approved budget and the Public Sector Management had the least release of 47% (Ug shs 129 bn) of its approved budget.

The absorption of funds was very good with 70% of the sectors registering over 80% absorptionas at 31stDecember 2016. Least absorption of 66% of the budget was registered under the Accountability Sector with the Financial Intelligence Authority spending less than 1% of their development budget. Low absorption of the development budget was on account of delayed procurement processes that was at the award stage.

Key Challenges

- Reallocations and supplementary budgets for the sector votes pointed to poor planning and budgeting especially for development budgets. This was witnessed under Project 54- Support to MFPED (Ug shs 77bn) and Project 978- Presidential Initiatives on Banana Industry (Ug shs 16.65bn).
- Delays in finalization of warrants were registered under 2% of the votes and this affects the timeliness of availability of funds.

Recommendations

- Sector votes should review the budget process to ensure inclusion of all possible areas of expenditure for the subsequent year.
- The MFPED budget directorate should enforce finalization of warrants by sector votes and observation of release schedules to enable the timely availability of funds.
- The MFPED should continue enforcing compliance to reporting deadlines by the accounting officers.

Financial Performance of the Ten Priority Sectors (excluding; respective LGs and KCCA budgets, AIA and external funding and votes with expenditure off IFMS) as at 31st December 2016.

Table 3.3: Accountability Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) 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
008	Ministry of Finance, Planning & Economic Dev.	130,022,233,387.02	184,941,805,620.35	75,662,686,275.08	144,253,908,542.81	72,069,620,427.00	134,077,155,704	58	78	95	93
103	Inspectorate of Government (IG)-Statutory	39,510,040,343.20	3,931,095,200.00	21,020,915,415.68	585,502,970.00	18,631,159,907.00	296,071,486	53	15	89	51
112	Ethics and Integrity	5,314,596,175.00	210,596,691.00	2,277,239,659.85	34,221,962.29	2,154,038,900.00	-	43	16	95	-
129	Financial Intelligence Authority	6,609,999,999.96	840,000,000.00	3,480,999,999.98	840,000,000.00	2,794,943,875.00	2,400,000	53	100	80	0
131	Auditor General-Statutory	46,665,952,422.20	4,825,509,736.00	36,056,292,183.90	661,645,332.10	32,205,922,208.00	47,121,573	77	14	89	7
141	Uganda Revenue Authority	220,520,084,443	55,662,119,627	106,782,135,467	27,455,837,998.00	-	-	48	49	-	-
143	Uganda Bureau of Statistics	36,161,503,764.78	20,476,956,929.74	14,896,046,785.78	4,639,357,872.16	14,686,752,451	3,938,740,068	41	23	99	85
153	Public Procurement and Disposal of Assets	11,889,379,750.86	2,320,000,000.01	5,438,642,919.51	376,181,250.00	4,900,896,085	223,150,728	46	16	90	59
	Total	496,693,790,286.02	**273,208,083,804.10**	265,614,958,707.28	**178,846,655,927.36**	**147,443,333,853**	**138,584,639,559**	53	65	56	77

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

Table 3.4: Agriculture Sector Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000)		Release (000,000) Performance		Expenditure (000,000) 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	Ministry of Agriculture, Animal, Industry & Fisheries	50,057,957,561.15	44,137,562,292	20,942,876,707.66	16,272,130,747.99	16,561,176,444	14,294,547,821	42	37	79	88
121	Dairy Development Authority	4,484,702,179.37	2,134,000,000	1,652,084,250.48	630,097,731.61	1,632,673,368	599,090,135	37	30	99	95
125	National Animal Genetic Res. Centre and Data Bank	4,140,000,000.25	8,000,000,000.22	2,255,500,000.18	7,445,244,444.52	2,014,986,933	958,200,205	54	93	89	13
142	National Agricultural Research Organization	30,995,575,647.33	9,130,493,561.99	15,149,225,465.37	1,656,642,703.82	15,128,211,909	1,596,642,704	49	18	100	96
152	NAADS Secretariat	6,194,731,711.79	2,833,486,546.39	2,833,486,546.39	156,148,691,727.95	2,152,689,000	143,696,910,597	46	50	76	92
155	Cotton Development	890,480,783.65	375,429,120.97	375,429,120.97	4,411,000,000	360,240,758	3,793,336,022	42	100		

Vote	Vote Description	Approved Budget (000,000)		Release (000,000) Performance		Expenditure (000,000) 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
	Organization									96	86
160	Uganda Coffee Development Authority	67,912,300,404.00	47,482,158,749.39	47,482,158,749.39	-	34,287,370,000	-	70		72	-
	Total	164,675,748,288	380,225,779,106	90,690,760,840	186,563,807,356	72,137,348,412	164,938,727,484	55	49	80	88

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

Table 3.5: Education Sector Votes Budget Performance as at 31st December, 2016

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	Ministry of Education, Science Technology and Sports	161,022,640,874.60	105,797,208,288.99	78,083,971,879	47,512,483,392	70,942,270,851	37,675,586,218	48	45	91	79
128	UNEB	31,454,401,001	-	31,352,291,844.32	-	31,352,291,844	-	56	24	-	-
303	NCDC	8,536,000,000	-	3,425,830,735.84	-	3,145,625,084		54	15	-	-
132	Education Service Commission	5,910,792,174.94	653,060,501.00	2,871,314,410.63	101,386,050.10	2,452,947,048	-	100		100	-
111	Busitema University	26,228,370,846	1,077,520,811.00	14,660,441,492	260,000,000.55	-	-	49	16	85	-
127	Muni University	6,999,054,206	4,550,000,000.00	3,787,535,548	691,648,750.00	-	-	61	14	-	-
136	Makerere University	124,083,207,297	10,159,340,686.31	76,295,410,814	1,417,077,936.29	-	-	52	24	-	-
137	Mbarara										

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
	University	27,872,656,146	3,798,768,714.01	14,543,185,293	924,949,888.04	-	-	56	16	-	-
138	Makerere University Business School	19,703,786,192	2,800,000,000.00	10,958,234,800	455,000,000.00	-	-	54	16	-	-
139	Kyambogo University	40,421,873,891	722,845,105.99	21,757,763,079	117,462,329.72	-	-	65	16	-	-
140	Uganda Management Institute	2,030,186,414	1,500,000,000.00	1,329,602,466	243,750,000.00	-	-	57	10	-	-
149	Gulu University	23,644,415,296	2,500,053,381.00	13,505,295,061	252,175,279.69	-	-	48	13	-	-
301	Lira Univesity	6,449,400,000	1,500,000,000.00	3,125,962,870	190,000,000.00	-	-	40		92	-
307	Kabale Univesity	7,629,400,000	600,000,000.00	3,814,700,000	97,500,000.00	-	-	50	16	-	-
308	Soroti Univesity	5,007,000,000	6,000,000,000.00	2,503,500,000	975,000,000.00	-	-	50	16	-	-
	Total	496,993,184,338	**141,658,797,488.30**	282,015,040,293	**53,238,433,626.89**	107,893,134,827	37,675,586,218	57	38	38	71

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

Table 3.6: Energy Sector Votes Budget Performance as at 31st December, 2016

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
017	Ministry of Energy and Mineral Development	7,483,348,014.29	389,925,009,412	3,493,785,166.74	246,843,588,556.88	2,532,639,000	212,684,871,696	47	63	72	86
123	Rural Electrification Agency (REA)	-	56,976,000,000	-	29,627,520,000	-	29,551,090,491		52	-	100
	Total	**7,483,348,014.29**	**446,901,009,412**	**3,493,785,166**	**276,471,108,556**	**2,532,639,000**	**242,235,962,187**	**47**	**62**	**72**	**88**

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 31st December, 2016

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
014	Ministry of Health	62,687,060,325.85	72,337,047,102.00	27,521,388,978.06	17,177,786,905.48	16,995,971,215	11,387,726,863.00	44	24	62	66
107	Uganda AIDS Commission-Statutory	7,558,557,629.57	127,809,000.12	4,082,364,860.55	25,990,450.00	3,550,372,566	20,244,395.00	54	20	87	78
114	Uganda Cancer Institute	4,340,091,586.87	10,522,136,508.45	2,148,264,429.93	6,935,227,795.84	1,959,972,926	3,618,020,944.00	49	66	91	52
115	Uganda Heart Institute	7,297,690,161.99	4,500,000,000	3,687,116,585.50	4,500,000,000.00	2,951,978,654	2,432,604,820.00	51	100	80	54
116	National Medical Stores	237,964,466,778.00	-	181,246,510,223.79	-	181,213,797,109		76		100	-
134	Health Service Commission	4,817,669,472.94	446,799,362.00	2,430,013,645.30	44,679,936.20	1,874,358,221	2,200,000.00	50	10	77	5
151	Uganda Blood Transfusion Service	8,507,858,144.10	370,000,000.00	4,178,762,009.05	40,125,000.00	3,844,706,750	33,875,000	49	11	92	84

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
	(UBTS)										
161	Mulago Hospital Complex	41,036,303,977.88	22,020,000,000.00	20,764,599,201.44	14,285,000,000.00	11,091,562,398	8,182,134,878	51	65	53	57
162	Butabika Hospital	9,237,138,066.69	1,808,140,579.00	4,695,754,283.87	1,064,070,289.50	4,297,206,134	74,835,962	51	59	92	7
304	UVRI	1,661,499,999	-	699,966,720.15	-	607,291,696	-	42		87	-
163-176	Regional Referrals Hospitals	69,126,091,071	21,317,562,168	35,852,549,749	17,010,443,481	27,794,815,014	6,785,711,402	52	80	78	40
	Total	454,234,427,215	**133,449,494,719**	287,307,290,688	**61,083,323,858**	256,182,032,683	32,537,354,264	63	46	89	53

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

Table 3.8: Water and Environment Sector Votes Budget Performance as at 31st December, 2016

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
019	Ministry of Water and Environment	16,944,636,221.30	216,751,417,928.14	7,168,695,147.32	121,925,526,094.24	6,431,487,596	112,689,139,820	42	56	90	92
150	National Environment Management Authority	7,920,909,010.04	1,049,999,999.98	3,122,220,612.63	209,739,998.91	3,041,860,481	51,690,222	39	20	97	25
157	National Forestry Authority	5,533,371,479.88	1,925,197,000.00	2,742,208,739.09	312,844,512.50	2,692,247,480	175,717,383	50	16	98	56
302	UNMA	6,335,035,576.00	16,277,000,000.00	2,285,839,658.00	5,398,031,250.00	1,348,276,982	1,920,832,296	36	33	59	36
	Total	36,733,952,287	236,003,614,928	15,318,964,157	127,846,141,855.65	13,513,872,539	114,837,379,721	42	54	88	90

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

Table 3.9: Information and Communications Sector Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) 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.	6,410,721,187.53	970,670,999.93	4,612,514,768.01	121,469,954	4,417,100,032.00	80,490,310	72	13	96	66
126	National Information Technology Authority	24,172,205,700.00	1,914,479,123.00	12,614,084,981.50	957,502,111.50	11,844,490,582.00	688,149,928	52	50	94	72
	Total	30,582,926,888	**2,885,150,122.93**	17,226,599,750	**1,078,972,065.50**	16,261,590,614	768,640,238	56	37	94	71

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

Table 3.10: Works and Transport Sector Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) 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	Ministry of Works and Transport	45,371,968,479	241,712,573,126	17,272,448,877.68	192,228,884,166	16,209,217,000	192,065,734,584	38	80	94	100
113	Uganda National Road Authority	100,892,539,505.90	1,264,320,577,121	50,359,269,752.95	724,073,525,707	36,797,833,000	598,886,165,728	50	57	73	83
118	Road Fund	415,170,493,051.66	2,670,000,000	163,213,941,996	433,875,000	160,540,200,806	-	39	16	98	-
	Total	**561,435,001,036.58**	**1,508,703,150,247.03**	**230,845,660,627.17**	**916,736,284,873.33**	**213,547,250,806**	**790,951,900,312**	**41**	**61**	**93**	**86**

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

Table 3.11: Public Sector Management Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) 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	67,190,793,262.36	64,660,628,793.47	33,281,493,028.98	20,867,467,769.93	32,552,830,310	19,150,975,765	50	32	98	92
005	Ministry of Public Service	21,849,525,444.62	8,050,532,532.17	9,210,783,386.76	1,127,074,554.50	8,114,302,477	1,058,789,610	42	14	88	94
011	Ministry of Local Government	19,407,755,015.85	18,589,548,873.60	8,263,940,727.37	6,050,361,202.98	7,956,977,708	4,791,118,176	43	33	96	79
021	East African Community Affairs	38,190,169,139.69	621,686,125.54	32,850,824,048.55	214,795,617.75	32,021,893,096	94,077,480	86	35	97	44
108	National Planning Authority-Statutory	21,032,271,038.92	1,498,149,274.24	10,847,868,082.66	1,123,149,000.42	10,774,865,090	566,844,664	52	75	99	50
146	Public Service Commission	5,930,842,919.02	783,815,451.90	3,211,315,592.01	68,848,750.00	2,772,749,423	60,907,899	54	9	86	88
147	Local Government Finance Comm	4,611,675,354.20	571,699,840.00	2,300,829,977.10	79,634,984.00	2,205,458,745.00	79,634,984	50	14	96	100
	Total	178,213,032,175	**94,776,060,890.93**	99,967,054,843	**29,531,331,879.58**	96,399,076,849	25,802,348,578	56	31	96	87

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

Table 3:12 Tourism Trade and Industry Votes Budget Performance as at 31st December, 2016

Vote	Vote Description	Approved Budget (000,000) Ug shs		Release (000,000) Performance Ug shs		Expenditure (000,000) 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	20,632,967,479.33	23,687,046,000.40	15,313,639,545.14	11,283,687,577.08	14,288,793,000	10,628,751,000	74	48	93	94
022	Ministry of Tourism, Wildlife and Antiquities	11,654,695,558.46	5,774,247,743.92	4,818,642,952.34	2,302,067,339.98	4,345,815,000	-	41	40	90	-
110	Uganda Industrial Research Institute	5,882,601,535.20	8,322,619,780.00	2,968,750,767.60	1,621,237,878.28	2,966,897,000.00	1,621,002,070	50	19	100	100
117	Uganda Tourism Board	10,760,154,941.54	553,302,513.00	3,762,856,858.08	59,323,971.50	2,794,506,000.00	-	35	11	74	-
154	Uganda National Bureau of Standards	10,368,445,878.12	3,659,748,373.97	4,172,559,038.75	1,399,099,999.99	4,140,427,000.00	1,374,393,000	40	38	99	98
306	Uganda Export Promotion Board	3,321,544,280.00	396,280,720.00	1,429,887,985.00	361,464,000.00	937,617,000.00	-	43	91	66	-
	Total	62,620,409,673	**42,393,245,131.29**	32,466,337,147	**17,026,880,766.82**	29,474,055,000	13,624,146,070	52	40	91	80

Source: IFMS January 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 Local Government (LG) development grants was reviewed and monitored to track the semi-annual performance for FY 2016/17.The focus was on the development grants of departments that support the broader social service sectors. The departments whose grants were reviewed and monitoredare; 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. The Uganda Road Fund (URF) though recurrent in nature was considered as it is transferred to all LGs.

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[7] in LGs

4.3 Scope

The districts visited were purposively selected to reflect regional representation and the Microfinance Support Center. Districts that were not monitored in the previous annual monitoring for FY 2015/16 were given first priority. A total of 21 districts were monitored from five regions of the country. East included; Amuria, Ngora, Serere and Soroti; West: Kabale, Rukungiri, Kanungu, Sheema and Isingiro; South west: Hoima, Kibaale Bullisa,and Masindi; West Nile: Adjumani, Arua, Yumbe and Moyo; and Karamoja Region: Moroto, Kotido, Nakapiripirit and Abim.

4.4 Development Grants Monitored

4.4.1 Discretionary Development Equalization Grant

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 Local Governments with equitable access to development financing, ensuring that more disadvantaged LGs receive additional funding to enable them to catch up. In doing so, the grant acts as the (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

[7] Public Finance Management Reforms recently rolled out include IFMS, treasury single account, operations of the Public Finance Management Act 2015

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.

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 (NDP II pg.157). The purpose of transfers to Local Governments for agricultural services is to support services that increase the level of production and productivity of priority agricultural commodities. The grant promotes bulk marketing and trade wage allocations for extension services provided to all Districts

4.4.3 Works and Transport

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 districts, Urban and Community Access Roads (DUCAR). Development transfers will be made for roads rehabilitation funded under the rural Transport Infrastructure Programmers (RTI). In addition local governments 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
- Find operation costs of running pre-primary, primary, secondary and tertiary vocational institutions
- To facilitate inspection, monitoring and support supervision of all institutions
- Finance capital development works of pre-primary, primary and secondary schools.

4.4.5 Health sector

Health sector grants are provided to local Governments 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 2016/17 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 2017/18 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. The RTI grant is currently supporting 18 districts[8] selected by the Ministry of Works and Transport (MoWT).

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

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

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

4.4.8 Uganda Road Fund (URF)

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

4.5Overall performance

Overall 52% of the LGs approved budget of Ug shs 2.484 trillion was released by 31st December 2016. The overall absorption of funds released was 68% with less than 35% of the development budget spent by the LGs as at 31st December 2016.The low absorption of development grants was attributed to delayed procurement processes by the respective LGs and late release of quarter one (q1) grants by the MFPED. The late release of q1 funds was due to migration of legacy votes to the IFMS release process. The overall financial performance of the LGs is shown in Table 4.3.

Table 4.3: Local Government Financial Performance by 31st December 2016

Category	Approved Budget (Ug Shs)	Release (Ug Shs)	Expenditure (Ug Shs)	%age release	%age of release spent
Wage	1,633,788,989,436	844,569,002,028	793,894,861,906	51%	94%
Non-wage	559,846,817,259	257,839,470,084	257,839,470,084	46%	100%
Development	291,289,847,702	194,193,231,801	67,967,631,130	67%	35%
Total	**2,484,925,654,397**	**1,296,601,703,913**	**887,646,440,045**	**52%**	**68%**

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

The release performance of development funds forDistrict Local Governments (DLGs) was very good as 67% of the development budget was released to all DLGs and 35% spent by end of second quarter.Table 4.4 illustrates the development release performance of the monitored Districts; 46% of the unconditional grant nonwage was released and 100% spent by DLGs. Overall the LGs absorbed 68% of the funds released.

For the LGs on the IFMS and operating on the Treasury Single Account (TSA) the warrants took averagely three working days to complete the process and access funds. It was noted from the sampled districts that there was compliance with the Public Financial Management Act (PFMA); the timeframe provided for budget preparation and approval was strictly observed. However, the budget framework papers for all DLGs monitored were pending submission - a month after the deadline on account failure by MFPED to communicate the final indicative planning figures (IPFs). The release performance of the development grants in the monitored districts is given in Table 4.4.

Table 4.4: Release performance of Development Grants in monitored districts by 31st December 2016

District	Department	Approved Budget 2016/17 (Ug Shs)	Amount Received (Ug Shs)	%ge of budget Received (Ug Shs)
Amuria				
	Education	682,613,028	263,266,892	39%
	Health	327,570,000	218,380,000	67%
	Production	142,398,810	33,153,059	23%
	Roads	1,367,400,424	728,625,773	53%
	Water	360,398,810	240,265,875	67%
Total		**2,880,381,072**	**1,483,691,599**	**52%**
Arua				
	DDEG	2,148,687,307	1,432,458,313	67%
	Education	1,842,415,162	354,934,199	19%
	Production	290,003,782	60,417,455	21%
	Roads	1,065,673,826	750,877,081	70%
	Water	1,517,443,225	754,681,698	50%
Total		**6,864,223,302**	**3,353,368,746**	**49%**
Bullisa				
	Education	122,896,905	74,562,131	61%
	Production	22,479,746	27,275,556	121%
	Roads	426,401,638	157,773,912	37%
	Water	385,020,141	282,180,114	73%
Total		**956,798,430**	**560,945,002**	**59%**
Hoima				
	Education	416,778,000	277,851,868	67%
	Health	40,547,000	27,031,921	67%
	Production	93,096,343	64,228,926	69%
	Roads	1,060,786,000	465,053,739	44%

District	Department	Approved Budget 2016/17 (Ug Shs)	Amount Received (Ug Shs)	%ge of budget Received (Ug Shs)
	Water	740,054,000	493,369,251	67%
Total		**2,351,261,343**	**1,327,535,705**	**56%**
Isingiro				
	Education	402,350,000	292,658,234	73%
	Health	84,961,561	56,805,139	67%
	Production	59,973,000	39,597,933	66%
	Roads	1,149,873,695	447,151,897	39%
	Water	700,734,000	427,879,064	61%
Total		**2,397,892,256**	**1,264,092,267**	**53%**
Kabale				
	Education	341,676,462	149,334,990	44%
	Health	21,000,000	21,000,000	100%
	Production	55,399,062	36,928,707	67%
	Roads	882,282,777	477,517,802	54%
	Water	420,601,979	274,354,180	65%
Total		**1,720,960,280**	**959,135,679**	**56%**
Kanungu				
	Education	612,152,000	408,130,000	67%
	Health	400,000,000	266,660,000	67%
	Production	39,858,000	26,571,000	67%
	Roads	1,233,705,000	465,646,000	38%
	Water	355,050,000	236,700,000	67%
Total		**2,640,765,000**	**1,403,707,000**	**53%**
Kibaale	Education	218,780,150	139,354,492	64%
	Health	300,000,000	136,010,442	45%
	Production	35,822,000	23,881,598	67%
	Roads	200,000,000	135,722,854	68%
	Water	373,903,693	248,975,924	67%
Total		**1,128,505,843**	**683,945,310**	**61%**
Kotido				
	Education	170,784,004	113,856,003	67%
	Health	104,707,029	0	0%
	Production	54,074,525	36,048,350	67%
	Roads	507,620,630	207,061,915	41%
	Water	358,799,901	239,199,934	67%
Total		**1,195,986,089**	**596,166,202**	**50%**
Moroto	Education	454,132,000	82,254,439	18%
	Health	340,000,000	120,000,000	35%

District	Department	Approved Budget 2016/17 (Ug Shs)	Amount Received (Ug Shs)	%ge of budget Received (Ug Shs)
	Production	203,042,000	25,263,552	12%
	Roads	417,000,000	162,395,324	39%
	Water	308,706,000	180,470,802	58%
Total		**1,722,880,000**	**570,384,117**	**33%**
Moyo	Education	244,072,000	137,714,965	56%
	Health	191,521,950	45,709,573	24%
	Production	31,452,000	20,968,133	67%
	Roads	869,936,000	363,535,756	42%
	Water	221,531,000	153,187,157	69%
Total		**1,558,512,950**	**721,115,584**	**46%**
Ngora	Education	239,867,000	159,911,456	67%
	Production	114,413,961	76,246,703	67%
	Roads	621,997,000	447,315,308	72%
	Water	239,668,000	159,778,570	67%
Total		**1,215,945,961**	**883,248,139**	**73%**
Rukungiri	DDEG	104,747,000	69,830,700	67%
	Education	461,828,000	308,085,502	67%
	Production	42,716,000	28,477,656	67%
	Roads	666,877,000	269,709,741	40%
	Water	380,667,000	253,777,903	67%
Total		**1,656,835,000**	**929,881,502**	**56%**
Serere	Education	257,055,000	171,370,253	67%
	Health	91,965,454	141,377,000	154%
	Production	134,135,413	33,195,568	25%
	Roads	1,143,590,000	614,788,400	54%
	Water	616,503,000	320,723,458	52%
Total		**2,243,248,867**	**1,281,454,679**	**57%**
Sheema	Education	141,728,000	35,431,976	25%
	Health	300,000,000	200,000,000	67%
	Production	21,354,000	14,235,832	67%
	Roads	691,661,000	340,976,387	49%
	Water	185,417,000	123,611,038	67%
Total		**1,340,160,000**	**714,255,233**	**53%**
Soroti	Education	223,082,000	154,900,000	69%
	Health	124,000,000	62,000,000	50%
	Production	111,421,000	32,283,419	29%
	Roads	1,068,000,000	477,202,255	45%
	Water	274,000,000	183,203,224	67%

District	Department	Approved Budget 2016/17 (Ug Shs)	Amount Received (Ug Shs)	%ge of budget Received (Ug Shs)
Total		**1,800,503,000**	**909,588,898**	**51%**
Nakapiripirit	Education	413,751,000	275,834,180	67%
	Health	39,347,000	0	0%
	Production	104,004,000	71,002,574	68%
	Roads	952,202,000	416,626,818	44%
	Water	583,883,000	150,641,549	26%
Total		**2,093,187,000**	**914,105,121**	**44%**
Abim	Education	206,201,305	90,807,912	44%
	Health	519,734,408	266,662,817	51%
	Production	65,163,259	19,981,384	31%
	Roads	468,213,000	174,711,151	37%
	Water	239,005,970	149,655,961	63%
Total		**1,498,317,942**	**701,819,225**	**47%**
Grand Total		**37,266,364,335**	**19,258,440,008**	**52%**

Source: Field findings

The average development budget release from the sampled districts was 52%. However, some districts like Kotido and Nakapiripirit had not received any funding in the health sector.

The release of the roads sub sector was generally low as compared to the other sectors-this was because of the low release for URF component. The average release of the URF was below average as only 41% of the budget was released by 31st December 2016. This was from the districts monitored as shown in Table 4.5.

Table 4.5: Release performance of the URF in the monitored Districts by 31st December, 2016

District	Development Grants	Approved Budget 2016/17(Ug Shs)	Amount Received (Ug Shs)	%ge Received
Amuria		725,398,424	300,624,242	41%
	URF	725,398,424	300,624,242	41%
Bullisa		426,401,638	157,773,912	37%
	URF	426,401,638	157,773,912	37%
Hoima		959,948,000	397,827,065	41%
	URF	959,948,000	397,827,065	41%
Isingiro		1,149,873,695	447,151,897	39%
	URF	1,149,873,695	447,151,897	39%
Kabale		842,161,957	455,532,318	54%
	URF	842,161,957	455,532,318	54%
Kanungu		887,209,000	221,802,000	25%

District	Development Grants	Approved Budget 2016/17(Ug Shs)	Amount Received (Ug Shs)	%ge Received
	URF	887,209,000	221,802,000	25%
Kibaale		200,000,000	135,722,854	68%
	URF	200,000,000	135,722,854	68%
Kotido		507,620,630	207,061,915	41%
	URF	507,620,630	207,061,915	41%
Moroto		417,000,000	162,395,324	39%
	URF	417,000,000	162,395,324	39%
Moyo		869,936,000	363,535,756	42%
	URF	869,936,000	363,535,756	42%
Ngora		238,409,000	178,130,772	75%
	URF	238,409,000	178,130,772	75%
Rukungiri		666,877,000	269,709,741	40%
	URF	666,877,000	269,709,741	40%
Serere		739,813,000	345,603,864	47%
	URF	739,813,000	345,603,864	47%
Sheema		691,661,000	269,012,222	39%
	URF	691,661,000	269,012,222	39%
Soroti		521,000,000	100,867,424	19%
	URF	521,000,000	100,867,424	19%
Nakapiripirit		652,202,000	266,626,818	41%
	URF	652,202,000	266,626,818	41%
Abim		468,213,000	174,711,151	37%
	URF	468,213,000	174,711,151	37%
Grand Total		10,963,724,344	4,454,089,275	41%

Source: Field findings

Out of the districts monitored, only Kabale, Kibaale and Ngora received over 50% of the approved URF budget. The rest of the districts like Kanungu received as low as 25% and Soroti – 19% of the approved URF budget.

There was a wide time lag between the pronouncement of the releases and the actual time the funds got to the accounts of LGs. On average, it took between one month to one and half months (40 days) for the funds to be realized on the accounts. The time taken for the monitored districts to receive funds is shown in Table 4.6.

Table 4.6: Duration of Funds Reaching LGs from the Date of Release Circular

District	Approved Budget 2016/17	Date of Receipt of Funds	Amount Received	Date of Announcement	Time Diff in Days from: Announcement to Receipt	Quarter-FY 2016/17
Kotido	170,784,004	27/8/16	42,696,001	5/7/16	53	Q1
Kotido		17/10/16	71,160,002	26/9/16	21	Q2

District	Approved Budget 2016/17	Date of Receipt of Funds	Amount Received	Date of Announcement	Time Diff in Days from: Announcement to Receipt	Quarter-FY 2016/17
Moroto	123,521,000	30/9/16	30,845,415	5/7/16	87	*Q1*
Moroto	330,611,000	19/10/16	51,409,024	26/9/16	23	Q2
Amuria	27,570,000	15/9/16	81,892,500	5/7/16	72	*Q1*
Amuria		3/11/16	136,487,500	26/9/16	38	Q2
Serere	257,055,000	4/10/16	64,263,845	5/7/16	91	*Q1*
Serere		20/10/16	107,106,408	26/9/16	24	Q2
Soroti	124,000,000	17/8/16	30,000,000	5/7/16	43	*Q1*
Soroti		21/10/16	32,000,000	26/9/16	25	Q2
Rukungiri	261,828,000	30/9/16	65,457,063	5/7/16	87	*Q1*
Rukungiri		18/10/16	109,295,106	26/9/16	22	Q2
Kabale	55,399,062	1/9/16	13,845,765	5/7/16	58	*Q1*
Kabale		1/10/16	23,082,942	26/9/16	5	Q2
Sheema		31/8/16	5,338,437	5/7/16	57	*Q1*
Sheema	21,354,000	19/10/16	8,897,395	26/9/16	23	Q2
Moyo	191,521,950	17/8/16		5/7/16	43	*Q1*
Moyo		18/10/16	45,709,573	26/9/16	22	Q2
Isingiro	84,961,561	27/9/16	21,240,390	5/7/16	84	*Q1*
Isingiro		30/10/16	35,564,749	26/9/16	34	Q2
Hoima	40,547,000	22/8/16	10,137,000	5/7/16	48	*Q1*
Hoima		18/10/16	16,894,921	26/9/16	22	Q2
Bullisa	22,479,746	5/9/16	5,619,936	5/7/16	62	*Q1*
Bullisa		7/11/16	9,366,561	26/9/16	42	Q2
Kibaale	300,000,000	5/9/16	11,010,442	5/7/16	62	*Q1*
Kibaale		11/11/16	125,000,000	26/9/16	46	Q2
Arua	911,560,225	19/8/16	227,890,055	5/7/16	45	*Q1*
Arua		14/11/16	370,650,094	26/9/16	49	Q2
Nakapiripirit	413,751,000	2/9/16	0	5/7/16	59	*Q1*
Nakapiripirit	0	31/10/16	275,834,180	26/9/16	35	Q2
Abim	519,734,408	5/10/16	99,996,150	5/7/16	92	*Q1*
Abim		7/11/16	166,666,667	26/9/16	42	Q2

Source: Field Findings

Funds for Q1 were received late across the country. LGs like Serere, Abim, Rukungiri and Isingiro received their Q1 funds in the month of October (beginning of Q2);70% (13) of the districts visited received Q1 funds in September the last month of Q 1.

The absorption capacity was low because of delayed commencement of the procurement processes; 95% of the LGs visited were at the award stage. Some local governments like Kibaale and Kanungu did not have procurement committees constituted therefore had to wait and use committees of neighboring districts. The late release of funds also contributed to the low absorption capacity of the LGs.

IFMS and Treasury Single Account (TSA)

The districts which are on the IFMS and TSA appreciated the reforms as they had impacted positively on the efficiency and effectiveness of work at the LGs. For example payments take three to four days to be effected and daily statements are generated and received. The system has generally improved financial management, reporting and generation of reports therefore budget control and discipline has improved.

The TSA was found good because it makes reconciliations easier, but the warranting process consumes a lot of time. It involves a number of travels to MFPED to complete the warranting process.The introduction of the IFMS for warranting purposes quickened the release of the Quarterly Government grants and the introduction of the TSA has resulted in the effective and efficient management of the staff payroll. The cost of stationary and bank charges has significantly reduced

On the other hand, the local governments that are on IFMS Tier 2 noted that the system is always on and off and this affects the absorption and implementation of activities. The districts which are not on the national grid such as in the West Nile region find it very costly to run a generator throughout the week. Compliance with the PFM Act 2015 in respect to the budget preparation and approval was strictly observed and in accordance to the time frame provided. It was however noted that the budget preparation is hampered by OBT consultations.

Release of Unconditional Grant – Non wage 2016/17 for the selected Districts

The release of the unconditional grant non-wage for the sampled districts was good as 49% of the budget was released by 31st December 2016. A low release (41%) of the grant was realized in Abim and Kabale. The expenditure was 100% of the funds released. Table 4.7 shows details of release for each district monitored.

Table 4.7: Release Performance for the Unconditional Grant Non-Wage

District	Approved Budget 2016/17 (Ug Shs)	Release (Ug Shs)	%age of budget released
Abim	504,545,000	209,242,000	41%
Amuria	579,414,847	289,707,424	50%
Arua	1,185,824,227	783,479,340	66%
Bullisa	466,364,285	186,540,742	40%

District	Approved Budget 2016/17 (Ug Shs)	Release (Ug Shs)	%age of budget released
Hoima	749,154,432	374,577,216	50%
Isingiro	748,616,000	374,308,160	50%
Kabale	895,900,161	368,984,384	41%
Kanungu	1,014,005,000	507,000,000	50%
Kotido	568,886,928	284,443,464	50%
Moroto	393,650,016	196,825,008	50%
Moyo	568,466,000	283,811,630	50%
Nakapiripirit	2,061,993,373	999,153,453	48%
Ngora	466,233,000	236,833,444	51%
Rukungiri	601,936,710	275,078,397	46%
Serere	545,568,448	318,460,890	58%
Sheema	386,412,488	190,206,243	49%
Soroti	498,286,000	242,035,422	49%

Source: Field Findings

Key challenges

- Delayed release of funds especially for Q1.Wheras the announcement of cash limits by Permanent Secretary and Secretary to Treasury (PS/ST) was in July 2016, 70% of the LGs monitored received Q1 funds in September and 17% LGs monitored received in October-beginning of the Q2.This was noted in the LGs of Serere, Abim, Rukungiri and Isingiro.
- Lack of advice notes[9] to LGs explaining the breakdown of the lump sum funds transferred to the TSA and transfers to LLGs and service delivery centres leads to poor absorption. For example in Yumbe district Q1 unconditional grants were in excess by Ug shs 26million, this was sent back to the consolidated fund but later found that it was meant for pension arrears.
- High operational costs for the generators. A number of LGs are not connected to the National grid therefore they find it very expensive to run the installed generators for weeks. This was observed in the LGs of Yumbe,Kotido, Adjumani and Kanungu.
- Network and System failures affect efficiency. Some LGs have not been able to print out vouchers e.g. Arua has taken three years without printing vouchers. Sometimes MFPED switches off the system without warning the accounting officers and this affects works. At times this happens when they are in the middle of transactions that cannot be completed.
- Local revenue sent to the TSA account at Bank of Uganda BoU took long to be availed to the LGs for spending, additionally at the year end, all the funds were sent to the consolidated fund and not returned like was the case for Arua DLG.
- Frequent travels to the MFPED to complete reallocations and virements that were costly for the DLGs.

[9] Advice notes -give details of breakdown of funds transferred to the accounts of the respective LGs

Conclusion

All districts monitored received funds for the first half of FY 2016/17.Government released 67% of the development grants to the LGs by second quarter although there were major delays in the Q1 release. The time taken to receive funds by the LGs after the release circular by the MFPED Premanent Secretary/Secretary to the Treasurer, was on average 49 days.

The absorption of development funds by the DLGs was poor as 35% of the funds released was absorbed. Of the 23 LGs monitored, 12 (55%) which are on the IFMS and TSA appreciated the system. The warrants took averagely three working days to complete and access funds on the TSA. The non TSA votes on average took five working days to transfer funds from the district general fund accounts to the departments.

The introduction of the IFMS for warranting purposes has speeded up the release of the quarterly government grants and the introduction of the TSA has resulted in the effective and efficient management of public funds.On the other hand, the accounting officers were disgruntled over the frequent travels that they have to make to the MFPED in order to complete the reallocations and virements as per the PFMA 2015 as it was deemed costly and time consuming.

Recommendations

- MFPED- Budget Policy and Evaluation Department (BPED) and Accountant General should urgently streamline funds release processes especially warranting and invoicing to ensure prompt and accurate release of funds to LGs.
- MFPED-Budget Policy and Evaluation Department (BPED) should post details of all LG funds released to LGs on the budget website prior to actual release of funds
- MoLG and the LGs should consider investing in reliable solar energy to offset/reduce the operating costs for the generator
- MoLG should introduce alternative network to back-up the airtel network
- MFPED- Accountant Generals Office should establish a log for complaints of system failure received and have a target response time of three hours.
- MFPED- Accountant Generals Office should develop a clear communication strategy to LGs of when the system will be off.

PART 3: PHYSICAL PERFORMANCE

CHAPTER 5: AGRICULTURE

5.1 Introduction

5.1.1 Sector objectives and priorities

In the National Development Plan (NDPII) 2015/16-2019/20[10], agriculture is identified as a key growth opportunity for enhancing the development momentum and increasing economic impact. In the medium term, the agriculture sector aims to achieve two development outcomes: a) enhance rural incomes and livelihoods b) improve household food and nutrition security. The key development results that are expected are: a decline in subsistence farming; an increase in production and productivity, commercialization, total exports and manufactured exports as a percentage of total exports; and growth in labour productivity.

The key sector priorities for FY 2016/17 are: 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 agriculture sector in FY 2016/17 is Ug shs 853.153 billion of which Ug shs 398.958 billion (46.8%) was released and Ug shs 353.402 billion (88.6%) was spent. This was very good release and expenditure performance. The detailed performance is given in Table 5.1.

Table 5.1: Agricultural Sector Semi-Annual Financial Performance by 31st December, 2016 (billions including Arrears and Taxes)

Vote/ grant	Approved budget (Ug shs billion)	Releases (Ug shs billion)	Expenditure (Ug shs billion)	% budget released	% release spent
MAAIF	246.888	72.615	63.411	29.41	87.32
DDA	6.619	2.282	2.234	34.48	97.9
KCCA	7.878	6.282	5.9	79.74	93.92
NAGRC & DB	13.15	10.184	3.326	77.44	32.66

[10]GoU, 2014.

NARO	114.137	61.13	57.723	53.56	94.43
NAADS Secretariat	318.607	158.982	146.165	49.9	91.94
UCDO	7.395	5.873	5.097	79.42	86.79
UCDA	87.412	55.767	43.365	63.8	77.76
LGs**	51.077	25.5385	-	50	-
Total	**853.163**	**398.654**	**327.221**		

***There is no system to capture the expenditures by Local Governments*
Source: MFPED, 2016.

5.1.3 Scope

The semi-annual monitoring for FY 2016/17 focused on eleven programmes/projects in six out of the nine votes in the agricultural sector (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	Improving Access and Use of Agricultural Equipment	Kayunga, Buvuma, Kyegegwa, Nakaseke, Kamuli, Masindi, Gulu, Luwero
2	Uganda China South-South Project	Kabale, Luwero, Mbarara, Wakiso
3	The Potato Commercialization Project	Kisoro, Kabale, Kanungu, Kibaale, Kyegegwa, Mityana
4	Vegetable Oil Development Project	Kalangala, Buvuma, Jinja, Mbale, Amuru, Lira Hub, Eastern Uganda Hub, Gulu Hub
5	National Farmer Leadership Centre	Mpigi (only implementing district)
6	Agriculture Cluster Development project	Headquarters MAAIF, not yet rolled out
	Vote 125 National Agricultural Genetic Resource Centre and Data Bank	
7	National Agricultural Genetic Resource Centre	Kasolwe (Kamuli), Aswa (Pader), Nshaara (Kiruhura), Sanga (Kiruhura), Lusenke (Kayunga)
	Vote 142 National Agricultural Research Organisation	
8	National Agricultural Research Organisation	KAZARDI (Kabale), MbaZardi (Mbarara) MuZARDI, Kamenyamiggo Satellite Station (Lwengo)
	Vote 152: National Agricultural Advisory Services/Operation Wealth Creation	
9	National Agricultural Advisory Services	Mpigi, Mbale, Kayunga, Mbarara, Kabale, Kisoro, Kanungu, Luwero, Gulu, Lira, Pader, Kalangala, Buvuma, Mityana, Kyegegwa, Mubende, Mukono, Budaka
	Vote 160 Uganda Coffee Development Authority	
10	Uganda Coffee Development Authority	Western, Eastern and Northern regions
	Vote 501 – 850 Local Government Services and Marketing	
11	Production and Marketing Grant	Mpigi, Mbale, Kayunga, Mbarara, Kabale, Kisoro, Kanungu, Luwero, Gulu, Lira, Pader, Kalangala, Buvuma, Mityana, Kyegegwa, Mubende, Mukono, Budaka

Note: Due to time constraint, data collected for NARO was insufficient and hence not included in the report. The institution will be comprehensively covered during annual reporting.
Source: Authors Compilation.

5.1.4 Limitations

1) Inadequate field time to cover larger samples of the respondents, especially at farm level. Information collected for NARO was insufficient hence not included in this report; it will be comprehensively covered in the Annual Report 2016/17.
2) Poor data capture and recording in MAAIF and agencies. The outputs and targets were poorly specified in MAAIF projects, UCDA and NAGRC&DB.

5.2 Ministry of Agriculture, Animal Industry and Fisheries

5.2.1 Background

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

Six projects were monitored to assess MAAIF performance during FY 2016/17 semi-annual namely:i) Agriculture Cluster Development Project ii) Improving Access and Use of Agricultural Equipment iii) National Farmer Leadership Centre (NFLC) iv) The Potato Commercialization Project v) Uganda China South-South Project vi) Vegetable Oil Development Project (VODP2). The performance of these projects and MAAIF in general is 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[11].

The project was designed to start as a pilot 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 (EVMG); 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.

[11] World Bank, 2015.

In the financing agreement signed by the World Bank and GoU, four prior conditions had to be met during FY 2016/17 as part of the startup activities: i) Establishment of a Project Coordination Unit ii) Development of a Project Implementation Manual iii) Designing the functional requirements of an e-Voucher system, procurement of an EVMG and registration of beneficiary farmers iv) Enhancing staffing capacity for the subsidy programme[12].

The approved budget for the project for FY 2016/17 is Ug shs 30.759 billion to be contributed by the donor (Ug shs 30.243 billion) and GoU (Ug shs 516 million). By 31st December 2016, the GoU had released Ug shs 93.000 million (18% of the approved budget) that was fully spent. The donor approved Ug shs 13,546.388 billion of which Ug shs 1,436.528 billion (10.60%) was released and fully spent by 31st December, 2016. This was poor funds release and excellent resource absorption performance.

Performance

The physical performance of the ACDP as shown in Table 5.3 was poor (25.55%); reflective of the low level of funds release as the project was not yet effective.

Table 5.3: Performance of the Agriculture Cluster Development Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Project Steering Committee established	1	129,000,000	0	0.00	
Project structures at district and sub-county levels established in 5 pilot districts	5	129,000,000	2	0.92	Stakeholder sensitization was undertaken
Project Implementation Manual (PIM) developed	1	593,000,000	1	2.46	A consultant was contracted, field trips undertaken in 42 districts
One set of terms of E-Voucher Advisor developed	1	64,500,000	1	0.46	The Terms of Reference (ToRs) were still under review by the World Bank
Bidding documents prepared for procuring the E-Voucher Management Agency	1	64,500,000	1	0.46	The bidding documents were cleared by World Bank. Bidders were invited to bid.
Farmers and input dealers and other stakeholders at national, subcounty and in the pilot districts sensitized	56	520,000,000	28	3.72	Three national, Five district and 20 sub-county level workshops and meetings were held; one retreat was held with Parliament.

[12] MAAIF/NARO, 2016,

E-Voucher Input delivery system developed and equipped (15 key activities)	15	7,940,338,000	8	0	
Staff Capacity built (4 sets of activities)	4	2,096,931,000	0.4	0.00	TORs for recruitment of additional staff were developed.
Prefeasibility studies for irrigation scheme undertakings implemented (4 sets of activities)	4	2,454,120,000	0.08	17.54	Requests for Proposals (RFPs) were developed and bid-evaluation was ongoing; two stakeholder meetings were held in Pallisa and Kibuku districts; TORs for recruiting four graduate engineers were developed
Total		**13,991,389,000**		**25.6%**	

Source: Field findings

Implementation challenges

i) Slow implementation of planned activities due to delayed project effectiveness and disbursement of funds.
ii) Inadequate technical knowledge and capacity at MAAIF to design and implement the e-voucher system and undertake registration of 450,000 farm households.
iii) Delayed declaration of project effectiveness due to stringent/unrealistic prior conditions.

Recommendations

i) The MAAIF and World Bank should fast track recruitment of the E-Voucher Advisor.
ii) The MAAIF and World Bank should hire a firm to train staff and undertake farmer registration
iii) The MFPED and World Bank should review and modify the prior conditions for project effectiveness, especially differing the dates for E-Voucher Management Agency effectiveness.

ii. **Improving Access and Use of Agricultural Equipment**

Introduction

The National Development Plan (NDPII) and MAAIF DSIP[13] identifies low access to farm power and mechanization as a key constraint to enhancing household production and incomes and national exports. To deal with this challenge, the GoU is implementing the Improving Access and Use of Agricultural Equipment; this is a successor to the Labour Saving Technology and Mechanization for Agricultural Productivity and Enhancement Project that was implemented from July 2011 to June 2015.

[13]GoU, 2014; MAAIF, 2010.

Three sets of earth moving equipment were procured during the first project in FY 2010/11 using a US$ 5 million grant. The beneficiaries pay standard lease/dry rates for the equipment to MAAIF through the Uganda Revenue Authority (URA) and contribute the fuel for operating the machinery.

The Improving Access and Use of Agricultural Equipment Project aims to enhance agriculture production and productivity through excavation of water for production facilities, bush clearing and opening 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.

The approved annual budget for the project during FY 2016/17 is Ug shs 5.838 billion of which Ug shs 1.025 billion (17.55%) was released and Ug shs 0.670 billion (65.36%) was spent by 31st December, 2016. This was a poor funds release and fair resource absorption performance.

Performance

The physical performance of the Improving Access and Use of Agricultural Equipment Project during FY 2016/17 was very good (90.51%) despite the lower release and funds absorption. Refer to Table 5.4. This was attributable to two factors: a) partnerships with other MAAIF agencies that contributed financial and technical support to the project b) continued commitment to implementation by field staff despite their not being paid for several months.

Table 5.4: Performance of the Improving Access and Use of Agricultural Equipment Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Heavy equipment deployed and effectively maintained (100 Valley tanks, 1,700 acres of bush cleared and 80 roads improved)	1,880	4,198,000,000	925	71.91	The performance was excellent despite the poor releases due to financial and technical support from NAADS, NARO and NAGRC&DB. Worked in 21 districts
Contract staff salaries, allowances	18	1,440,000,000	4	15.18	Due to low releases, 56 field staff were not paid their allowances for six months; arrears amounted to Ug shs 560 million.

MAAIF staff, LGs and farmers trained in basic maintenance, safety and security	150	200,000,000	46.2	3.43	15 farmers and 62 MAAIF/LG staff were trained
Total		**5,838,000,000**		**90.51%**	

Source: Field findings

Beneficiary satisfaction with services

All the 14 beneficiary farmers/firms that were monitored in Buvuma, Kayunga, Kyegegwa, Mubende, Nakaseke and Luwero district appreciated the project and had received the services of excavation of valley tanks and fish ponds, road opening and bush clearing by 31st December, 2016. The quality of service was generally rated as good, although there was a key implementation challenge of slow works due to the inadequacy of equipment and frequent breakdown and delayed repair of machines.

It was planned that the excavation of 10 fish ponds on Ms. Nakaggo Harriet's farm in Kagalama village, Butuntumula sub-county, Luwero district would take two months; the work was completed in four months due to inadequacy of equipment. After clearing 200 acres of land out of the planned 300 on Mr. Lugoloobi's farm in Misanga village, Bbaale sub-county, Kayunga district in December 2016, the bull dozer broke down and was parked awaiting repair by 27th/01/2017. Safety of the machine in the field was not guaranteed as the project did not pay for security guards.

AMFRI FARM in Kyampisi village, Butalangu sub-county, Nakaseke district planned to clear 300 acres of land in FY 2015/16. The project wheel loader cleared 110 acres of bush between 9th/12/2015 and 5th/02/2016 and got a mechanical problem. It was parked at this farm for 10 months and was repaired on 24th November, 2016; it had cleared an additional 48 acres by 20th/01/2017.

Bush clearing was ongoing at AMFRI FARM in Nakaseke district

Animals watered from the valley tank in background that was excavated at Mr. Kikozi's farm in Ruterwa Village, Ruyonza Sub-county, Kyegegwa district

MAAIF bull dozer that broke down and was parked at Mr. Lugoloobi's farm in Misanga village, Kayunga district

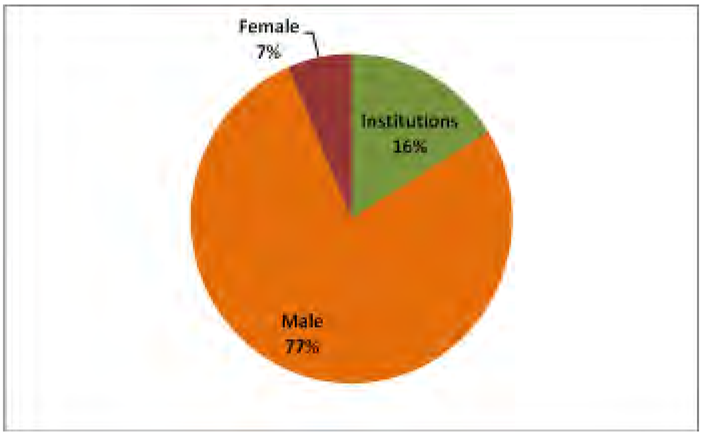
Two of the 10 fish ponds that were excavated on Ms. Nakaggo's farm in Kagalama village, Luwero district

Gender and regional representation

There was gender inequality in access to and use of the project equipment by the beneficiaries. Considering a sample of 31 beneficiaries from the nine districts of Luwero, Wakiso, Kumi, Kayunga, Kyegegwa, Kiruhura, Luwero and Nakaseke, the men had more access to the machines than women (Figure 5.1).

This was largely attributed to two factors: a) women lacked access to and ownership of large pieces of land and commercial investments where these machines could be used, b) women lacked capital to hire the machines.

5.1: Access to heavy equipment by gender by 31st December, 2016



Source: Field findings

There was regional inequality in access to the equipment: Out of 21 districts that benefitted from the project from July to December 2016, 12 (57%) were in Central; 6 (28%) in West; 2 (9%) in East and 1 (4%) in the North. This disparity was attributed to high poverty in Northern and Eastern regions where farmers could not afford the cost of leasing and fueling the machines.

Implementation challenges

i) Allowances arrears for eight months amounting to Ug shs 560 million for the field staff.
ii) Slow implementation of planned outputs and targets due to inadequate and aged machines that break down frequently.
iii) Low absorption of released funds due to delayed and inconsistent disbursement of funds to implementing units by MAAIF.

iv) 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 new sets as was planned.

Recommendations

i) The MAAIF should prioritize and pay all the arrears for the field staff.
ii) The MAAIF should ensure timely disbursement of funds to implementing entities.
iii) The MFPED and MAAIF should allocate funds for procuring additional sets of heavy equipments.
iv) The MFPED should waiver taxes on imported agricultural equipment.

iii. **National Farmer Leadership Centre**

Introduction

Located in Kampiringisa, Mpigi district, the National Farmer Leadership Centre (NFLC) is a Government project supported by the Korean International Cooperation Agency (KOICA) framework. 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. Knowledge transfer is based on the Saemaul Undong (SMU) Korean model that promotes good governance, self drive, income generation and community development.

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 (21st May, 2016 to 21st May, 2017) of operationalizing the Centre focusing on recruitment of key staff and stabilizing the training programme and farm operations.

The project funding for the period 1st July, 2015 to 30th June, 2019 is US$ 4.4 million contributed by the Republic of Korea (US$ 3.5 million for buildings, equipment and project management costs) and GoU (US$0.9 million for taxes, supplies and services, operational funds, salaries, land and utilities). For FY 2016/17, the GoU approved budget for the NFLC is Ug shs 750 million of which, Ug shs 282.84 million (38%) was released and Ug shs 118.068 million (42%) spent by 31st December, 2016. The approved budget for the donor component is US$ 346,500 of which US$ 219,663 (63%) was released and US$ 163,290 (74.33%) spent by 31st December, 2016.

Performance

The physical performance of the National Farmer Leader Centre was good (80.33%) mainly due to the frontloading of donor funds by 31st December, 2016 (Table 5.5).

Table 5.5: Performance of the National Farmer Leadership Centre by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs 000)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Staff houses constructed	2	350,000	0	0.000	The Ministry of Gender, Labour and Social Development (MGLSD) delayed getting land for the project; three acres were handed over to the centre in November 2016.
Quarterly training programmes for staff implemented	4	24,000	1	0.002	The Q1 training was conducted; GoU funding was inadequate to hold the Q2 training
NFLC monitored and supervised by MAAIF on quarterly basis	4	60,000	2	0.010	MAAIF developed the NFLC draft five year strategic plan and was working on the legal status of the centre
Operations of the NFLC effectively coordinated by MAAIF (Four sets of activities)	4	300,000	2	0.049	The funds for Q2 were disbursed late by MAAIF on 22nd December, 2016 and not fully spent. The NFLC lacked an account.
Training sessions conducted for farmers, political leaders and district leaders	32	46,551,375	23	8.247	A total of 745 participants were trained and Saemaul model villages were established; challenge of inadequate training facilities
Staff allowances for 25 persons paid (months)	12	248,274,000	6	23.801	
KOICA Local Coordinator paid	12 months	41,379,000	6	3.946	
Farm operations for crop (trees of macademia, mangoes, pawpaw, mangoes)	4,000	175,860,750	2000	15.345	500 trees of each crop were planted.
Farm operations for livestock (number of pigs and poultry)	542	113,792,250	271	8.999	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	12	60,344,375	6	8.264	Local structure for mushrooms was

operationalised for 12 months					constructed and mushrooms planted.
Local Instructor paid	12 months	124,137,000	6	11.672	The local instructor was not hired as MAAIF guided that the ministry would provide this skill.
Total		**686,935,750**		**80.334%**	**This is a good physical performance**

Source: Field findings

Beneficiary satisfaction with services

There was demonstrated evidence of appreciation and adoption of the Korean experience in the villages neighbouring the NFLC. Nine farmers from Kiwumu A village, Kamengo sub-county in Mpigi district underwent seven day training in the Korean model at the NFLC in May 2016. They used the knowledge and skills acquired to train other farmers in their parish. By 31st December, 2016, 60 out of the 160 households in Kiwumu A village had adopted the Korean approaches to community development.

Mushroom project (left) and Poultry project (right) used in training farmers at the National Farmers Leadership Centre Kampirigisa, Mpigi district

Through self-help effort, the community adopted effective time management of starting work at 5:00am, established a savings and investment bank, maintained the community roads every Wednesday, cleaned all their water sources, helped the elderly in toilet construction, promoted hygiene, food security and nutrition and established a poultry enterprise. The main challenge was the resource constraint to reach out and changing the mindset of other farmers in the neighbouring villages.

Poultry house constructed and stocked with chicks using the Saemaul Undong Korean model in Kiwumu A village, Kamengo sub-county, Mpigi district

Other operational issues

The Centre generates non-tax revenue (NTR) that is banked on the KOICA project account as the NFLC does not have a bank account. By 31st December, 2016, a total of US$ 40,362.25 was generated as net profit from the training programme (US$ 33,477.12), food and accommodation (US$ 3,696.87) and farm produce sales (US$3,188.26). It was planned that these funds would be handed over to Government at the end of the KOICA project in May 2017.

Implementation challenges

i) Slow implementation of planned activities due to delayed disbursement of funds by MAAIF and inadequate counterpart funding.
ii) The NTR generated at the centre was withheld on the KOICA project account as the NFLC lacked legal status and a bank account.
iii) Lower number of training sessions and participants due to inadequate training facilities (dormitories and classrooms).

Recommendations

i) The MAAIF should fast track attainment of a legal status for the NFLC and open a bank account for the centre's operations.
ii) The MAAIF and KOICA should construct additional training facilities at the centre.

iv. The Potato Commercialization Project

Introduction

The Potato Commercialization Project is a GoU funded intervention that aims to improve food security and income of smallholder producers of irish potato tubers in South Western and Central Uganda. The four year (07/01/2015-06/30/2019) project is implemented in six districts namely Kisoro, Kabale, Kanungu, Kibaale, Kyegegwa and Mityana. The MAAIF is the lead implementing agency. A key expected output is commercial production and marketing of potatoes for local and regional processing and consumption.

The approved budget for the project for the FY 2016/17 was Ug shs 300 million, of which Ug shs 80 million (26.66%) was released, and Ug shs 30.813 million (37.5%) spent by 31st December, 2016.

Performance

The physical performance of the Potato Commercialization Project during FY 2016/17 semi-annual was poor (47.98%) primarily due to the low releases and focus on monitoring the demonstrations that were established in FY 2015/16 rather than setting up new demonstrations (Table 5.6).

Table 5.6: Performance of the Potato Commercialization Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
At least six farmer field schools established, maintained and provided with start up seeds and fertilizers.	6	174,000,000	0.3	28.03	Field visits were undertaken to assess potato seed and fertilizer requirements; initiated procurement of fertilisers.
12 telephone handsets procured, 4 training sharing events organised and consultancy services procured (no of items and activities)	17	81,000,000	2	4.95	Funding was inadequate so they unable to procure all items.
One service provider for formulating climate change risk management strategies procured, one vehicle procured and fuels and stationery procured (sets of activities)	3	45,000,000	1	15.00	The MAAIF did not source a service provider because the Food and Agricultural Organisation (FAO) had used own resources to contract the services and some work was ongoing. The fuels and stationery were procured.
Total		**300,000,000**		**47.98%**	

Source: Field findings

Beneficiary satisfaction with services

The project beneficiaries in the benefitting districts appreciated MAAIF's introduction of improved potato varieties in FY 2015/16 that had higher yields and were quick maturing, however, they were dissatisfied that the ministry did not provide additional inputs in FY 2016/17. This limited the outreach and potential of achieving the project objective of potato commercialisation.

In Kabale district, Kariko Bahingi Tukore Namanyi Farmer Field School (FFS) received 640kg of potato seed and 200kg of NPK fertilizer in April 2016. A demonstration site was established by the group during the same month and harvested 1,920 kg in August 2016. The production level was low (30%) due to drought, and pests and diseases. The group used some of the seed to replant half an acre of a demonstration site and the rest was shared among members to plant on individual plots. The beneficiary farmers had adopted and used own resources to procure and apply fertilisers to their potato gardens.

In Kisoro district, Ntarama Kwifatanya Farmers Group were trained and received 480kgs of potato seed and 250kg of fertilizer in April 2016. The harvest in August 2016 of 12 bags was lower (25% output) due to drought effects. The group replanted 3 bags as a demonstration site and the rest of the produce was still in storage awaiting replanting by members. The main challenges were the limited quantity of good quality seeds and lack of storage facilities. The group hired a store in the town and some of the seed had got rotten by 12th/01/2017 due to poor storage on the floor.


Left: Improved potato seed demonstration garden in Kariko village, Kitumba sub-county, Kabale district; Right: Seed stored on the floor in Ntarama village, Muramba sub-county, Kisoro district

Gender

Generally, more women than men were involved in project implementation. Ntarama Kwifatanya Farmers Group in Kisoro district was composed of 22 females and eight males; Katojo Environment Conservation Group in Kanungu district was composed of 27 women and 15 men. The reasons for this disparity were that: Irish potato was mainly grown by women for food security rather than for cash; men preferred to engage in tea, coffee and banana growing that fetched high returns than irish potato. In addition, many males were involved in trading and offering manual labour in and outside their areas of origin and provided farming capital to the women to grow the irish potatoes. Both men and women were involved in deciding how the proceeds from sales of the irish potatoes would be used.

Implementation challenges

i) Most planned activities were not implemented due to limited disbursement of released funds to the project by MAAIF and focus on activities of FY 2015/16.

ii) Inadequate follow up by MAAIF staff and the districts due to lack of technical guidance by the ministry and non-formality of the project implementation structures in the LGs: "A*s LGs, we are not reporting about the project as there is no one asking us to report. The MAAIF officials who introduced the project in FY 2015/16 have never come back to provide guidance,"* said an officer in Mityana district.

iii) Low scale of project implementation and outreach as MAAIF provided inputs and technical backstopping mostly in FY 2015/16.

Recommendations

i) The MAAIF and MTTI should support the farmer groups and cooperatives to construct community storage facilities.

ii) The MAAIF should formalise the project implementation structures at LG level and collaborate with the district staff to improve supervision and follow up of the project.
iii) The MAAIF should scale up project implementation by providing more inputs and technical backstopiing to set up more demonstration sites.

v. **Uganda China South to South Project**

Introduction

This is a China-FAO-GoU project that aims at increasing agricultural production and productivity and livelihoods of Ugandans through technology, knowledge and skills transfer from China to Uganda. The first phase that involved deployment of 31 Chinese experts and technicians (Cooperates) to MAAIF institutions was successfully implemented from 2011 and 2014.

The second phase under implementation from 1st July, 2015 to 30th June, 2018 focuses on technology development and transfer in six 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 district – aquaculture v) Luwero, Nakaseke districts – irrigated rice and agro-machinery and vi) MAAIF Headquarters – Cross cutting issues – agri-business, value addition, agro-machinery and water harvesting[14].

The project implementation delayed by six months due to the late dispatch of 16 Chinese Cooperates to Uganda in January 2016. The secured funding for the project covers the two-year period December 2015 to December 2017 amounting to US$ 1.68 million as a Chinese grant and Ug shs 3 billion as GoU counterpart funding.

The approved budget for the Uganda China South to South Project during FY 2016/17 is Ug shs 300 million of which, Ug shs 105 million (35%) was released and Ug shs 104.480 million (99.50%) spent by 31st December, 2016. The China Government had frontloaded an estimated budget of US$ 1.688 million for FY 2016/17, of which US$ 1.392 million (82.46%) was released and fully spent[15].

Performance

The physical performance of the Uganda China South to South Project during FY 2016/17 semi-annual was fair (51.86%) as shown in Table 5.7. Six functional Chinese Agricultural Technology Hubs were at various stages of establishment. The performance was lower due to inadequate counterpart funding and delayed release of donor funds.

[14]FAO, 2014.
[15]FAO financial data January 2017.

Table 5.7: Performance of the Uganda China South to South Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs 000')	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Farmers trained nationwide in Chinese technologies	2,000	3,011,040	1,200	29.19	Farmers were trained by Cooperates as follows: rice/millet cultivation (640); horticulture (400), livestock production (100); aquaculture (60)
At least 20 demonstrations established for each commodity (horticulture, cereals, aquaculture, livestock and agro-machinery)	100	1,701,468	33	14.63	Horticulture - demonstrations on apple, pear, tomato, cucumber, pepper, climber beans and mushrooms were established in Kabale; Three livestock demonstrations in Mbarara; Agro machinery set up and water channel and rice fields established in Luwero; A walking tractor and straw chopper were procured for rice and mushroom demonstrations in Budaka and Kabale districts, respectively.
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	13	3.08	13 capacity development policy and technical staff from MAAIF and LGs were trained in China; 10 other Ugandan trainees were identified to be trained as trainers.
Chinese Cooperates housed and MAAIF operational expenses met on a quarterly basis (quarters)	4	300,000	1.5	4.97	Due to inadequate counterpart funding, the MAAIF faced challenges of housing the Cooperates fully in Q2.
Total		**6,039,308**		**51.86%**	

Exchange rate used for the donor funds: US$ 1 = Ug shs 3400. Source: Field findings

Examples of ongoing work in the Hubs

In Mbarara hub, three demonstration sites (two in Biharwe Division, Mbarara Municipality and one in Masha sub-county in Isingiro district) of Napier pastures and legumes were established; and a feed mixer and forage cutter were set up at Mbarara ZARDI. In Kabale Hub, the mushroom, vegetable, pear and apple research was undergoing at Bugongi Station of Kachwekano ZARDI in Kabale Municipality. There was evidence of farmers in the neighbourhood of the Station that had adopted the Chinese technologies of quick maturing mushroom growing and bagging apple fruits.

The China-Uganda Agricultural Industrial Park in Nganju village, Kakabala Parish in Luwero district was in early stages of establishment. The established structures included 6,400 metres of main road, 4,230 metres of farm roads, 9,100 m main water channel around the farm, 9,420m of field water channels, 30,000 cubic metre water reservoir and 1,000 acres cleared for various crops. The machinery that was procured on farm included six tractors, two combine harvesters, two forklifts and several vehicles. The farm employed 20 local operators for purposes of training in agro-machinery.

Project feed mixer at Mbarara ZARDI in Mbarara Municipality (left); Bagged apple fruit Chinese technologies tested at Bugongi Station in Kabale Municipality (Right)

Newly excavated water reservoir (left) and agro-machinery used to train local operators (right) at the China-Uganda Agricultural Industrial Park in Nganju village, Butuntumula sub-county, Luwero district

Implementation challenges

i) Slow implementation of project and problems in housing the Chinese Cooperates due to inadequate counterpart funding, delayed disbursement of donor funds and limited staffing at MAAIF and the districts.

Recommendations

i) The MFPED and MAAIF should allocate sufficient counterpart funding for the project.

ii) The MAAIF should provide for additional staff in the respective Hubs.

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) Vegetable Oil Development Fund and (iii) the Institutional Support component. 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 through the Kalangala Oil Palm Growers Trust (KOPGT) that provides fertilisers, equipment, credit for farm maintenance, extension and transport services to smallholder farmers. The private sector player Oil Palm Uganda Limited (OPUL) is majorly involved in establishing the nucleus plantation, processing the fresh fruit bunches (FFB) and marketing the products.

The Oil Seeds component focusing on increased production and market access for rural farmers of simsim, sunflower, groundnuts and soya bean is mainly implemented in Eastern and Northern Uganda in four hubs namely: Lira (16 districts), Eastern Uganda (20 districts), Gulu (8 districts) and West Nile (7 districts). Pay for Service Providers (PSPs) provide extension services, establish farmer platforms and undertake capacity building of farmers on a contract basis.

In FY 2016/17, the approved budget for VODP2 is 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. During the internal budgeting processes with IFAD, the donor funding for the year was adjusted upwards to Ug shs 43.915 billion[16]. By 31st December, 2016, Ug shs 8.460 billion (86%) of GoU counterpart funding was released and fully spent.

Performance

The physical performance of the VODP2 was fair (64.56%) during semi-annual FY 2016/17. The relatively lower performance was attributable to the delayed approval and disbursement of funds by MAAIF to implementing entities, late procurement and distribution of inputs and poor functionality of the road equipment in Kalangala district.

[16]MAAIF, 2016.

Table 5.7: Performance of the Vegetable Oil Development Project Phase 2 by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Land cleared for oil palm growing on Bunyama and Bugala Island (hectares)	440	381,000	380	1.83	
Maintenance loans disbursed to 1,290 smallholder farmers on 3,300 hectares in Kalangala	1,290	2,900,000	859	15.34	There was a high turnover of farm workers that affected performance.
Extension services offered to smallholder oil palm farmers in Kalangala	1,770	541,000	800	1.25	Underperformance due to inadequate KOPGT staff
Quality oil palm seedlings raised for Bubembe in Kalangala	100,000	1,025,000	18781	3.18	More than 70% of the seedlings were destroyed by the Blast disease that affected the OPUL nursery; Payments were not effected due to delayed invoicing by OPUL.
Assorted fertilizers provided to farmers on credit (tonnes)	1,500	2,686,200	926	14.21	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	400,000	0	0.00	The land in Bunyama was acquired and the designs and structural plans were still being prepared.
Land purchased and surveyed and boundaries opened in Bvuma district	1,500	9,392,033	781.2	20.51	
Oil palm road boundaries opened and roads constructed in Bunyama and maintained in Bugala Islands	190	800,000	62	4.23	22kms rehabilitated in Bugala; 15kms of farm roads opened up in Kalangala; 23kms in Bubembe mapped and demarcated. Performance was lower due to non-functionality of the road equipment

Kalangala district leaders supported to undertake production campaigns	8	11,060	4	0.06	
Farmers supported to farm as a business	5,735	89,783	5525	0.47	
Farmer Learning Platforms established	869	146,161	621	0.77	The seeds that were delivered to the service providers were not sufficient for planting the planned number of demonstration gardens
Farmers trained in conservation agriculture	5,500	57,409	2253	0.20	Inadequate releases affected performance
Farmers trained in farm mechanisation, post harvest handling, market linkages	5,950	317,830	5720	1.68	
Village Savings and Loan Associations mobilised	550	84,672	333	0.45	Delayed disbursement of funds to the Service providers
Higher level farmer organisation capacity built	37	47,982	30	0.25	
Demonstrations established and farmers trained	224	23,898	78	0.13	
Total		**18,904,028**		**64.56%**	

Source: Field findings

For the oil palm component, farmers highly appreciated the VODP2 project interventions as there was a steady improvement in the average price of fresh fruit bunches (FFB) from Ug shs 358 per kg in FY 2010/11 to Ug shs 536 per kg in FY 2016/17. As a result, the FFB sales had increased from 1,800 tons to 13,003 tonnes (half year figure) over the same period; the OPUL commissioned a second oil processing mill during June - July 2016. The increased accessibility to fertilizers by outgrowers had increased crop production and productivity.

Fertilizers ready for distribution at KOPGT offices (left); Second palm oil processing mill built by OPUL in Bukuzindu village, Betta parish, Kalangala district

The performance of the oilseeds component was lower due to several implementation challenges. In the Eastern Uganda hub, the Service Provider EPSEDEC/CARD offering extension services to 28 sub-counties in Bugiri, Bukedea, Busia, Kumi and Pallisa districts had not received funds for FY 2016/17 by 31st December, 2016. The Company was indebted as it had not paid salaries and allowances to workers and operational expenses from July to December 2016. Most planned activities by PSP Sasakawa Global 2000 Ltd operating in Iganga, Kamuli and Jinja districts were not implemented by 4th/01/2017.

VODP2 Soyabean garden on Ms Nabirye's farm in Kiwungu village, Butansi sub-county, Kamuli district (left), and Storage problem for harvested soyabean on Mr. Bwoneke's farm in Kati Kati B village, Paboo sub-county, Amuru district (right)

Similarly, the planned activities for semi-annual FY2016/17 in Gulu hub were partially implemented by the PSP International Institute of Rural Reconstruction (IIRR) due to delays in funds releases, unfavourable weather conditions and late procurement and delivery of inputs. There were instances of high post harvest losses of oil seed crops on some farms due to lack of storage facilities. Crop production and productivity was low in Gulu hub as illustrated by three case studies (Box 5.1).

Box 5.1: VODP2 performance in Gulu Hub by 31st December 2016

Ms. Ayoo Catherine in Kati Kati Village, Pabo sub-county, Amuru district received 2kgs of sunflower seed from VODP2 project and planted 1.5 acres in October 2016. By 17th/01/2017, the farmer had 0.5 acres of crop as 1 acre had been destroyed by drought. The main challenge was late planting due to delayed delivery of seed by the project.

Mr. Bwoneka David of Kati Kati Village received 3kgs of sunflower and planted 3 acres of crop, however, the drought and stray animals destroyed 2 acres; 420kg of sunflower was harvested and was still in storage awaiting marketing. The late delivery of seeds to the farmer was the main reason for crop failure.

Source: Field findings

The planned activities in Lira Hub were partially implemented by one of the PSPs Agency for Sustainable Rural Transformation (AFSRT) that was operating in Lira, Apac, Oyam, Kiryandongo, Masindi and Kaberamaido districts. The delayed approval and release of funds by MAAIF to the service provider was the main challenge to programme implementation.

Implementation challenges

i) Slow implementation of the oil seeds component due to: a) delayed disbursement of funds, procurement and delivery of inputs to the service providers by MAAIF b) slow programme adoption and release of funds by district local governments.
ii) Less extension services offered to farmers in Kalangala due to inadequate KOPGT field staff and administrators.
iii) High incidence of land grabbing and complaints of land undervaluation in Buvuma district due to delayed and partial compensation of landlords and tenants. There were cases of landlords and tenants whose land had been valued in 2014 and had not been paid by 31st December, 2016.

Recommendations

i) The MAAIF and districts should ensure timely approval and disbursement of funds and procurement of inputs for the hubs.
ii) The MAAIF should fast track recruitment of additional field and administrative staff for KOPGT.
iii) The MAAIF should ensure speedy and full compensation of landlords and tenants for the land procured for the VODP2.

5.2.3 Overall performance of MAAIF

The overall semi-annual performance of MAAIF during FY 2016/17, on the basis of six sampled programmes/projects, was fair (60.13%) – Table 5.8.

Table 5.8: Physical Performance of MAAIF by 31st December, 2016

Project	% weighted performance
Agriculture Cluster Development Project	25.55
Improving Access and Use of Agricultural Equipment	90.50
National Farmer Leadership Centre	80.33
The Potato Commercialisation Project	47.98
Uganda China South-South Project	51.86
Vegetable Oil Development Project	64.56
Average	**60.13**

Source: Field findings

5.2.4 Challenges of MAAIF

i) Poor implementation of planned activities due to:
   a. Delayed approval and disbursement of funds to spending entities by the ministry resulting in late procurements.
   b. Inadequate counterpart funding and donor funds.
   c. Insufficient supervision and extension services of the programmes at LG due to understaffing in the Production Departments.

5.2.5 Recommendations

i) The MAAIF Accounting Officer should ensure timely approval and disbursement of funds to spending entities.
ii) 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, ensure continuous production and supply of genetic and breeding materials, manage centre farms and nucleus breeding farms; produce and sale liquid Nitrogen; offer specialized training of technicians and other stakeholders and collect and store information on animal breeding and production.

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; LES Farm in Wakiso district; Aswa Ranch in Pader district and the Head Office/Bull stud in Entebbe.

In FY 2016/17, the approved budget of NAGRC&DB was Ug shs 13.150 billion, of which Ug shs 10.184 billion (77.44%) was released and Ug shs 3.326 billion (32.66%) spent by 31st December, 2016. Five ranches/stocking farms were monitored (Aswa, Kasolwe, Lusenke, Nshaara and Sanga) and findings are presented below.

5.3.2 Performance

The physical performance of the NAGRC&DB during half year FY 2016/17 was poor (27.61%) consumerate with the low absorption of resources (Table 5.9). The breeding programmes performed modestly as the herds were properly vaccinated and maintained, however, most planned activities were not executed due to delayed procurements and low disbursement of released funds to spending entities by NAGRC&DB headquarters.

Table 5.9: Performance of the NAGRC&DB by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted score (%)	Remark
Tractor purchased for pasture development	1	150,000,000	0	0	
Pit latrines constructed	4	3,200,000	0	0	No funds were disbursed

Fenced paddocks constructed	10004	58,800,000	2300	2.892	Procurements were still ongoing for poles, rolls of barbed wire
Ceilings of office block buildings renovated	2	3,500,000	0	0	
Machines and motorcycles maintained and fuelled	6	5,245,200	4	0.7480	
Staff houses rehabilitated	2	5,000,000	1	0.535	
Grazing area cleared (acres)	2200	6,510,000	80	0.0005	
Livestock water systems maintained and fuelled	8	16,268,800	2	0.870	
Breedable animals serviced	160	3,695,400	109	0.539	
Animals treated with vaccines and antibiotics	2685	133,293,000	1971.8	20.939	Challenge of dilapidated cattle dips and lack of spray races that reduce the effectiveness of drugs
Animal mineral supplements provided (kg)	6,000	3,600,000	3,000	0.593	
Bulls procured	20	20,000,000	0	0	
Goat houses repaired	2	3,000,000	1	0.494	
Spray race and treatment crush constructed	2	195,000,000	0	0	Procurements ongoing
Total		**607,112,400**		**27.61%**	

Source: Field findings

The implementation progress at the sampled stations is summarized below

Aswa Ranch: Located in Burlobo Village, Burlobo Parish, Angagura Sub-county in Pader district, the ranch lacked costed work plans and a data capture system. By 19th/01/2017, all the animals on station had been vaccinated, however, other activities were partially implemented as procurements were ongoing. The main challenge was lack of water as animals had to walk 14 kms to and fro to access water at a river in the area. This negatively affected the breeding programme. Staff performance was low due to inadequate housing, offices and basic amenities.

Kasolwe Farm: The farm in Balawoli Sub-county, Kamuli District had a slow net growth (38) in stocks from 829 cattle on 1st/07/2016 to 867 cattle by 31st /12/2016; the goat stock increased from 522 to 550 over the same period, a net growth of 28 animals. Not breeding bulls negatively affected the breeding programme. Whereas it is recommended that one bull should serve 30 cows, the farm had only six bulls that were servicing 400 breedable cows (a ratio of one bull per 66 cows). This lowered the animal multiplication rate to 50%. The breeding programme was performing poorly due to lack of key infrastructure and equipment.

Lusenke Stock Farm: Located in Lusenke Village, Namusaale Parish, Busaana Sub-county in Kayunga district, the farm had a slow net growth in cattle stocks (20) from 456 on 1st/07/2016 to 476 on 31st/12/2016. Its performance was negatively affected by lack of key breeding structures, low staff morale due to lack of proper housing and pay, high incidence of tick borne diseases and lack of imprest to attend to emergencies on the farm.

Nshaara Ranch: Located in Nyakashita Parish, Nyakashashara and Ssanga subcounties in Kiruhura district, the ranch recorded a high net growth (242) in cattle stock from 2,377 on 1st/07/2016 to 2,619 on 31st/12/2016; there was a net reduction (12) in goat stock from 306 to 294 over the same period. High deaths were recorded on the farm (64 cattle and 46 goats) due to inadequate pastures and old age 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 3 out of the 12 (25%) planned outputs for half year were achieved.

Sanga Field Station: Located in Sanga Town Council, Sanga Parish, Kiruhura district, the station recorded a modest net growth (29) in cattle stock from 274 on 1st/07/2016 to 303 by 31st/12/2016; and good net growth (69) in goat stock from 438 to 507 over the same period. The station experienced high mortality of goats (22) due to inadequate housing resulting in high incidence of diseases. The animal multiplication rate was noted to be sub-optimal (60%) due to inadequate breeding infrastructure and pastures arising from land grabbing (1.5 square miles of the 2.5 square miles was encroached on by a soldier and the matter was reported to the Uganda Land Commission but not addressed).

Healthy cattle herd at Kasolwe Stock Farm in Balawoli sub-county, Kamuli district (left) and renovated goats' houses at Sanga Field Station in Sanga Town Council, Kiruhura district

5.3.3 Challenges

i) Slow implementation of planned activities due to delayed initiation of procurements and low disbursement of funds from NAGRC&DB headquarters to implementing entities.
ii) Low breeding performance on the stock farms due to lack of good quality breeding bulls and bucks and key infrastructure and machinery.
iii) None/low disbursement of imprest by NAGRC&DB to the stock farms to address emergencies leading to use of NTR at source. Kasolwe Stock Farm generated Ug shs 1,242,222 by 31st/12/2016 that was used at source for emergency treatments and repairing fences.

Emaciated calves due to water and pasture shortage on Aswa Ranch in Burlobo village, Pader district

Dilapidated office and laboratory block under use at Nshaara Ranch in Nyakashita Parish, Kiruhura district. Staff were demotivated working from these structures

5.3.4 Recommendations

i) The MAAIF and MFPED should ensure that NAGRC&DB the Accounting Officer speeds up procurements and disbursement of funds and inputs to the implementing agencies.
ii) The NAGRC&DB should fast track procurement of breeding stock and key infrastructure (perimeter fencing, spray races, farm roads, and tractors) for the stock farms.
iii) The NAGRC&DB should provide adequate imprest to the stock farms and ensure that all NTR is banked on the Uganda Revenue Authority account.

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 FY 2014/15 to deliver the new mandate of the Operation Wealth Creation (OWC) intervention. The OWC focuses on procurement and distribution of agricultural inputs to farmers that support the interventions across the value chain from production and value addition to agri-business development and streamlining the output marketing structures.

A total of 19 districts were monitored to assess the programme annual performance. The findings are presented below.

5.3.2 Performance

The overall performance of the NAADS/OWC programme was very good (96%) in terms of procurement and distribution of the planned inputs. All the annual quantities of crop enterprises were frontloaded and disbursed fully by half year by 31st December, 2016 (Table 5.10). The distribution of the livestock, poultry and fisheries enterprises that was planned to be undertaken during Q3-Q4 had commenced.

Table 5.10: Performance of NAADS/OWC by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)
Maize seeds	360,635	1,622,857,500	355,036	5.37
Bean seeds	153,430	590,705,500	171,175	1.96
Citrus seedlings	1,420,000	4,580,000,000	1,386,300	14.24
Mango seedlings	1,075,000	3,339,500,000	801,450	9.71
Tea plantlets	21,600,000	9,945,000,000	39,294,568	32.70
Apple seedlings	100,500	1,005,000,000	20,000	3.33
Cocoa seedlings	1,550,000	465,000,000	1,469,360	1.54
Cassava	4,279	213,950,000	2,724	0.71
Irish Potatoes	980	78,400,000	1,112	0.26
Banana Suckers	142,300	327,675,000	84,700	1.07
Passion fruits		439,966,500	18,150,479	1.46
Pineapple		986,000,000	4,000,000	3.25
Dairy Heifers		1,085,600,000	221	3.35
Coffee	17,152,867	5,145,860,100	-	17.04
Pigs	8	142,520,000	20,869	0.00
Poultry birds	60,480	64,260,000	2,210	0.00
Chick duck mash	50,400	94,348,800	15,000	0.00
Growers mash	10,000	0	0	0.00
Rice	20,869	34,000,000	0	0.00
Simsim	20,000	41,739,000	0	0.00
Total		**30,202,384,800**		**96%**

Source: Field Findings

Whereas the programme distributed all the inputs as planned, there was poor outcome in terms of crop establishment and production which is outside the mandate of the NAADS Secretariat. Follow up is expected by the LGs which complained of lack of operational funds and staffing to supervise programme implementation. Using a small sample 35 randomly selected farmers in the four regions of Uganda, the survival rates were: Coffee (27.04%); mangoes (60.84%); passion fruits (100%); oranges (37.50%) and bananas (46.40%).

OWC passion fruit garden on Mr. Setaala's farm in Bboza village, Mpigi Town Council

5,000 OWC tea seedlings abandoned by Mr Kalamagi in Miseebe village, Bulera sub-county in Mityana district

Instances of input wastage by farmers after receipt were reported in several districts including: Mbale where farmers left the crops under bush or sold off the seedlings. In Mubende district farmers abandoned some crop enterprises that were delivered late during the drought season. Some suppliers left the inputs at the district headquarters where farmers could not easily access them, this was due to poor farmer and enterprise selection, lack of extension services, inadequate preparation of farmers and low supervision of programme implementation by the LGs. In Mityana district, some tea seedlings were not planted due to inadequate land and labour at farm level.

5.4.3 Challenges

i) By 13th/01/2017, there were arrears of unpaid for tea seedlings in Kanungu district that were distributed by private nursery operators to farmers in 2013 worth Ug shs 1.386 billion for 3.08 million seedlings. Arrears in Kisoro district for March 2016 amounted to Ug shs 3.735 billion for 8.3 million seedlings that were distributed in March 2016.
ii) Low survival of crop enterprises and wastage of inputs due to: late delivery of inputs, drought and poor supervision and follow up of the programme at the LG level.

5.4.4 Recommendations

i) The MAAIF and agencies should ensure that funds are allocated and all arrears are cleared.
ii) The MAAIF and District Local Governments should fast track recruitment and equipping extension workers in all lower local governments.
iii) The NAADS Secretariat should ensure timely procurement and delivery of inputs by suppliers to the subcounty and parish level. There is need to strengthen and finance the supervisory role of LGs in the NAADS/OWC programme.

5.5 Production and Marketing Grant

5.5.1 Background

The Production and Marketing Grant (PMG) supports implementation of MAAIF related functions in all Local Governments (LGs). From FY2010/11, the PMG aims to: i) Strengthen disease, pest and vector control and quality assurance services; and ii) Strengthen the agricultural statistics and information system in local governments. Starting FY 2015/16, 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 sub-county to be provided with Ug shs 860,000 per quarter for operational expenses.

5.5.2 Performance

The physical performance of the PMG was fair (52.56%) but not consumerate with the 100% release of funds by 31st December, 2016 (Table 5.11). Poor performance was because procurement of most development activities had not been concluded.

Table 5.11: Performance of the PMG by 31st December, 2016

Out put	Annual Planned Quantity/ Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted score (%)	Remark
Demonstration fish ponds established	8	19,747,972	17	2.42	
Fish fingerlings procured and stocked in ponds	152,374	40,580,000	34620	4.66	Unfavourable weather affected performance
Pineapple suckers procured for demonstration	15,384	14,000,000	10768.8	2.28	
Tsetse traps procured and installed	748	16,449,323	0	0.00	Under procurement
Top up payment for power tiller of FY 2015/16	1	6,000,000	0	0.00	
Laptops procured	1	2,500,000	1	0.58	
Dairy heifers procured	7	14,000,000	3.6	1.67	
Pasture seeds procured (Kgs)	18	2,881,311	10.8	0.40	
Review meetings held	16	22,208,000	9	4.06	
Quarterly visits/reports submitted to MAAIF	24	11,455,000	10	1.76	
Technical backstopping and supervisory visits to LLGs	360	77,823,733	127	11.63	

Vehicles serviced and fuels on quarterly basis (times)	22	24,960,000	5	2.59	Funds were insufficient for servicing the vehicles
Trade information disseminated to business community members (participants)	1000	2,300,000	500	0.53	
Surveillance and advisory services provided to farmers/entrepreneurs on quarterly basis	20	16,560,000	7	2.69	
Existing Tsetse traps deployed/maintained	948	9,432,000	533	1.81	
Mobile plant clinics operated	81	21,752,000	16	2.00	Delayed disbursement of Q2 funds and manpower inadequacies
Crop demonstration sites set up	3	10,525,000	0	0.00	Procurements were started but there were no applicants in some districts (Luwero)
Staff trainings	4	7,096,827	1	0.82	
Farmers trained on good agronomic practices	727	11,466,405	175	1.04	
Livestock vaccinated and acaricides (number)	834,700	17,074,700	405367	3.86	
Quality assured of livestock, crops and fish products/markets (No of cases inspected)	40210	6,089,108	12722	0.79	
Slaughter slab, livestock holding grounds and water troughs established	6	41,714,030	1.1	3.56	Procurements commenced; in some cases failed to attract bidders (Kyegegwa)
Commercial services meetings, inspections and trainings	173	11,950,000	73	2.34	Inadequate staff to implement programmes
Businesses registered and linked to UNBS	8	1,554,900	4	0.36	
Cooperative groups	22	3,027,000	17	0.70	

supervised					
Demonstration and plant clinic and soil test kits and vaccination vials (items)	468	17,000,000	0	0.00	
Exhibitions held	1	3,000,000	0	0.00	
Beehives procured	0	7,000,000	0	0.00	
Rehabilitation/construction of district offices	2	11,281,030	2	2.62	
Total		**430,147,309**		**52.56%**	

Source: Field Findings

PMG Lacekocot market in Kal Central A Village, Atanga sub-county, Pader district

Ongoing construction of the Production Department Office Block at Kunywa Village, Mityana Municipality using PMG funds

Across all the sampled districts, there was partial implementation of PMG planned activities by 31st December, 2016. The districts had implemented mostly the recurrent activities as procurement of development projects was still ongoing. The few districts that implemented development projects such as Mityana and Pader had started them in FY 2015/16.

The most critical constraint to implementation of the PMG was the delayed approval and disbursement of funds by Accounting Officers and slow procurement processes in the Procurement and Disposal Units (PDUs). In Mpigi district, requisitions took about two to three months before being approved for implementation leading to late initiation of procurements. The absence of signatories, delayed communication of cash limits by the Finance Department and intermittent disconnection of the Integrated Financial Management System (IFMS) due to power failure were key constraints. In Mbale district, the funds approval and procurement processes were protracted over three months due to changes in Indicative Planning Figures (IPFs), delays by Production Department to concretize the procurement plans and inefficiency in the PDU in selecting service providers and undertaking bid evaluations.

Similarly in Mbarara district, the PDU took two to four months to conclude the procurement process after submission of the Local Purchasing Order (LPO) by the implementing departments. The absence of officers and understaffing in the PDU was provided as a key explanatory factor. In Kanungu district, there was delayed release of Q1 funds as the IFMS system had just been introduced in FY 2016/17 which affected the pace of programme implementation. In Gulu district, some requisitions made in September 2016 had not been approved by 17th/01/2017. Hence, 90% of the PMG activities for Q1 and Q2 had not been implemented.

The low releases per quarter was another factor explaining low absorption of funds in some districts. Most districts kept accumulating funds for development projects to be implemented in the third and fourth quarters. Inadequate and poorly facilitated extension staff in the lower local governments constrained supervision of the PMG programme.

5.5.3 Challenges

i) Non-implementation of planned activities due to delayed approval and signing off of requisitions by the District Finance Departments and Accounting Officers and communication of the cash limits.
ii) Delayed initiation of procurements for capital developments due to inefficiencies in the Procurement and Disposal Units in the districts.
iii) Inadequate supervision of programmes due to inadequate staff, especially at LLG level

5.5.4 Recommendations

i) The MFPED should enforce compliance of the LG Accounting Officers to public financial management (PFM) regulations.
ii) The PPDA and districts should review and improve the performance levels and capacities of PDUs in the local governments.
iii) The Accounting Officers should communicate the cash limits to the Production Department immediately receiving this information from MFPED.

5.6 Uganda Coffee Development Authority

5.6.1 Introduction

Coffee is among Uganda's strategic commodities as a major foreign earner and source of livelihood for about 1.5 million households. Coffee production, productivity and export levels remain low due to the aging of trees, high prevalence of Coffee Wilt Disease (CWD), poor agronomic practices at farm level and volatility of commodity prices[17]. To address these challenges, the GoU 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.

The Government plans to accelerate national coffee production from 4.2 million bags presently to 20 million bags by 2020, each bag of 60kgs. In line with the Coffee Strategy 2020, the Government focus is on increasing production and productivity thorough coffee

[17]MAAIF, 2014.

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.

For FY2016/17, UCDA planned to generate, distribute and plant 300 million seedlings as follows: 97 million seedlings by 31st December, 2016 and 203 million seedlings by 30th June 2017. The approved budget for the year is Ug shs 87.411 billion to be contributed as Non-wage (Ug shs 67.912 billion) and Non-Tax Revenue (19.499 billion). By 31st December, 2016, a total of Ug shs 55.767 billion (64%) was released, of which Ug shs 42.714 billion (77%) was spent.

The UCDA interventions are implemented through five regional offices namely: Central, Western, South-Western, Eastern and Northern. Monitoring was conducted at UCDA Headquarters and three regions namely Western, Eastern and Northern and the findings are presented below.

5.6.2 Performance

The physical performance of UCDA was good (86.64%). Seedlings were procured and distributed in time except in the Northern region. Refer to Table 5.12.

Table 5.12: Performance of the UCDA by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted score (%)	Remark
Robusta seedlings raised	164,000,000	172,000,000	2,870,000	0.77	Only 1% of the planned procurements in Eastern Uganda were done
Arabica seedlings raised (number)	8,000,000	224,000,000	9,288,000	4.61	
Seed gardens supported (quarters)	3	9,000,000	2	0.09	In the Northern region, the gardens in Zombo districts and Ngetta ZARDI were not supported in Q2 due to errors in funds requisition documents
Coffee planted in all coffee growing regions (seedlings)	20,577,875	5,285,714,100	10,983,459	70.31	In Northern region less seedlings were distributed due to weather challenges
Capacity built of processors and buyers (No. of workshops)	5	4,400,000	2	0.05	

Coffee regulations enforced (No. of task forces)	2	15,697,000	2	0.24	
Farmers trained on good agricultural practices (Training sessions)	192	24,000,000	56	0.23	
Coffee platforms functional on a quarterly basis (quarters)	4	10,000,000	1	0.08	In Northern, 5 platforms were facilitated only during Q1; the activity was not implemented in Q2
Inter-regional Farmers study Tours conducted	4	20,000,000	2	0.31	
Coffee Seedlings raised in Northern Uganda	4,000,000	20,000,000	3,600,000	0.31	Annual targets were almost realised as it was the main season in Northern Uganda; in addition 6,000 banana suckers were distributed as planned and 9MT of polypots were under procurement.
Coffee seedlings planted in Northern Uganda	2,000,000	600,000,000	1,112,680	9.32	
Coffee knowledge of stakeholders and staff improved in 4 workshops, 24 FFS and 2 tours (events)	30	17,892,000	15	0.25	
Farmer Level organisations formed and workshops held	16	10,060,000	6	0.06	Two workshops were suspended in Northern Uganda to concentrate on seed distribution.
Trays and tarpaulins procured (No. of items)	450	24,000,000	0	0.00	Funds in Northern Uganda were re-allocated to establishment of a hulling factory in Lira district as the available budget was inadequate.
Total		**6,436,763,100**		**86.64%**	

Source: Field Findings

The UCDA performed very well in raising and distribution of coffee seedlings, enforcement of regulations and improving knowledge of key stakeholders and staff in coffee management in all the monitored regions.

The most prevalent challenge in all districts was the low survival of coffee seedlings due to drought. *"Most seedlings in the Western region dried due to climate change. The survival rate of seedlings distributed during September to October 2016 is about 30%,"* Focus Group Discussion with the five UCDA Regional Coffee Extension Officers in Western Region. In the Northern region, the mortality of seedlings from July to December 2016 was estimated at 60%. The late delivery of seeds in the Northern region was a key explanatory factor for the high seedling mortality rate.

The challenge of arrears for procured seedlings was noted in several districts. This was attributed to slow response of district and sub-county staff to verify the seedlings that were distributed and too many signatories as proof of distribution of seedlings.

5.6.3 Challenges

i) Poor performance of private nurseries due to delayed payment by UCDA for supplied seedlings. By 28th December, 2016, UCDA had seedlings arrears amounting to Ug shs 32,325,347,632.
ii) Low survival of seedlings due to drought.
iii) Slow implementation of programme in Northern Uganda due to delayed delivery of seeds and potting materials.

5.6.4 Recommendations

i) The UCDA should prioritise and clear all the pending seeding arrears in the sector.
ii) The MAAIF and UCDA should promote appropriate irrigation technologies and water conservation practices at farm level.
iii) The UCDA should improve timing of procurements and delivery of inputs to the Northern region.

5.7 Overall Agricultural Sector Performance

The overall agriculture sector performance during half year FY 2016/17 was fair (62.36%) – Table 5.13. Under-performance was due to delayed approval and disbursement of funds by MAAIF and agencies to spending agencies 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; low disbursement of donor funds and arrears in the sector.

Table 5.13: Physical performance of the Agriculture Sector by 31st December 2016

Vote	% physical performance
1. Agriculture Cluster Development Project	25.60
2. Improving Access and Use of Agricultural Equipment	90.51
3. National Agricultural Advisory Services/Operation Wealth Creation	96.00
4. National Agricultural Genetic Resource Centre and Data Bank	27.61
5. National Farmer Leadership Centre	80.33
6. Production and Marketing Grant	52.56
7. The Potato Commercialisation Project	47.98
8. Uganda China South to South Project	51.86
9. Uganda Coffee Development Authority	86.64
10. Vegetable Oil Development Project Phase 2	64.56
Average sector score	**62.36**

CHAPTER 6: EDUCATION

6.1 Introduction

In the National Development Plan (NDP) II, the overall education 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 in the medium term 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 (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 progress on implementation of selected projects/programmes in 13 out of 15 central votes and grants in 33 LGs. 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

Vote/Vote Function	Programme/Project	Institution/District
0702: Secondary Education	0897: Development of Secondary Education	MoES, Mbarara, Kyenjojo, Laropi, Patongo, Awara
0704: Higher Education	07:Higher Education	MoES
	1241:Development of Uganda Petroleum Institute Kigumba	MoES, Kigumba
	1273:Support to Higher Education, Science & Technology	MoES, Makerere University, Makerere University Business School, Kyambogo University, Gulu University, Muni University, Lira, Busitema University, Mbarara University of Science and Technology
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 PTCs Phase II	MoES, Kisoro, Rukungiri, Rakai, Masaka, Gulu, Moyo, Mityana, and 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

Vote/Vote Function	Programme/Project	Institution/District
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:UPE capitation	Kabale, Ntungamo, Kiruhura, Mbarara, Ibanda, Kamwenge, Bushenyi, Rubirizi, Kigumba, Masindi, Nakaseke, Luweero, Isingiro, Lwengo, Masaka, Butambala, Hoima, Kyankwanzi, Kiboga, 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		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Mbarara
	0368: Development	
138:Makerere University Business		
0751: Delivery of Tertiary Education and Research	01 Headquarters	Kampala
	0896: Support to MUBS Infrastructural Development	
139: Kyambogo University		
0751: Delivery of Tertiary Education and Research	01: Headquarters	Kampala
	0369:Development of Kyambogo University	
111: Busitema University		
0751: Delivery of Tertiary Education and Research	01: Headquarters	Tororo
	1057: Busitema University Infrastructure Development	
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	Kampala

Vote/Vote Function	Programme/Project	Institution/District
	Commission	
149: Gulu University		
0751:Delivery of Tertiary Education	01: Administration	Gulu
	0906:Gulu University	
301: Lira University		
0751:Delivery of Tertiary Education	01:Headquarters	Lira
	1414: Support to Lira University Infrastructure Development	
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	Kabale
	1418: Support to Kabale Infrastructure Development	
308: Soroti University	01 Headquarters Support to Soroti Infrastructure Development	Soroti

Source: Authors' Compilation

6.1.4 Limitations

1. Disaggregation of financial data especially from external financing was not possible in some projects as it was not readily available with the project implementers.
2. Targets were not clearly stated out in most of the program and project work plans.

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, including external financing is Ug shs 663.909 billion, of which Ug shs 305,486 (46%) was released by Q2, and Ug shs 193.613 (63.4%) spent. Eight of the nine vote functions were monitored to assess the level of implementation and below are the details.

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 sub-sector to ensure quality and standards[18]. 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.

a) 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) to 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; and monitor and supervise the implementation of policies and programmes for the sub-sector to ensure quality and standards.

Table 6.2 summarises the performance of the basic Education Programme during half year FY 2016/17. The approved budget of the programme is Ug shs 23.529 billion, of which Ug shs 11.435 billion (48.9%) was received by Q2 and 86% expended. The overall performance of the programme was very good (90.5% achievement of half year targets). The program performed better on support to primary teacher development, payment of staff salaries, and support to the gender unit. Procurement of instructional materials on the other hand had just been initiated and deliveries had not been made.

Table 6.2: Performance of Basic Education Programme by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
01:Policies, laws, guidelines, plans -Payment of staff salaries and associated allowances; support supervision; capacity building of head teachers; and review of UPE Program	100	1,536,552,012	77.36	6.5	Payment of staff salaries and allowances was on schedule. Support supervision and capacity building could not be done as funds were released towards the end of the quarter.
02:Instructional Materials for Primary Schools -Procurement of	100	16,337,055,999	60	53.62	Contracts for the procurement of instructional materials were signed and advance given but

[18] Ministry of Finance, Planning and Economic Development *Ministerial Policy Statement FY 2016/17* (Kampala, 2016)

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					deliveries had not been made. Achievements had been made on other outputs like "travel inland and Abroad" and payment of office stationary
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	77.8	1.72	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	28.72	Funds were transferred to support teachers SACCO. In addition 32 districts majorly from the North were supported to recruit teachers.
Total		**18,279,090,011**		**90.54**	**Very good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Inspite of the good achievement, performance on the core functions of the programme was low. Provision of instructional materials for primary schools, and a number of trainings for care givers and teachers both in pre-primary and primary had not been done. To achieve value for money, there is therefore need to channel more effort towards achievement of outputs that directly lead to better delivery of education services and those that enhance quality and standards among Pre-primary and primary schools.

b) Project 1296: Uganda Teacher and School Effectiveness

Background

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.The project start date was 1st July, 2014 and its expected end date is 30th June, 2019.

The approved budget for FY 2016/17 is Ug shs 117.559 billion, of which Ug shs 7.891billion is Government of Uganda contribution and Ug shs 109.668 billion is external financing. A total of Ug shs 3.464 billion (43%) of GoU funds was released by Q2 and Ug shs 2.563billion (74%) expended. The external financing received Ug sh 52.26 billion (47.7%) by Q2, of which Ug shs 14.25 billion (27%) was spent.

The overall performance of the project was fair with 58.3% of the Q2 outputs achieved. Performance however, was compromised by low absorption of the donor financing. Good performance was noted under procurement of instructional materials where a total of 761,000 out of 1,625,000 copies of instructional materials were procured and distributed. Other key outputs such as teacher and tutor trainings, classroom construction and rehabilitation had not started. Table 6.3 shows the detailed physical performance of the project.

Table 6.3: Performance of Uganda Teachers and School Effectiveness Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies; comprising of salaries, utilities, support supervision to UPE ans support to gender unit.	100	62,209,738,000	24	13.42	Good performance was majorly noted on payment of staff salaries and utilities and support to gender unit. A number of other key activities that attract more funding such as trainings were not done.
Instructional Materials for Primary Schools: 6,500,000 copies of text books and teachers reference materials procured.	6,500,000	20,042,548,000	3,261,000	18.074	Half of the targeted instructional materials were procured by half year indicating good performance.
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	100	9,580,413,000	75	12.916	Performance was good except the remapping of the catchment area of the 23 core PTCs and CCs which was dropped under the project.
Purchase of Office and ICT Equipment including software -150 units of ICT distributed to PTCs	3	3,767,461,000	2	4.514	ICT based inspection system was developed and in uses; and office equipment was

and CCs -ICT based inspection system developed and in use -Procurement of office equipment					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	20	9.396	Construction had not commenced by Q2. Procurements for 55 out of 70 schools had just been concluded.
Total		**147,867,024,000**		**58.32**	**Fair performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Performance of the project by half year was fair (58.2%), with good performance exhibited by a number of outputs. A total of 1,000 schools were inspected through the ICT based inspection system; critical outputs that attracted most funds such as classroom construction and rehabilitation and training of teachers performed less. Other trainings are planned to take place in Q3, whereas other outputs such as capacity building for ministry staff were halted by the World Bank.

Recommendation

The MoES should expedite implementation of core activity of construction and rehabilitation of the beneficiary primary schools. This will improve the absorption of donor funds and also deliver the much needed classrooms.

c) Emergency Construction of Primary Schools (Project 1339)

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 FY 2016/17, 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, K aiho 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).

The budget was Ug shs 1.86 billion, of which Ug shs 0.48billion (25.7%) was released and Ug shs 0.02billion (4%) spent by half year. This was poor release and funds absorption performance. Table 6.4 shows the details.

Table 6.4: Performance of Emergency Construction of Primary Schools by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Policies, laws, guidelines, plans and strategies -Staff facilitated with welfare items -Office infrastructure maintained -Office stationary purchased -Schools under construction and rehabilitation supported and monitored	4	110,900,000	2	3	Performance was majorly exhibited under monitoring of works that commenced in FY2015/16; printing, stationary, photocopying and binding. Construction and rehabilitation had not commenced for FY 2016/17.
Government buildings and Administrative infrastructure -Construction and rehabilitation of 18 primary schools	18	1,754,000,000	0	0.00	The MoES had not disbursed funds to any school. No construction works commenced.
Total		**1,864,900,000**		**3.0**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

The project performed poorly as at half year no construction of identified schools had started. In addition the project implementers did not have Bills of Quantities to back up the requisitions for the construction and rehabilitation works to commence. Requisitions were therefore queried and rejected by the auditors.

Recommendation

The MoES should expedite disbursement of funds so that the planned target of constructing the 18 primary schools can be achieved in the remaining half of the financial year.

6.3: 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 vote function 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.

6.3.1 Development of Secondary Education (Project 0897)

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 Prost 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 project financial performance was very good as 51% of the annual budget was released by half year. Overall physical performance was good (86.2%) as at half year as shown in Table 6.5.

Table 6.5: Performance of Development of Secondary Education Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance 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)	10	7.27	4.00	43.47	At least four activities were fully accomplished by half year. Rent and utilities paid. Allowance and office imprest paid. MDD activities done in Q1. Training of student leaders was conducted in western region only. Other activities were pushed to Q3.
Output: 070202 Instructional materials for secondary schools (Text books and locable cupboards for 12 UPOLET schools)	12	1.35	0.00	0.00	The funds for procurement of instructional materials were yet to be disbursed to the 12 UPOLET schools.
Output: 070204 Training of secondary teachers (Allowance to monitor lesson study activities, trainings of SESEMAT teachers)	4	0.66	4.00	4.36	All planned activities had been handled.
Output: 070206 Purchase of ICT equipment (300 schools provided with computers by UCC)	300	0.30	0.00	0.00	No ICT equipment had been procured and the invoice to renew the ICT licence had not been paid.
070280: Classroom construction and rehabilitation (Incomplete APL I	7	5.57	4.00	34.72	The APL 1 structures were substantially completed in 3 schools. **Patong S.S** (A science block was

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)					completed, a 2 classroom block completed, a 2 classroom block completed, 2 blocks of VIP latrines each with five stances), **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** (a 2 classroom block at 98% progress, a 2 classroom block at 98% progress, 2 blocks of 5 stance VIP latrines at 95% progress), Overall civil works at Kyenjojo S.S reached 60% progress . Funds were also disbursed to six secondary schools which were not in the approved work plan
		15		**82.6**	**Good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

The good performance was on account of output 070280, classroom construction, where structures left incomplete under APL1 project were completed in Patongo S.S (Agago), Laropi S.S (Moyo), Awara College-Etori (Arua) and works at Kyenjojo S.S were at 60% progress.

A science block completed at Patong S.S in Agago district

A completed classroom block at Awara College-Etori in Arua district

However, funds were disbursed to six secondary schools which 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 Gulu (Ug shs 50m), Puranga S.S in Pader (Ug shs

70m), Kidoko S.S in Tororo (Ug shs 100m) and City High S.S in Kampala (Ug shs 75m). Many of these were still procuring services and civil works had not started by 31st December, 2016.

Performance on other Outputs, particularly 070202 Instructional materials for secondary schools and 070206 Purchase of ICT equipment was poor as nothing had been done as at half year.

Conclusion

The overall physical performance for Project 0897 Development of Secondary Education was good (86.2%) at half year.

Challenges

- The secondary education Vote Function does not access the IFMS system as they are still using vote books. Many requisitions are made to the accounts department to implement activities which are never paid, or paid very late or less funds than requisitioned are disbursed to schools. In Kyenjojo S.S, Ug Shs 133m was requisitioned and only Ug shs 70m was disbursed to the school.
- The MoES planning department does not adequately consult the implementing departments. This results in misreporting when making quarterly reports for submission to MoFPED. In addition, a number of projects are designed when the user departments are not involved to make technical input.

Recommendations

- The MoES should ensure that outputs 070202 Instructional Materials for Secondary Schools and Output: 070206 Purchase of ICT equipment are expeditiously handled in order to achieve annual targets.
- The MoES should ensure that user departments access the IFMS system in order to spend on departmental activities as planned.
- The MoES planning department should adequately consult the implementing departments on all issues ranging from development of new projects and writing of progress reports.
- The MoES should desist from implementing activities that are outside the approved work plan.

6.4 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 National Council of Higher Education(NCHE).

The approved recurrent budget was Ug shs 26.059billion, of which Ug shs 13.772billion (46%) was released and Ug shs 12.339billion (90%) spent. This was very good release and expenditure performance for the half year.

Performance

Table 6.6 summarises the performance of the Higher Education Recurrent programme during half year, FY 2016/17. Overall performance of the program was good, (88.7%). There was excellent performance on the sponsorship scheme and staff development, a key output in the program which attracts most program funding. Other programs such as staff training, travel abroad were not facilitated due to insufficient funds; whereas others such as Monitoring and Evaluation visits to higher education institutions and support to Uganda Commonwealth Scheme are planned for Q3 and Q4 respectively.

Table 6.6: Performance of the Recurrent Programme by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance 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	60	0.974	Achievement was good. Other outputs however were not achieved due to insufficient funding such as staff trainings and facilitation of officer to travel to check on students abroad.
070451: Support establishment of constituent colleges and Public Universities -Recurrent subvention to run Uganda Petroleum Institute	100	2,000,000,000	36.6	4.9	Some funds were disbursed to run UPIK although these were inadequate.

Kigumba (UPIK) disbursed (%)					
070452: Support to Research Institutions in Public Universities -Top up allowances to 370 students abroad paid -4 research projects funded at public universities -Uganda Commonwealth scheme supported	3	1,645,100,000	0.425	1.56	Top-up allowance to 317 out of the targeted 370 students abroad was paid. The four planned research projects at public universities haven't yet been funded. Support to the Uganda Commonwealth Scheme is planned for end of the Financial Year.
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 facilitated - Students returning home facilitated. - Repatriation costs paid for.	3	18,989,311,797	3	63.56	Students attached to India and Algeria have been supported; the Higher Education Students Financing Board has been facilitated; and tickets have been paid for students returning home from Cuba.
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	8.202	Performance on Monitoring, supervision and quality assurance was good except on the output of embark on the 2nd phase of National Council for Higher Education.
070455: Operational Support for Public and Private Universities (% of activities) -Funds to support 100 science education students at Kisubi Brothers University provided - 4 selected private universities supported to expand infrastructure.	100	3,813,752, 241	37.5	9.58	Funds to support Kisubi Brothers University College were provided. There were however insufficient funds to achieve the output of support to private universities to expand infrastructure.
Total		**6,059,294,045**		**88.7**	**Good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

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 FY 2016/17 was construction of an administration block.

Construction of an Administration block

Construction of the administration block commenced in May 2015 with an expected completion date of May 2016. The contract was, however, extended to May 2017 as some managerial issues needed to be sorted out regarding the legitimate client. From August 2016, UPIK took over ownership of the site and currently, construction is progressing well at 70% achievement, as shown in Table 6.7.

Table 6.7: Performance of the Higher Education Development Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Construction and rehabilitation of Facilities - Construction of administration block (% of works).	100	8,000,000,000	70	70	Progress of construction is on schedule and expected to be completed by end May 2017.
Total		**8,000,000,000**		**70**	**Good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

L-R: Outside view of Administration block; Section of the Library awaiting furnishing at Uganda Petroleum Institute Kigumba in Kiryandongo District

Recommendation

- The MoES should identify a supervision consultant to manage the project. This, however, should not be at the expense of the project, as already the biggest percentage of works is complete.

c) Support to Higher Education, Science and Technology 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.

Performance

The approved budget FY 2016/17 is Ug shs 119.200m of which Ug shs 93.491m is external financing and Ug shs 25.708m is GoU counterpart funding. By end of Q2, a total of Ug shs 14.582m (56.7%) had been released and Ug shs 9.685m (66%) expended.

The overall project performance was fair (61.2%) although the development project was relatively behind schedule. Table 6.8 details performance of Support to Higher Education, Science and Technology Project.

6.8: Performance of the Support to Higher Education, Science and Technology Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)[19]	Remark
Operational Support for Public Universities (% activities) -Payment of Salaries, office equipment, stationary paid -PCU offices renovated, workshops organises, academic staff recruited for PHD and MSC, 240 students enrolled for merit based scholarships	100		100	100	Payment of operational expenses was done. Achievement of other outputs linked to support for public universities is on schedule.

[19] The weighted score for the HEST project could not be derived as financial information on releases and expenditure by line output under external financing was not available.

070475: **Purchase of Motor Vehicles and other** Transport Equipment PSFU, UMA, and PCU	3		3	50	Bid evaluation for procurement of the three vehicles for PSFU, UMA, and PCU was completed.
070478: Purchase of Office and Residential Furniture and Fittings (% activities). -Office equipment for PCU procured	100		50	50	Bid evaluation for purchase of assorted furniture for the new and rehabilitated buildings at the eight beneficiary institutions was completed.
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			45	Construction of new buildings is on-going and at various stages of completion in the beneficiary institutions: Makerere at 49%; Kyambogo at 53%; Makerere University Business School (MUBS) at 100%; Makerere University of Science and Technology (MUST) at 30%; Busitema at 49%, Gulu at 42%, and Muni University at 40% progress. UMI is still under procurement. The project however is slightly behind schedule.
Total		**119,200,076,000**			
			Average score	**61.25**	**Fair performance**

Source: IFMS; MoES Q2 Progress Report; Field Findings

Performance of the HEST project was on schedule with achievement of set outputs although its development project of construction and rehabilitation of facilities was slightly behind schedule. Support to public universities was done. The department organized and conducted regular monitoring and evaluation of project activities at eight beneficiary institutions and three delegated management agencies.

In addition, bids were evaluated for the supply and delivery of furniture for Faculty of Business computing at MUBS; the department carried out scholarship verification committee activities, conducted supervision missions, disbursed funds to Uganda Management Institute (UMI) for development of e-content; and funds to Gulu, Busitema and Makerere to implement crosscutting issues. Purchase of motor vehicles, and office and residential furniture, however was still at procurement stage. Construction and rehabilitation of facilities; which takes about 70% of the budget was progressing at 45% progress.

Progress of Construction works at Beneficiary Institutions 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 53% against a time progress of 54%. Four blocks had been completed and handed over while the other four are still under construction.

L-R: Construction works of new Engineering Workshop at ring beam level with structural works completed at 90% at Kyambogo University

L-R: Multi-purpose science lab with structural works at 100; renovation works at the Department of Civil and Building Engineering complete and handed over at Kyambogo University

ii) Mbarara University of Science and Technology (MUST)

The project started in May 2016 and expected completion date is October 2017. The scope of works includes; a) construction of a two storied multipurpose laboratory and a three storied library.

The contracting company is XL Construction Limited at a cost of USD 4.8million. Progress of construction was at 30% for the multi-purpose laboratory and 25% for the library and the project is on schedule.


L-R: Ongoing construction works of the MUST Multi-Purpose Science Laboratory, Mbarara District


L-R: Ongoing construction works of a three-storied library at MUST, Mbarara District

iii) Busitema Univesity

The contract was awarded to M/s Prisma in December 2015 and is expected to end in August 2017. The scope of works consisted of three new structures (a lecture block, a laboratory and a library) and renovation of a workshop. The contract sum was USD 5,421, 207.05. By half year, the overall progress of works at Busitema main campus was at 49%. By January 2017, physical progress on the different structures was as follows: Works on lecture block were at 55%, laboratory block at 55%, library at 75% and renovation of the workshop at 80%. Works were, however, reported to be behind schedule by 10%.


Left: The laboratory and lecture block at 55% progress. Right: The library block at 75% progress at Busitema University

Key challenges

- The civil works on the lecture and laboratory blocks were interrupted by the discovery of a large rock at the site which caused delays in setting the foundation.
- At the renovation of the workshop site, there was slight confusion over which company would be supplying the roofing materials which caused delay in the implementation.
- Only 24% of the development budget was released by half year. This is causing delays in payments to the contractors for completed certificates.

iv) Muni University

The contract was awarded to M/s Coil Limited. Civil works commenced in July 2016 for a period of 12 months. The scope of works involved construction of a utility block and a science block with an additional six months for supply of furniture. By January 2017, the overall progress of works stood at 40%. Progress of the utility block was at 60%; the ground block was completed and works were progressing to the slab for the second floor; works on the science block were at 50% progress. By half year, three certificates had been raised and two paid.
Key challenges raised by the contractors included; unavailability of water at the site and payment delays.


L-R: The Utility Block at 60% progress; and Science Block at 50% progress at Muni University

Gulu University

The contract start date for the project was 3rd February, 2016 with an expected completion date of 31st July, 2017. 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 overall physical progress by January 2017 was at 42%. Physical progress on the respective blocks stood as follows: agricultural block at 45%, multi-functional laboratory block at 29%, library block at 40% and the health science block in Lira at 34% progress. By half year, 4 certificates worth USD 2,752,665 had been raised.


L-R: The agricultural block at 45% and multi-functional laboratory block at 29% progress at Gulu University

Key challenges

- Contracts for construction were signed when the designs were not ready.
- Inavailability of the required materials in the regions. Sand on the Gulu and Lira sites is from Adjumani and Kiryandongo districts respectively whereas aggregates are from Dokolo district.
- Low technical capacities within the region hence hiring people from Kampala to undertake the tasks, leading to increased project costs.

v) Lira University

The contract was awarded to Ms Samhee Construction Company Limited at a sum of USD 6,853,315.42 for a period of 18 months. The project start date was 3rd February, 2016 with an end date of 31st July, 2017. The scope of works includes construction of the Public Health block and the Health Sciences block. Construction of 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-patient, out-patient, treatment rooms, observation rooms, consultation rooms, labour rooms, a mortuary, a pharmacy, x-ray rooms etc. The overall progress of civil works was at 37% and was behind schedule.


L-R: The completed Public Health block, and the Health Sciences block under construction at Lira University

Challenge

- There have been many design alterations. The initial designs did not include the kitchen, laundry and incinerators and a hospital cannot operate without these.

Conclusion

The overall performance of the Higher Education Vote function was good as the recurrent programs performed well and the two development projects were progressing well, although one of them was slightly behind schedule.

6.5 Skills Development

The approved budget for the GoU funded project 0942 Development of Business Technical and Vocational Educational Training (BTVET) was Ug Shs 74.43bn, of which Ug shs 33.03bn (44.4%) was released and Ug shs 31.75bn (96.1%) spent. The physical performance of BTVET is shown in Table 6.9.

Table 6.9: Performance of the BTVET Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Acquisition of land by Gov't (Payment for land compensation at Ahmed Seguya T/I)	8.00	500,000,000	6.00	1.81	The remaining 2 squatters to be compensated in Q3
Purchase of M/V and other transport equipment (1 Motor Vehicles procured)	1	200,000,000	0	0.00	Procurement process not initiated by half year.
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)	7	1,340,000,000	0	0.00	Procurement process had just been initiated.
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	5	23,880,000,000	2	86.27	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	6.36	The dormitory for St. Kizito T/I was completed, while the one for L.Katwe T/I had not started.
Total		**27,680,000,000**		**94.4**	Very good performance

Source: IFMS; MoES Q2 Progress Report; and Field Findings

The good performance (86.3%.) for the Vote Function was on account of output 070580, construction and rehabilitation of learning facilities, which had the bulk of funds. All the Arab funded projects under this output performed well; construction of NTC Unyama, UTC Lira and UTC Elgon was completed by IDB1. BADEA completed construction of Nakaseke T/I and sites were handed over in November 2016. These two projects closed on 31st December, 2016.

Lyantonde, Kyenjojo and Bukomero Technical Institutes were also completed, however, two contracts of Bukedea and Adjumani (Amelo T/I) remained a challenge as progress of works stagnated at 80% and 40% respectively. These two contracts are likely to be terminated. Progress of civil works at Amelo T/I (Adjumani) were as follows: The kitchen (87%), main building 68%), dormitory (56%), principal's house (74%), BCP workshop (82%), the main workshop for agriculture, welding and metal fabrication (52%), aquaprivy 50%) respectively.

L-R: Some of the stalled structures at Amelo T/I in Adjumani.The main workshop block

The civil works on the Kuwait funded projects progressed well and physical progress was as follows: Kayunga T/I (90%, Tororo T/I (85%), Kalongo T/I (65%) and Kibatsi (60%). Works on the IDB II project sites progressed as follows: UTC Kyema (85%) , UTC Bushenyi (70%) and UTC Kichwamba (55%). All works were of good quality. Most of the GoU funded activities under Project 0942 were still at procurement level, apart from compensation of squatters at Ahmed Seguya T/I.

Challenges

- The delays in releases of counterpart funding delayed payments of contractors and supplies and this resulted in contract extension.
- It is not very easy for MoES to project the flow of project funds from the external partners. This results in some of the completed activities not being paid for in time and at project completion some funds are not disbursed.
- Two sites (Tororo and Kalongo) faced issues of water supplies. The hydrological survey indicated that no water could be drilled at the two sites. In Kalongo, water was identified 1.5km away and owners of the land had to be compensated, which increased the cost of transmitting water to the institute.

Recommendations

- The MoES should terminate the two contracts of Adjumani and Bukedea which stalled and procure new contractors for these projects to enable their completion.
- The MoES should ensure that adequate provisions are made on a quarterly basis to clear the counterpart arrears for the different projects.
- The MoES should ensure that new projects only become effective when the ministry is sure of availability of counterpart funding.

Projects which have delayed to start

The MoES presented five other projects to the Development Committee (DC), they were approved, included in the Public Investment Plan (PIP) and became effective. However, they have not started implementation a year-and-half 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. Table 6.10 has the summary of these projects.

Table 6.10:Projects that have not started implementation one year and half after becoming effective

Project name	Approved budget for FY 16/17	Budget Release by end of Q2	Budget spent by end of Q2	Physical performance	Remarks
1310: Albertine Region Sustainable Development Project	10.68	5.50 (51.4%)	0.22 (4.0%)	0.00	The project start date was 1st July, 2014 to 30th June, 2019. Two-and-half years after the project became effective implementation has not started. Absorption of funds was very poor at half year. The procurement process took too long and they have failed to attract international twinning institutions. The WB has allowed them to single source an institution to work with.
1338: Skills Development Project	53.42	22.12	0.00	0.00	The project start date was 1st July, 2015 to 30th June, 2020,

		(41.4%)	(0.0%)		however, todate project implementation has not started. By half year it had not absorbed any funds.The procurement process took too long and they have failed to attract international twinning institutions. The WB has allowed them to single source an institution to work with.
1368: John Kale Institute of Science and Technology (JKIST)	1.60	0.80 (49.1%)	0.50 (62.4%)	0.00	The project start date was 1st July, 2015 to 30th June, 2019, todate, it is still at design level. Funds are spent on preparatory activities.
1378: Support to Implementation of Skilling Uganda Strategy (BTC)	17.70	4.41 (24.9%)	0.21 (4.7%)	0.00	The project start date was 1st July, 2015 to 30th June, 2020, however, todate project implementation has not started.
1412: The Technical Vocational Education and Training – TVET LEAD)	4.64	3.08 (66.4%)	2.22 (72.2%)	0.00	This is an addendum to Nakawa Vocational Training Institute and it is about to begin. They have not yet satisfied some conditions such as revising the curriculum and upgrading the institutions as required.

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Conclusion

The above projects became effective when the MoES was not ready for their implementation. For future projects, MoES should ensure that all background activities are undertaken before the project becomes effective.

6.6 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 III (1340).

a) 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

The approved budget for FY2016/17 is Ug shs 8.850 billion, of which Ug shs 5.186 billion (59%) was released, and Ug shs 4.732 billion (91.2%) spent.The programme performance was very good (82.3%) as more than half of the planned targets for the half year were achieved (Table 6.11).

Table: 6.11: Performance of Teacher Education Programme by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policies, laws, guidelines, plans and strategies -Salaries for 21 Teacher Instructor Education Training (TIET) staff paid; Salaries and wages for 21 Mulago Health tutors college staff, 51 Abilonino Community and Polytehnic Instructors' College (CPIC) staff, 422 National Teachers' College (NTC) staff paid, Private Sector Foundation Uganda (PSFU), Uganda Manufacturers' Association (UMA), and Project Coordination Unit-Paid Lunch and mileage allowances to 21 TIET staff	100%	4,222,408,359	45%	43.00	Fair performance noted as salaries, wages and allowances were paid for the six months. A variation was however noted in the targeted number due to retirement of two 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	40%	0.30	Welfare to TIET staff provided, and department vehicles fueled during Q1 and Q2. Monitoring and supervision was not carried out as budget was inadequate.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieve d Quantity	Physical performa nce Score (%)	Remark
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	50%	14.23	Paid teaching practice exams and living out 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 VTI in Q1 and Q2.
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	50	24.76	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**		**82.3**	**Very good Performance**

Source: Field Findings

Challenge

- Inadequate capitation grants to the NTCs for effective operations.

Recommendation

a) The MFPED and MoES should revise upwards the capitation grants for NTCs to enable effective running of the institutions.

b) 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 physical performance was good (72%) as shown in Table 6.12, although absorption of funds was poor at 36%. This was mainly due to ongoing procurement processes. The approved budget FY 2016/17 is Ug shs 4.150 bn, of which Ug shs 1.731 bn (42%) and Ug shs 618.978 m (36%) had been expended by 31st December, 2016.

Table 6.12: Performance of Education Standards Agency by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance 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%	3,857,177,000	30%	66.15	Fair performance was 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 not yet been concluded.
Training and Capacity Building of Inspectors and Education Managers 143 Local governments and municipalities activities monitored and support to education	100%	292,960,000	40%	5.90	112 LGs and Municipalities' activities monitored and support to education managers provided; 3 Newspaper adverts (Bukedde, New

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted score (%)	Remark
managers provided - Advertisements and public relations carried out -296 education managers and inspectors trained inland and 6 trained abroad.					Vision and Monitor) were paid for; Facilitated a one day DIS and DEO (300 participants) Workshop in President's office.
Total		**4,150,136,893**		**72.0**	**Good Performance**

Source: Field Findings

c) Development of Primary Teachers' Colleges Phase II - Project 1340

Background

The project started on 1st July, 2015 and its expected completion date is 30th June, 2019. The objectives are: i) to rehabilitate the physical infrastructure in five recently upgraded PTCs to core status; and 22 non-core PTCs, and 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.

The approved budget for FY 2016/17 is Ug shs 5.377 bn, of which Ug shs 1.703 bn (32%) was released and Ug shs 1.600 bn (94%) spent by 31st December, 2016. This was fair release and good expenditure performance.

Performance

The project performance by half year was fair (61.4%) as shown in Table 6.13. This was attributed to the procurement process that was ongoing for the planned civil works.

Table 6.13: Performance of Development of Primary Teachers' Colleges Phase II by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policies, Laws, guidelines, plans and strategies -Photocopying services and stationary procured -Small office equipment and furniture for the project procured -Needs assessment conducted at new colleges	100%	227,885,000	20%	4.24	Procurement process was initiated for assorted stationery. The needs assessment at the new colleges however was not conducted due to inadequate funds.
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 -40 site meetings at construction works paid	100%	5,004,939,000	20%	57.17	Paid Certificates for construction of facilities at the 10 PTCs and procurement process was on going for works at the six new sites to start in Q3. A certificate however was paid for on-going works at Shimon Demonstration School although this was not in the approved work plan.
Purchase of Motor vehicles and other transport equipment -Two motor vehicles procured for project activities	100%	145,000,000	0	0	Procurement of the two motor vehicles had not started.
Total		**5,377,824,000**		**61.4%**	**Fair Performance**

Source: Field Findings

6.7 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, and to empower individual citizens and communities through play, recreation, and competitive sports and games.

The core outputs for the department this financial year included reviewing the National Physcial Education and Sports (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 projects; Akii Bua Olympic Stadium (1369) and National High Altitude Training Centre (1370), and one recurrent program, Sports and Physical Education PE (12). All three were monitored.

The entire budget 2016/17 for this vote function was Ug shs 12.21 bn, of which Ug shs 7.91 bn(64.8%) was released, and Ug shs 7.20 spent (91%).

6.7.1 Programme 12; Sports and PE

a) 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 Ugandan to win an Olympic Gold Medal in 1972. The win was a source of national pride more so in his home district. Construction of another stadium will also ease pressure on the only national stadium at Nambole. The stadium 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 has already been secured. The project start date was 1st July, 2015 for duration of four years and is estimated to cost Ug shs 47.9bn. The objective of this project is to promote physical activities and sports in the country.

Performance

The budget for this FY was Ug Shs 1billion. Half year financial performance was poor as only 10.2% was released, of which 5.8% was spent. The MoES planned to complete a perimeter fence to secure the stadium land and to start the procurement of works to construct the stadium. By half year, the district had received Ug shs 175m and all of it had not been spent. Works on the perimeter fence to secure the stadium had not started. The physical performance on this activity was therefore poor (Table 6.14).

Table 6.14: Performance of Project 1369- Akii Bua Stadium by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Government buildings and administrative infrastructure (Perimeter fence completed to secure the stadium and start construction for the stadium)	2	1.00	0.00	0.00	By half year, no activities had started due to low release of funds preventing implementation.
Total		**1.00**		**0.0**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Challenges

- The biggest challenge was the inadequate development release by half year.
- The lower part of the land for this project runs along a swamp. This necessitates a lot of swamp reclamation by filling it with soil as well as grading and making drainages.

b) 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 52bn.

Some of the background activities that have been completed include; relocating Teryet Primary School to the periphery of the site, compensating squatters who were on the land, extension of water and power to the site, construction of the bridge and roads to the site, and surveying of the land. This financial year, the MoES planned to continue with the construction works.

Performance

The annual budget for this FY is Ug shs 5.83 billion. By half year, financial performance was very good as Ug shs 5.41 billion (92.9%) was released, of which Ug shs 5.18 billion (95.8%) was spent. Both release and expenditure were very good. During the first half of the FY, the only acivites conducted were securing of the performance guarantees, 20% advance payments paid and the site handed to the contractor on 19th January, 2017 for the implemention of the first phase of construction. Civil works for the first phase of the project were just going to commence.

Table 6.15: Performance of National High Altitude Training Centre Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Government buildings and administrative infrastructure (Construction works at NHATC on athletics truack, jogging track artificial tuff/natural grass field practice field and athletes dormitory started, construction of hostel, pump house and water reservoir, fencing)	8	5.83	0.00	0.00	The site was handed to the contractor in January 2017. Civil works were about to start
Total		**5.83 bn**		**0.0**	**Poor Performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Conclusion

By half year, Vote Function 0707: The Physical Education and Sports, performed poorly as no works had started on both projects under the Vote Function.

Recommendation

The MoES should ensure that funds for Project 1369: Akii Bua Stadium are expeditiously released to the project to enable timely execution.

6.8 Policy, Planning and Support Services - Vote 0749

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 Ministerial Policy Statement; 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 Headquarters (01), Planning (08), Internal Audit (13) and Human Resource Department (16).

a) Programme 01: Headquarters

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

Programme performance was very good (91%). The release was at 52% (Ug shs 19.142bn) out of the approved budget of Ug shs 37.034 bn and 89.9% of the half year planned targets were achieved by 31st December, 2016. Table 6.16 details the findings.

Table 6.16: Performance of Programme 01: Headquarters by 31st December, 2016

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%	25,107,537,000	50%	67.79	By the end of Q2, pension had been paid to 2,660 General Civil Service retirees and gratuity to 8 people.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
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%	2,925,890,000	35%	6.30	The necessary public information was disseminated, maintenance of vehicles done, and office furniture procured. Other ministry support services were achieved except Inland travel due to the constrained budget.
Ministerial and Top Management Services - Payment of utility bills (water, electricity, rent, security) and support to the registry function.	100%	4,961,368,000	40%	12.81	Utility bills and medical entitlements were paid and Uganda flags on the State Ministers' vehicle were placed. Under Registry Function, manpower and equipment to capture data was provided; data quality for TMIS database was validated, paid renewal of licence for website and domain hosting, pilot tested the TIET system. Monitored the cyber schools and procured computer accessories, although other outputs were not achieved as the procurement of the consultant to design the teacher management information system.
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	100%	1,208,468,000	30%	2.98	Support was given to the National Commission for UNESCO secretariat and other organisation such. Support included attending executive board meetings, conferences and payment for administrative services

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
UNESCO activities.					including telephone, contract staff salaries, fuel and vehicle maintenance. Capacity building was conducted on how to manage children with special learning needs and how to implement the 2005 UNESCO convention, conducted trainings, hired a short term consultancy for a study on sustainable urbanisation.
Arrears		2,831,606,754	0.000	0.000	No domestic arrears paid.
Total		**37,034,869,754**		**89.9**	**Good Performance**

Source: Field Findings

b) 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 programme performance was very good (94.1%). Financial and physical performance was good. The approved budget was Ug shs 5.794 bn, of which Ug shs 1.939 bn (33.4%) was released and Ug shs 1.282 bn (66%) expended by Q2, while over 90% of the half year targets were achieved. Table 6.17 details the performance.

Table 6.17: Performance of Programme 08: Planning by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Policy, consultation, planning and monitoring services BFPs and budget estimates , release advises MPSs, cabinet memorandum prepared	100%	1,368,550,000	30%	23.62	Preparation and submission of release advices, cabinet memorandum, performance reports and monitoring of local Governments was 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%	962,993,000	30%	15.69	Conducted a Regulatory Impact Assessment of the proposed Skills for Production Enterprise Development in Animal Reseources (SPEDA) National Program, Monitored and supervised sector programmes. Procurement of a firm to print the FY 2017/18 Ministerial Policy Statement was scheduled for Q3.
Education Data and Information Services Annual school census conducted, -Verification of ASC 2016 exercise conducted; Education statistics Information dissemination workshop held -Salaries paid and assorted stationary procured	100	2,198,376,000	20	37.94	Piloted and pre-tested the Annual School Census (ASC) 2017 data collection Instruments. Payments for office imprest, annual subscriptions, outstanding balances and salaries were paid. Due to insufficient funds released; conducting of the 2016 Tertiary Census, compilation of the Master list of schools and Institutions as well as Verification and Validation exercises for the 2016 Annual School Census and USE/UPOLET Headcount, printing of 1,000 Hard copies of 2015 Education Statistical Abstract were not carried out.
Education Sector Coordination and	100	1,264,941,000	50	16.87	

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Planning -Stationary for workgroups provided -Education and Sports Sector review and Budget workshops held -Revised Education Sector Strategic Plan -Education sector projects formulated					Organised and held workshops for the Education and Sports Sector Strategic Plan (2016 - 2020) review meetings; Updated and formulated Education and Sports Sector projects.
Total		**5,794,860,000**		**94.1**	**Very good Performance**

Source: Field Findings

Conclusion

The physical performance of Programme 08: Planning was very good as most of the planned activities were achieved by half year.

Implementation Challenge

i) Demand for consumptive items, such as fuel and travel abroad, is so high especially from the political leaders and this makes keeping in the limit set by Government difficult.

Recommendation

i) The MoES needs to prioritize only the necessary consumptive items in order to keep the budget within the limit.

6.9 Busitema University -Vote 111

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.

a) Programme 01: Headquarters

The programme objectives are to: provide high standard training, engage in quality research and outreach for societal transformation and sustainable development through; a) create a conducive teaching and learning environment for nurturing students at the University b) enhance production of hands-on skilled graduates, knowledge transformation and utilization of research and innovations, c) 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. All of the outputs were monitored at half year and their performance is presented in the Table 6.18.

6.18: Performance of Busitema University Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Teaching and Training Teaching students, examining students, reviewing programs, external examinations, developing programs, procuring books, supervising students on Industrial training and teaching practice and project proposals for final years, conducting one tracer study	13	13,130,000,000	12.00	52.77	3,005 students were taught and examined, one tracer study carried out. 90 proposals and projects for final year students vetted and approved.
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)	4	80,000,000	4	0.64	2 training sessions carried out in proposal, report writing and publication skills, I research collaboration carried out, 20 publications by staff published, 7 students prototypes tested and rolled to Q3
Outreach 2 HIV/AIDS sensitization workshops, I hatchery established, 120 farmers trained in best practices, 3 prototypes per department tested	6	60,000,000	2	0.16	HIV sensitisation workshop for students and communities carried out, 20 farmers trained in best practices
Student Welfare (Accommodation and allowances for 3 months paid, 15 teams participate in AUU	5	1,880,000,000	4	7.56	831 students paid feeding and living out allowance, 7 spiritual leaders paid for their

games, 500 students counselled, 1,500 under graduate gowns purchased)					services, 6 teams participated in E.A University games, counselling session were carried out.
Administration and Support Services 14 Key activities carried out (e.g 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)	14	9,730,000,000	10	39.11	I quarterly progress report submitted to MoFPES and MoES, 1 council meeting with is committee was held, I quarterly internal audit report produced, internet services were provided to all six campuses
Total		**24,880,000,000**		**100**	**Very good Performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

As evidenced above, the recurrent program has performed well with an aggregate release percentage of 50.7%, of which 96.2% was spent. The table also shows that the planned recurrent output targets for the half year were achieved.

Challenges

- Staffing shortages; for example Mbale campus was operating at 26% of the overall workforce.
- There are gratuity arrears of Ug shs 1.8 billion covering about 300 staff for the period 2007 to 2013 when all staff where on contract.

b. Busitema University Infrastructure Development (1057)

The project started on 1st July, 2008 and is expected to end on 30th June, 2018. The overall goal 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 Nagongera 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 Centre's 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 6.19. Good performance (77.8%) on the development side was on account of one output: Government buildings and administrative structure where the bulk of the funds were. The evaluation processes for constructing a lecture block at Arapai campus under phase 2 were completed. Construction of the lecture block at Mbale School of Health Sciences (Mbale Campus) was being redesigned.

6.19: Performance of Busitema University Infrastructure Development Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted score (%)	Remark
Government Buildings and administrative infrastructure (Construction of the lecture blocks at the6 Campuses)	6	840,000,000	3.00	77.78	Construction was ongoing at Namasagali, Arapai, and Mbale campuses. The budget however was inadequate to meet other infrastructural needs.
Purchase of Motor Vehicles and Other Transport Equipment	2	200,000,000	0	0.00	No funds were released
Purchase of Office and ICT Equipment, including Software	12	0	0	0.00	No funds were released
Purchase of Office and Residential Furniture and Fittings	4	40,000,000	0	0.00	No funds were released
Total		**1,080,000,000**		**77.8**	**Good Performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

6.10 Soroti University-Vote 308

The mission 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 vote function. Both were monitored.

a. Programme 01: Headquarters

As at half year, the university had received 81% of its non-wage budget but were unable to complete most of their academic outputs because the university was not yet fully operational. Permission was, however, sought to shift funds to different outputs. Table 6.20 shows that most of the recurrent outputs could not be achieved by half year because the university was not yet operational. The administrative staff were still ensuring that all preparatory activities for the university are completed. Permission was also sought to shift funds to other outputs but within non-wage.

Table 6.20: Performance of the recurrent programme – Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training (six activities under teahing and training carried out)	6	1,775,229,000	0	0.00	No activities were undertaken as no students have been enrolled at the university
Research, Consultancy and Publications (4activities carried out)	4	169,009,000	0	0.00	These activities were not carried out as there is no teaching staff and no students enrolled yet.
Outreach (2 activities carried out)	2	843,606,000	0	0.00	No outreach activities were undertaken as no students have been enrolled at the university. Money was spent on development of academic programmes
Student Welfare	1	472,523,000	0	0.00	No student welfare activities were done. No students have been enrolled at the university
Administration and Support Services	7	1,686,633,000	3.5	33.69	They have 46 administrative staff and funds were spent
Guild Services	1	40,000,000	0	0.00	There were no guild services done as no students were enrolled at the university as at half year
Contributions to Research and International Organisations	5	20,000,000	5	0.40	They have contributed to the VC forum, Common Wealth Universities, University Secretary Forum, ICAD, UNESCO
Total		**5,007,000,000**		**34.1**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

b. Soroti University Infrastructure Development (1419)

The entire project has a duration of five 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) the construction of a multi-purpose block. The three projects had different start dates, the multi-purpose block began on the 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 on 29th October, 2014.

The development release performed extremely poorly at Ug shs 975m (16.3%) of which 302.542m (31%) was spent by half year, however, the university made significant progress on the development side. Physical performance was rated at 98.2% (Table 6.21).

Table 6.21: Performance of Soroti University Infrastructure Development Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Acquisition of Land by Government -Transfer Land title of 288 hectares of land at Arapai to Soroti University Name, -Fencing off 1.5 kilometres side of the land, valuation of property belonging to squatters, compensate 15 families who were squatters.	4	125,000,000	1.00	3.76	A very small proportion of the budget released (13%). Fencing not yet done, still evaluating the land in order to compensate the squatters.
Government Buildings and Administrative Infrastructure -Completion of 8 office spaces	1	1,420,000,000	0.78	70.20	47% of the budget released by half year and 78% of physical works done.
Roads, Streets and Highways Tarmack 0.5 kilometres of road from main road to main campus, build a round-about	2	295,000,000	0	0.00	Works not started, release too little to begin (15% of the budget by half year).
Purchase of Motor Vehicles and Other Transport Equipment -Procure 2 Station wagons, 2Mini-Buses	2	650,000,000	0	0.00	Works at procurement level.
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	10	725,000,000	5	21.82	Part purchase done. Only 16% of the budget released by half year.

scanners, 3 Solar Pannels of 1,500 Watts each, 12 solar batteries of 1,500 AH each.					
Purchase of Specialised Machinery & Equipment 2 Heavy Duty Photocopiers, 2 shredders, 20 fans	3	40,000,000	1	0.87	Part purchase done.
Purchase of Office and Residential Furniture and Fittings 10 Lecture chairs, 10 Library Chairs, 5 office chairs	3	10,000,000	0	0.00	Not yet done. Awaiting more funds. Only 16% of budget released.
Construction and rehabilitation of learning facilities (Universities) Completion of 6 laboratories, 2 libraries, 2 assembly halls, assorted laboratory equipments	3	23,000,000	2.55	0.69	Physical works at 85%
Lecture Room construction and rehabilitation (Universities) Completion of 18 lecture rooms	1	23,000,000	0.74	0.69	Physical works at 74%
Campus based construction and rehabilitation (walkways, plumbing, other) -Building pavers, walkways , calvats of 500 metres	3	11,000,000	0.2	0.14	Physical works at 20%. Works are ongoing and continuous.
Total		**3,322,000,000**		**98.2**	**Very good Performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

The overall progress on government buildings and administrative infrastructure was at 78%. The laboratory block had reached 85%, the teaching block 74% and the multipurpose block 78% progress. The road ways, streets and highways were not yet done due to inadequate release. The title of the land had already been transferred to the names of Soroti University although there were some 15 squatters that were due to be compensated and the fencing was yet to be done.

The contracts committee had approved procurement of one station wagon and procurement process was completed and awaiting for delivery of the vehicle. ICT equipment which included 7 laptops, 4 desktops, 12 heavy duty multipurpose printers, two network printers, 2 small printers, a scanner and solar panels was completed. Only computers for students were yet to be procured. Purchase of office and residential furniture was not yet done.

Challenges

- The development release performed poorly (16.3%) at half year which is complicating achievement of the set targets.
- There is no provision for external works, sewage and solid waste.
- There are 15 squatters on the university land that have to be compensated.
- Services such as staff accommodation, commercial services like banks and bookshops and a canteen within the university are lacking.
- The university has only 4 motorvehicles which are in a pool thus causing transport problems.

Recommendation

- Government should release all the development funds to the university so that they are able to pay the contractor for the civil works to enable timely completion of works.

6.11 Muni University-Vote 127

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 vote function. Both of these were monitored.

a. Programme 01: Headquarters

Under the recurrent programme, performance of the releases and expenditure was excellent having achieved 50% and 49.2% at half year, respectively. The programme performance is given in Table 6.22.

Table 6.22: Performance of the Recurrent Programme for Muni University by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput 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	1,558,613,000	2.00	21.90	Performed at 50% by half year. New programs introduced this year will require an increase in funding next FY

Research, consultancy and publication [15 research proposals written for funding, and 15 articles published]	2	121,942,000	1	1.71	Performed at 50% by half year.
Outreach [ICT problems identified and defined. Community trained in effective use of ICT]	2	440,138,000	1	6.18	Performed at 50% by half year. Staff under this output moved to the correct cost centre.
Students welfare [Pay Living out allowance to 300 Government sponsored students allowance and faculty allowances]	1	918,742,000	1	12.91	Performed at 50% by half year. Staff under this output moved to the correct cost centre.
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, Confirn staff due for Confirmation]	6	4,052,619,000	3	56.94	Performed at 50% by half year.
Guild Services [Establish New Guild Government in 1st Semester, Draw the Guild budget, Approve the budget. Support Guild Government]	4	10,000,000	2	0.14	Performed at 50% by half year.
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	1	0.21	Performed at 50% by half year.
Total		**7,117,054,000**		**49.5**	**Very good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Key challenges

- Limited funds to sufficiently meet the needs of a young university that is science inclined.
- Limited NTR requiring heavy reliance on government funding.
- Internet connectivity challenges because the national backbone infrastructure (NBI) has not yet reached West Nile region.

Recommendation

- Government should release all the development funds to the university so that they are able to pay the contractor for all the civil works enabling timely completion of works.

6.12 Lira University-Vote 301

The university was established as a model for Health Sciences on 25th June, 2015 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 program (***Programme 01 Headquarters)*** and one development project, (Project ***1414 Support to Lira Infrastructure Development).*** Both were monitored.

Table 6.23 shows that the financial performance of the recurrent programme was very good as Ug shs 3.451 bn (50%) was released, of which 100% was spent by half year thus achieveing planned half year recurrent activities.

Table 6.23: Performance of the recurrent programme: Lira University- Headquarters by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
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)	6.00	2,715,014	4.00	39.33	167 students supervised for internship is to be done in semester two. 125 research projects for the final year students supervised, vetted and approved (this is also to be done in Semester Two)

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.)	1	306,383	1	4.44	All were achieved by Q2
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.)	4	11,600	3	0.17	2 Practical field attachment of students to health facilities is done in the semester Two
Students' Welfare (100 students paid living out allowances at a rate of 6,000/= per day for two semesters, One Guild election conducted, 4 Guild Cabinet meetings conducted, etc..)	8	354,255	7	5.13	Guild elections are held in semester 2
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…)	12	3,470,164	11	50.27	Strategic plan, Master plan and Building plan is to be developed in quarter three.
Guild Services (Transfer to guild fee account for Guild activities)	1	45,060	1	0.65	Request to open an independent guild account was denied by the Attorney General but they continue to use the University account.
Total		**6,902,476**		**100**	**Very good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Support to Lira Infrastructure Development-Project 1414

The Lira University strategic plan runs from 2016/2017 to 2020/2021 and has been developed with the main aim of providing excellent teaching and leaRining, promoting research and encouraging knowledge transfer. The scope of works under this project includes; The master plan and physical plan designed and developed for the main campus, public health lecture block completed, opening and graveling of the roads done, bridges made, machinery and equipment procured, furniture and fitting procured, artictectual drawing for lecture block and Administration block designed, ICT connectivity(LAN and WAN) installed, Bus asset lease settled and retired and transport equippement procured.

Performance of the development project was poor at 15.4% (Table 6.24).The poor performance was on account of the low release of the development budget where only 12.67% was released by half year. This constrained implementation of planned activities.

Table 6.24: Performance of the Development Project: Support to Lira Infrastructure Development) Lira Universityby 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieve d Quantity	Physical performance Score (%)	Remark
Government building and Administrative Infrastructure (Construction of Administration block phase one, Designing and Development of master plan and physical plan of Lira University)	2	1,300,00 0	1.00	0	In procurement process and are at a stage of calling for bids for the design.
Roads, Street and Highways (opening and graveling roads and making bridges for 3 km road network)	1	100,000	0	0	Output hasn't yet been implemented due to low release of only 12% of the development budget by quarter Two
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)	3	750,000	1	0	Final payment of the bus was done using NTR and the 2double cabin pickup are to be purchased by Gulu University procurement team but by quarter Two no money had been released or spent under this output.
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	2	500,000	1	0	At procurement process and waiting for funds but no money was received and spent under this output by Q2

photocopiers and medical equipment, 20 projectors)					
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	Spent Ug shs 36million from NTR but no money was received by end of quarter two.
Lecture Room construction and rehabilitation (Universities) (Completion of one Public Health block)	1	500,000	0.5	15.38	Public Health block was successfully completed.
Total		**3,250,000**		**15.4**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Recommendation

- Government should release all the development budget to the university so that they are able to implement the development activities as planned. Otherwise the university is unlikely to achieve the planned outputs by the end of the financial year.

6.13 Gulu University-Vote 149

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 program (***Programme 01 Headquarters) and*** one development project, (S***upport to Gulu Infrastructure Development).***Both were monitored.

Programme 01 Headquarters

The financial performance of the recurrent programme was very good with Ug shs 15.381bn (50%) released, of which Ug shs 14.881bn (96.75%) was spent. The recurrent targets were achieved for the half year (Table 6.25).

Table 6.25: Performance of the Recurrent Programme: Gulu University-Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
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...)	10.00	9,957,212	8.00	32.37	Conduct school Practice for 800 students in the 250 schools, carry out recess term activities for 450 students for Faulty of medicine and Agriculture & Environment,(is to be carried out at the end of Semester Two) -Carry out industrial attachment for 200 Students is to be done at the end of semester Two.
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.	4	581,741	4	1.89	All Output activities were 100% achieved by the end of quarter 2.
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.)	2	5,842,256	2	18.99	All Output activities were 100% achieved by the end of quarter 2.
Students' Welfare Pay living out allowance every month for 810 Government sponsored students, pay welfare for 10 disability students.	1	2,021,490	1	6.57	All output activities were 100% achieved by the end of quarter 2.

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
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 FY2016/17, etc…)	5	10,731,040	5	34.88	All output activities were 100% achieved by the end of quarter 2.
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	3	500,376	0	0.00	All output activities are done in semester two so 0% was spent output.
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.)	3	93,504	3	0.30	All Output activities were 100% achieved by the end of quarter Two
07 51 99 Arrears	1	1,035,798	1	3.37	Arrears paid
Total		**30,763,417**		**98.4**	**Very good performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Support to Gulu Infrastructure Development-Project 1414

The financial performance of Project 1414 Support to Gulu Infrastructure Development was very poor as only Ug shs 250m (10%) was released, all of which (100%) was spent by half year. Table 6.26 gives the details.

Table 6.26: Performance of the Development Project: Support to Gulu Infrastructure Development) – Gulu Universityby 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of Land by Government Open up boundaries of all Gulu University lands, process Titles for all university land, and carry out property valuation and compensation of Land owners	3	2,049,848	1.00	0.00	0% achieved by end of quarter two due to low release of the development budget.
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 the Main administration building, -Replace certain locks and curtains Installed.)	4	573,932	2.00	10.99	Income generating unit is at walling level and Tile Main administration building, Replace certain locks and curtains is at 50% procurement process with form 5 signed
Roads, Street and Highways Tarmac roads and Install street lights at Main Campus and Faculty of Medicine.	2	107,652	0	0.00	0% achieved by end of quarter two due to low release of development budget.
Purchase of Motor Vehicles and Other Transport Equipment Procure 4 Double cabin pick ups, 2 Station wagon and 2 Motor Cycles.	3	520,400	1	0.00	At procurement process which has advertised for 2 vehicles
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, -Construct Local Area Network in 18 Buildings, -Procure of 20 Personal Computers, Laptops, Heavy duty printers, LCD Projectors, servers, -Implement CEMAS, implement AfDB HEST Project ICT components, -Install CCTV cameras, -Install Financial Management System,	8	290,455	1	0.00	0% achieved by end of quarter two due to low release the development budget.

procure heavy duty server machine)					
Purchase of Specialized Equipment and Machinery Procure 3 heavy duty Generators (200KVA), -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.	4	473,429.0	0	0.00	0% achieved by end of quarter 2 due to low release of the development budget.
Purchase of Office and Residential Furniture and Fittings Procure assorted furniture for Lecture halls, Library, offices and Conference halls	1	193,838	0.5	0.00	0% achieved by end of quarter 2 due to low release of the development budget.
Construction and rehabilitation of learning facilities (Universities) Construct 1 New Library building, 1 multi-functional Bio-Science laboratory under AFDB HEST Project, 1 Biotechnology Trauma & Disease Treatment Center, -equipping of laboratories for Faculty of Science, Agriculture & medicine under AfDB HEST Project, -1 Library building at Kitgum campus.)	5	459,500	0	0.00	Construction works are ongoing with physical progress of all building at 42% by end of Q2
Lecture Room construction and rehabilitation (Universities) -Construction of a Business Center in Faculty of Business & Development Studies, -Construction of Faculty of Agriculture & Environment block, -Construction of the 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.)	5	444,000	0	0.00	0% achieved by end of quarter two due to low release of the development budget.
Campus based construction and rehabilitation (walkways, plumbing, other) -Build and Repair walkways Pavements, carry out Plumbing, Construct 1.0 kilometers of walkways -Build pavers for main campus -Barricading non-walk areas at all	5	108,000	0	0.00	0% achieved by end of quarter two due to low release of the development budget.

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.					
Total		**5,221,054**		**11.0**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

The physical performance of the project was very poor by half year. This was on account of the poor development release to the project.

Recommendation

- The MFPED should release all the development budget to the university so that they are able to implement the development activities as planned.

6.14 Kabale University-Vote

The 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 approved budget for FY2016/17 is Ug shs 8.299 billion, of which Ug shs 3.912 billion (47.5%) was released and Ug shs 2.498billion expended by 31st December, 2016. Absorption rate was good at 63.9%. The vote has one vote function; Delivery of Tertiary Education.

Delivery of Tertiary Education (Vote Function 0751)

The vote function has a recurrent programme 01: Headquarters and a development project; Support to Kabale Infrastructure Development.

a. 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.

Performance

Programme performance was good (81.2%). Out of the approved budget of Ug shs 7.63 billion, for FY 2016/17, Ug shs 2.47billion (41%) was released and all absorbed by 31st December, 2016. Table 6.27 shows that 81.2% of the planned recurrent targets were achieved by half year. This was good performance.

Table 6.27: Performance of Programme 01: Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training Admission, teaching and training of Students.	100	2,366,917,431	50	31.23	A total of 97 students were admitted on Government sponsorship and 2,600 students under private scheme; Orientation and 15 weeks of lectures were conducted; and an internal Auditor and Quality Assurance Officer were trained.
Research, Consultancy and Publications Conduct research seminars and training; presentation of research proposals for funding, approval and publication.	100	194,676,696	30	1.43	Carried out one research seminar, four publications presented, two research proposals prepared and presented for funding, and one public lecture on environment was conducted.
Outreach -Study visits to health centres, industrial training and school practice in schools conducted.	100	1,165,182,019	50	15.42	Outreach conducted in Health centers of Muko HCIV, Hamurada HCIV, Maziba HCIV, Kamukira HC IV and Kabale Regional Hospital and 26 students went out for environmental science training to Kabanyoro Agricultural Research Center, Entebbe Airport, Entebbe Fishing site and Uganda Wildlife Education Center.
Student's Welfare - Allowances to students paid	100	531,691,743	50	6.85	Living out allowance was paid for 97 Government Sponsored Students.
Administration and Support Services - Salaries, wages and remittance of statutory deductions such as PAYE and NSSF paid	100	3,278,932,112	31	25.93	Salaries were paid. The university is in the process of recruiting additional staff.
Guild Services	100	50,000,000	0	0.000	Elections were

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
-Guild leaderships elected					scheduled for April 2017.
Contributions to Research and International Organisations -Annual subscription to AICAD,UNESCO and COUL paid	100	42,000,000	33	0.32	Subscription to Consortium of Uganda Universities' Libraries (COUL) paid. Subscription to UNESCO and AICAD is yet to be paid.
Total		**7,629,400,001**		**81.2**	**Good Performance**

Source: Field Findings

a. Support to Kabale Infrastructure Development (Project 1418)

Background

The project's start date was 1st July, 2016 and expected end date is 30th June, 2021. The intended objective is developing facilities and infrastructure that meet students and staff needs. The expected outputs are; phase II works on General lecture Hall Block, Phase II of Engineering workshops, completion of a water-borne toilet and a VIP pit latrine.

Performance

Project performance was fair (55.5%) majorly due to inadequate release of funds. The approved budget was Ug shs 0.60 billion of which only 0.10billion (16.6%) was released by Q2. Absorption was low at 32.9%. Table 6.28 details the findings.

Table 6.28: Performance of Support to Kabale Infrastructure Development Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Motor Vehicles and Other Transport Equipment -Station wagon procured	1	70,000,000	0	0.00	Due to budget cuts, the university could not purchase the station wagon and instead settled for a lighter vehicle using internally generated funds amounting to Ug shs 70million. Procurement process for the vehicle had been initiated.

Purchase of Office and ICT Equipment, including Software -10 desktop computers and their accessories procured	10	25,000,000	10	3.73	10 desktops with their accessories were procured including two printers, one binding machine and a scanner.
Purchase of Specialised Machinery & Equipment - One Photocopier and a Safe (cash Box) procured	2	21,000,000	0	0.00	Procurement of the one photocopier and one safe was not done. No funds were received under the output.
Purchase of Office and Residential Furniture and Fittings -100 Lecture chairs, office furniture	100	44,000,000	200	0.00	A total of 200 lecture chairs were procured. Payments however were yet to be made.
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	16%	51.761	Due to inadequate funding, all funds was utilised on the construction works for the Institute of Engineering and Technology; Nyabikoni Campus. Works on the The lecture hall, purchase of books and equipment was not done. Scope of works included finishes on the veranda, doors windows, three phase power supply. Works were 60% complete.
Total		**670,000,000**		**55.5**	**Fair Performance**

Source: Field Findings

L-R: Procured ICT equipment at Kabale University

L-R: Lecture chairs procured for Kabale University

Works on Institute of Engineering and Technology, Nyabikoni Campus

In effort to develop facilities and infrastructure, the project focused on rehabilitating the institute. The scope of works included finishes on the engineering structure including the veranda, fixing doors and windows, internal plastering, extension of 3 phase power, renovation of the floor, external plastering, fixing glasses and painting. Progress of works was at 60%.

L-R: Fixing of windows and internal plastering at the Institute of Engineering and

6.15 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 is Ug shs 96.115 billion of which Ug shs 41.145 billion is GoU funding and Ug shs 54.970 billion is A.I.A. By Q2, a total of Ug shs 56.713 billion (59%) had been released and Ug shs 55.332 billion (97.6%) expended by 31st December, 2016. The vote has one vote function that is 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 vote function has a recurrent programme; Headquarters and a development project; Development of Kyambogo University.

a. 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 FY 2016/17 is Ug shs 44.83 billion, of which Ug shs 21.74 (48.49%) billion was released and expended by 31st December, 2016 (100% absorption). Physical performance was good at 85.8% (Table 6.29).

Table 6.29: Performance of Programme 01: Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. achieved Quantity	Physical performance weighted Score (%)	Remark
Teaching and Training Admission teaching, training of students; Establishment of collaborations, linkages, affiliation and partnerships.	100%	21,196,499,850	40%	37.5	Good performance noted. A total of 320 post graduate and 22,384 undergraduate students were trained and examined; Salary for teaching staff was paid and collaborations done with sister universities.
Research, Consultancy and Publication -Promotion of research, consultancy and knowledge generation done	100%	50,040,000	40%	0.07	16 members of staff were facilitated in research both award and non-award.
Outreach -Community activities including counselling and testing enhanced	100%	84,360,001	40%	0.14	HIV counselling and testing to 856 members of the community was done in conjunction with Uganda Cares.
Students' Welfare - Accommodation, allowances and food provided	100%	1,700,824,535	40%	2.98	Students' welfare was carried out through provision of accommodation for 1,480 students, food for 2,574 students and living out allowance for 1,498 Government sponsored students. Sixteen interpreters and 27

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. achieved Quantity	Physical performance weighted Score (%)	Remark
					guides were appointed and paid for helping the disabled students.
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	50%	36.26	Procurement of assorted instruction provision of ICT and teaching materials, payment of salaries and wages; wireless and cable networking and installation of finance management tool were all done and medical services provided for students.
Guild Services -Guild sports, elections, cultural galla, Industrial/school/ college training and exhibitions	100%	835,517,715	40%	1.47	Interhall university sports competition were conducted; industial/school/ college training was done. Cultural gala is scheduled for Q4.
Arrears	100%	4,408,454,479	20%	7.65	Arrears were paid for non-teaching staff however domestic arrears were not paid for due to inadequate funds.
Total		**44,830,328,372**		**85.8**	**Good Performance**

Source: Field Findings

b. 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 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 project performance was fair at 67.6%. Lower performance was mainly due to the poor release by half year. Out of the approved budget of Ug shs 722.845m, only Ug shs 117.462m (16.2%) was released and expended by 31st December, 2016 which affected achievement of planned targets. Table 6.30 details the performance of the Development of Kyambogo University Project.

Table 6.30: Performance of Development of Kyambogo University Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance weighted Score (%)	Remark
Government Buildings and Administrative Construction, renovation and maintenance of non-residential buildings	100%	662,845,106	10%	59.32	Construction of central lecture block ongoing at 49%.
Purchase of specialized machinery and equipment Includes procurement of office and IT equipment	100%	60,000,000	25%	8.30	One photocopying machine for Dean of Education, one TV set for North Hall and one TV screen for religious studies were procured. Two projectors were procured one for languages and the other for economics. A fridge for mechanical engineering was procured.
Total		**722,845,106**		**67.6%**	**Fair Performance**

Source: Field Findings

The photograph indicates the progress of the central lecture block at Kyambogo University. The central lecture block is four storey and construction is phased. Phase one comprises two floors and progress was at 49%. Ground floor and columns for the rear of the 1st upper floor were completed

Construction works for Central Lecture Block at Kyambogo University

Implementation Challenges

i) Limited resource envelope with heavy dependence on Appropriation in Aid (AIA) sources.
ii) Limited teaching and learning space for the students for laboratory equipments, lecture rooms and practical laboratories.
iii) Under staffing leading to heavy dependence on part time staff especially of science lecturers.
iv) High level of domestic arrears for both teaching & non-teaching staff & suppliers which impact negatively on the university budget.
v) The ever increasing maintenance costs on buildings sewerage systems & roads.

6.16 Makerere University - Vote 136

The vote's mission is to provide innovative teaching, learning, research and services responsive to national and global needs. The approved budget FY 2016/17 is Ug shs 134.2 billion, of which Ug shs 63.4 billion (47.2%) was released and 100% spent by 31st December, 2016.The vote has one vote function; Delivery of Tertiary Education.

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 vote function has one recurrent programme and four development projects.

a. 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 programme performance was fair (50.4%) and this was attributed to the presidential directive to have the university closed due to the academic staff strike. This affected budget execution; given that 50% (Ug shs 62.04 billion) of the approved budget (Ug shs 124.08 billion) had been released by Q2 and about 70% of the second quarter activities were not implemented. Table 6.31 details performance of the programme.

Table 6.31: Performance of Programme 01: Headquarters by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training -Admission, teaching, operation, management of campuses done	100%	68,825,739,037	25%	22.41	A total of 10,796 students were admitted for undergraduate and graduate programmes in 10 colleges and one branch campus. A number of outputs that

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
					include conducting lectures and examinations were not achieved as planned due to the closure of the university by the Presidential Directive due to academic staff industrial action from 1st November 2016 to 2nd January, 2017.
Research, Consultancy and Publications -Research, consultancy and knowledge generation promoted	100%	24,057,578,672	40%	14.35	2,500 students admitted for the graduate programmes. 1,248 University academic staff participated in research, 91 professors and 130 associate professor continued with research.
Outreach -Engagement with civil society and short term courses conducted	100%	14,436,547,004	0%	0.00	Short courses were not undertaken due to the closure of the university,
Students' Welfare -Food, accommodation, and transport to Students and, counselling services provided	100%	7,633,024,00	40.00	4.55	2,089 resident and 4,038 non-resident students provided with food and accommodation. A number of outputs were not achieved due to the closure of the university.
Administration and Support Services -Staff salaries and utilities paid.	100%	17,504,318,583	30%	7.83	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	50%	1.21	Support was given to the Infectious Disease Institute.
Total		**134,083,207,231**		**50.4**	**Fair Performance**

Source: Field Findings

b. Food Technology Incubations II-Project 1341

Background

The project started on 1st July, 2015 and its expected end date is 30th June, 2019. It 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 performance was fair (51.9%) and this was mainly because of insufficient funds released. Out of an approved budget of Ug shs 4.5billion, only Ug shs 566.359m (12.59%) was released by Q2 and less than half of the planned activities were achieved (Table 6.32).

Table 6.32: Performance of Food Technology Incubations II Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training -Training of incubates done	100%	382,999,800	20%	9.37	96 Food Science & Technology students exposed to diverse practical aspects of food processing, product development and analysis, trainings in environmental science were conducted.
Research, Consultancy and Publications -Research in development of food products and agro-processing equipment prototypes done.	100%	500,000,000	10%	9.40	5 Technology Research Projects were undertaken: Production and Commercialization of Roasted Bean Flour.
Outreach -Business support to SMEs and communities.	100%	117,000,000	10%	1.49	Current status assessment and business development support program were completed. Two community food processing projects commenced,

Administration and Support Services -Management, operations, personnel and dissemination of incubator activities and programmes; -Maintenance and optimization of incubation center facilities and equipment done	100%	300,000,000	10%	3.95	23 FTBIC technical and support staff were engaged in supporting project activities. FTBIC activities highlighted in Food Security, Nutrition and Livelihoods policy document of Network for African Science Academies. Bench marking visits by a team from University of Zambia.Incubatees participated in UMA trade show. FTBIC identified by RUFORUM Deans meeting as model approach to promoting university contribution to societal development FTBIC facilities and equipment maintained.
Purchase of Motor Vehicles and Other Transport Equipment -Service van procured	100%	100,000,000	50%	26.32	Service van was delivered
Purchase of Specialised Machinery & Equipment	100%	1,100,000,000	20%	1.40	The Texture Analyser procured and installed. Retort ordered in 2015-16 was delivered but yet to be installed and commissioned.
Construction and rehabilitation of learning facilities (Universities) -Phase 1 of 2 processing units measuring 1,200m^2 completed.	100%	2,000,000,000	5%	0.83	Civil works had not started however Architectural plans, detailed structural drawings, specifications and BOQs completed and approved by University Estates and Works Committee. Bid documents completed.
Total		**4,500,000,000**		**51.9**	**Fair performance**

Source: Field Findings

c. Technology Innovations II (Project 1342)

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 performance was fair at 53.9% (Table 6.33). The low performance was attributed to low releases in both quarters and closure of the university in November 2016. Out of the approved budget of Ug shs 4.5billion, only Ug shs 708.68m (15.75%) was released.

Table 6.33: Performance of Technology Innovations 11 Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Teaching and Training -Placement and supervision of students for industrial training and workshop practice done	100%	642,648,000	0%	0	The university closure affected the project. Activity was carried forward to quarter 3 and 4 when the students go for internship.
Research, Consultancy and Publications -Research initiatives such as iLabs, grey water treatment at household level, and adoption of solar technologies low cost housing done.	100%	328,552,000	25%	7.30	Under the iLabs@MAK initiative, Internet laboratories were developed and the university continued with design and development of the service broker and Instrument launcher for the Open Labs. The project secured UNIDO support to establish a bio-Technology Lab at Makerere University, and developed joint concepts with Ministry of Trade, Industry and Cooperatives to COMESA for some machinery and capacity support for the expansion of the textile cluster across Uganda.
Outreach -Support towards the Irrigation Project, Innovation Systems and Clusters Programme, Technology Development and	100%	643,000,000	25%	14.29	For the irrigation project: the team continued improving the design of the pumps, testing the proto-types of solar water pumps and exhibited the solar water pumps at the CEDAT

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Transfer Centre provided					open day during November 2016. Demonstration of the solar water pump on-farm to the PM was planned for February 2017.
Administration and Support Services -Payment of salaries for project staff, general maintenance and monitoring of project activities done	100%	214,000,000	50%	4.76	Project staff payment and general maintenance of equipment was done.
Purchase of Office and ICT Equipment, including Software	100%	810,000,000	10%	14.32	Procurement process was ongoing.
Purchase of Specialised Machinery & Equipment Comprises rehabilitation and Modernization of Laboratories, and Lecture Facilities	100%	1,862,000,000	5%	13.23	Procurement process was ongoing of Equipment for; Highway/Traffic Eng Lab, Dept. of Fine Art, Dept. of Industrial art and applied design, Dept of Visual communication design and multimedia, Mechanical Dept; and Dept. of Geomatics.
Total		**4,500,000,000**		**53.9%**	**Fair performance**

Source: Field Findings

d. 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 value chains and Industry 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

Project performance was fair (57.6%). Low performance was attributed to low releases in both quarters and closure of the university in November 2016. Out of the approved budget of Ug shs 1,000,340,001, only 11.71% had been released by half year.

Table 6.34: Performance of SPEDA II Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	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	25%	27.92	Training of students with assistance from UPDF continued in Atiak, Northern Uganda and in Karamoja it was temporarily suspended.
Administration and Support Services Management and coordination of project and incubation centers.	100%	111,000,000	5%	3.55	Publicity in many forms of media scaled down and popularity of the incubation model continued through other means. The herdsmen and other workers at Nakyesasa were not paid for three months due to inadequate releases and inputs like drugs, acaracides were not

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
					forthcoming because of university closure.
Purchase of Specialised Machinery & Equipment -Laboratory and field equipment for specialised value chain skilling equipment in different value chain activities procured.	100%	142,000,000	20%	22.33	Procurement of equipment was at evaluation stage.
Construction and Rehabilitation of Accommodation Facilities -Construction and equipping of a 100 bed hostel block (For student accommodation)	100%	468,000,000	5%	3.78	Architectural drawings plus BoQs of the planned constructions were in place. The procurement process for construction had commenced.
Total		**1,000,340,001**		**57.6%**	**Fair Performance**

Source: Field Findings

Implementation Challenge

i) Inadequate allocations for most of the activities and in some cases no allocation is made. This inadequacy has been recurring and has resulted in accumulated arrears, inadequate physical infrastructure maintenance, staff unrest and limitations in academic provision and research.

Recommendation

i) The MoFPED should ensure that adequate funds are released to the institution.

6.17: Makerere University Business School-Vote 138

The vote's mandate is to enable the future of its clients through creation and provision of knowledge. The approved budget for FY2016/17 is Ug shs 65.73bn. It is comprised of Government Subvention, Internally Generated Funds (IGF) and ADB Funds as follows: Wage-Ug shs16.246bn; Non-Wage-Ug shs 3.44bn; Infrastructure Development of Ug shs 2.8; ADB-Ug shs 0. 257bn and IGF of Ug shs 43.07bn. Wage and Non-Wage funds were released at 100% whereas Infrastructure Development release was at 35.5% and Ughs Shs 21.5bn IGF performing at 85% of the expected budget. The vote has one vote function; delivery of Tertiary Education.

Delivery of Tertiary Education Vote Function (0751)

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

a. 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 approved budget is Ug shs 22.856billion, of which Ug shs 10.96 billion (55.6%) was released and 100% spent. Performance was very good as 72.2% of the planned recurrent activities achieved by half year (Table 6.35).

Table 6.35: Performance of Programme 01: Administration by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs, billions)	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	35	0.003	Students were admitted to Bachelors programmes and staff were funded on study programmes. Performance was however affected by delayed registration of some students thus affecting set targets

Students' Welfare -Accommodation, allowances and food to students provided	100%	1,520,130,000	50	6.651	Accommodated 280, fed 1,173 and paid living out allowances to 980 Government sponsored students
Administration and Support Services Payment of staff remuneration, maintenance and facilitation of school's operational activities at faculties, department and regional campuses.	100%	18,182,776,192	50	55.68	Paid a total 975 in the first half of FY 2016/17 Government. Enhanced Academic staff salaries, and also effected the enhancement of Administrative staff.
Arrears	100.00	3,153,073,856	25	9.82	Domestic arrears were paid to a tune of Ug shs 1,106,341,703.
Total		**22,856,860,048**		**72.2**	**Good performance**

Source: Field Findings

b. 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 budget for this project is Ug shs 2.8 billion, of which only Ug shs 455m(16.25%) was released and expended by 31st December, 2016. Project performance was fair at 61.5% (Table 6.36) and this was mainly because of the poor release of the development budget.

Table 6.36: Performance of MUBS Infrastructure Development Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance weighted 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	30%	61.54	Replacement of asbestos roofs completed, detailed design report for construction of the Main Library Short Tower approved and detailed design report for the construction of Business Incubation centre submitted to MoES. Construction of a metal grill fence around the library was 98% completed, pending installation of gates, coping on boundary wall. The modification of the middle block at Bugolobi Annex is 95% complete.
Total		**2,800,000,000**		**61.54**	**Fair performance**

Source: Field Findings

Implementation Challenge

- Delay in release of salaries and inadequate funds to cater for arrears. It was reported that funds for salaries were received two weeks into the new month for a previous month.

6.18 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 g of science and technology and research at all levels. The approved budget for FY 2016/17 is Ug shs 39.628 billion (inclusive of A.I.A), of which Ug shs 19.612 billion (49.49%) was released and Ug shs 18.718 billion (95.44%) expended by 31st December, 2016. The vote has one vote function; Delivery of Tertiary Education.

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 vote function has one recurrent programme; Headquarters and a development project.

a. 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 programme financial performance was very good as Ug shs 14.524billion (49%) of the approved budget (Ug shs 29.750 bn) was released and 100% spent by 31st December, 2016. Physical performance on the other hand was fair as 69.4% of the planned recurrent targets were achieved by half year (Table 6.37).

Table 6.37: Performance of Programme 01: Headquarters by 31st December, 2016

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	30%	36.25	Teaching and training was conducted. Students were enrolled, lectures conducted and procurement of teaching materials was on going at commitment level.
Research, Consultancy and Publications Comprises of research studies and public lectures	100%	65,873,782	35%	0.15	Conducted nine research studies and held one public lecture.
Outreach Comprises community placement for medical students, school practice, industrial training and participation in annual exhibitions	100%	110,559,000	30%	0.37	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

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
					Sciences. Variation in performance is due to other surveys to be conducted in Q3
Students' Welfare Involves provision of food, accommodation, living out allowances, health care and recreation facilities for students	100%	357,001,000	50%	1.20	Fed and accommodated 346 students; Provided health care and recreation facilities for 3,553 students. Offered HIV/AIDS skills training and sensitisation for students.
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	50%	31.22	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	50%	0.20	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	50%	0.10	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**		**69.4**	**Fair performance**

Source: Field Findings

b. 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 approved budget for this project FY 2016/17 is Ug shs 3.79 billion, of which only Ug shs 0.726 billion (19.1%) was released and 15% absorbed by 31st December, 2016. Most of the planned development outputs were at procurement and design stage. The project performance was fair (62.5%) as shown in table 6.38.

Table 6.38: Performance of Project 0368: Development of Mbarara University by 31st December, 2016

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%	2,769,769,000	10%	51.77	Paid for retention fees certificate on toilet construction; Designs and a set of bid documents were completed for the construction of Phase 1 of Institute of Computer Science. Document preparation for the overhaul of sanitation facilities was being prepared by the Estates Department.
Roads, Streets and Highways Comprises Phase1	100%	377,000,000	5%	2.11	Procurement documents had been prepared and were yet to be considered

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
construction of Road Network at Kihumuro (1km per year) and rehabilitation of Roads at Mbarara campus					by the estates and works committee of the University.
Purchase of Motor Vehicles and other Transport Equipment Comprises procurement of one vehicle (station wagon) for second Deputy vice chancellor	100%	300,000,000	10%	1.58	No output achieved. Procurement process was at evaluation stage.
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	20%	1.75	Networking materials were procured however networking had not yet been done; Procurement of Desktop computers was at evaluation level.
Purchase of specialized machinery and Equipment	100%	202,000,000	25%	5.2	Procured a fridge, 3 printers, 1 desktop computer, 2 project screens and 4 laptops. Due to limited funds some equipment was not procured.
Purchase of Office and Residential Furniture and Fittings	100%	50,000,000	25%	0.025	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. Procurement of furniture for FAST 100 seats was concluded and delivery was expected in January 2017.
Total		**3,798,768,714**		**62.5**	**Fair performance**

Source: Field Findings

The fair performance was largely on account of payment of the retention fees on Government Buildings and Administrative Infrastructure, the output which has the bulk of the funds.

Implementation Challenges

- Delayed release of NTR funds from the Consolidated Fund and coupled late release of invoices from respective service providers to clear payments for services offered.
- Funding gap on the side of development; it was noted that the University currently allocates about Ug shs 2.0billion towards Kihumuro campus development from the Ug shs 3.7billion GoU capital development funding which is inadequate to cater for the expansion of Kihumuro campus that is estimated to cost Ug shs 133.21billion over a period of 10 years.

Recommendation

i) The MoFPED should provide Ug shs 13billion annually to enable the University implement the project within the planned 10 years.

6.19 Education Service Commission-Vote 132

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 6.563billion, of which Ug shs 3.014 billion(45.92%) was released and Ug shs 2.502billion (83%) expended by 31st December, 2016. The vote has one vote function; Education Personnel Policy and Management.The vote function has one recurrent programme; Headquarters and a development project; Support to Education Service Commission.

a. 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.

Performance

The approved budget for FY2016/17 is Ug shs 5.910billion, of which Ug shs 2.871 billion(49%) was released and spent. Programme performance was good as 76% of the planned targets were achieved by half year. Table 6.39 shows details of the performance.

Table 6.39: Performance of Programme 01: Headquarters by 31st December, 2016

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	27%	29.79	Good performance noted. Appointed 924 personnel, confirmed 1,080 personnel, regularised 47 appointments, handled 10 study leave cases, corrigenda cases; seven retirement cases; and seven disciplinary cases
Policy, Monitoring, Evaluation and Research Comprises preparation and submission of Budget Framework papers, ministerial policy statement, quarterly and annual performance reports	100%	103,463,818	50%	1.75	Reports were prepared and submitted to Parliament, Office of the Prime Minister, MFPED, Office of the President, Ministry of Public Service 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	50%	40.6	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	50	0.68	Prepared and submitted audit reports; non-wage audit reports, audit reports; management letters and quarterly reports.
Procurement Services	100	21,467,613	50%	0.36	Managed procurement of goods and services; procurement plan

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
This involves management of procurement and disposal of goods and services; preparation of procurement plans and reports; and participation in procurement activities					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	50	0.27	Maintained and repaired network connections, maintained and updated the electronic database management system.
Total		**5,910,792,175**		**76.0**	**Good performance**

Source: Field Findings

b. 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 budget was Ug shs 653.061m, of which Ug shs 326.530m (49%) was released by half year. Table 6.40 shows that project performance was poor (9%) and this was mainly due to non-expenditure by end of Q2. Payments had not been made for the procured office and ICT equipment including software although the equipment had been delivered.

Table 6.40: Performance of Support to Education Service Commission Project (1271) by 31st December, 2016

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	0.00	0.00	Due to inadequate funds, purchase of a motor vehicle was not done.
Purchase of Office and ICT Equipment, including software	43	103,400,000	15	9.03	The commission procured 10 desktops, 4 laptops and one UPS, and equipment delivered although no payments had been made to the suppliers.
Total		**653,060,501**		**9.0**	**Poor performance**

Source: Field Findings

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Implementation Challenges

i) A number of head teachers/deputy head teachers in educational training institutions are care taking for more than the required time (6 months). This has caused distress and demoralisation among them.

ii) High shortage of teachers in secondary schools. Currently there are 23,000 teachers leaving a gap of 24,000 that need to be filled.

Recommendations

i) The MFPED should provide funds for the roll out of the scheme of service to all subsectors. In addition, implementation of the scheme of service at primary level should resume.

ii) The MoES should implement the provisions of the Education Service Commissions Regulations, 2012 which requires one to care take for a maximum of 6 months.

6.20 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; 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 FY 2016/17 was Ug shs 4.538billion; the MoES planned to cover 24 pledges made by His Excellence the President. Out of the 24, eight were monitored. As shown in Table 6.41, physical performance on the presidential pledges was mixed. Seven out of the eight schools had received at least half of the budget through their respective districts.

Construction however had only started in two schools (Nakabugu Muslim Secondary School in Luuka and Mbigiti T/I in Iganga). Other schools were at procurement stage and had not spent any funds.

Table 6.41: Performance of the Presidential Pledges by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Toroma SS, Katakwi (Provision of a school bus)	1	150,000,000	0	0	Money for the bus had not yet been received by half year.
Mandera Girls SS, Soroti (Construction of a dormitory)	1	148,680,000	0	0	Money not yet received by the school, at the district so civil works not yet started.
Mbulamuti St Pauls, Kamuli (Construction of a science laboratory)	1	128,000,000	0	0	Money received. At procurement level, bidding closed on 6th February, 2017.
Nakabugu Muslim Secondary School, Luuka (Construction of 1 block of 2 classrooms with desks and chairs.	2	96,430,780	2	7.23	Money received and construction completed on 3rd Feburary, 2017.
James Mbigiti Memorial Technical Institute, Iganga (Construction of an administration block, 2 classroom blocks, two workshops and dormitory…)	4	150,000,000	0	0	A portion of the money has been received. At procurement level.
St Henry Kitovu College, Masaka (Construction of a Laboratory)	1	200,000,000	0	0	A portion of the money was received but the college is requesting for more, awaiting approval from MoES.
Nakyanyi Secondary School, Lwengo.(Construction and renovation to standard of a government secondary school)	1	300,000,000	0	0	Not yet at procurement, awaiting to hear from MoES.
Kamwenge Primary School, Kamwenge (Construction of a 3 classroom block,	3	160,472,644	0	0	At procurement level, intention to begin works in 3rd quarter.

latrine and furniture.)					
Total		**1,333,583,424**		**7.2**	**Poor performance**

Source: IFMS; MoES Q2 Progress Report; and Field Findings

Table 6.41 shows performance of the Presidential Pledges was very poor (7.2%) at half year. Many beneficiary institutions had not received all the funds and implementation especially civil works had not started. Key challenges that effected the implementation included, late release of funds, inadequate release of funds (as was the case for St. Henry Kitovu) and miscommunication with LGs and central government regarding the usage of the funds.

6.21 National Curriculum Development Center-Vote 303

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 vote function; Curriculum and Instructional Materials Development, Orientation and Research.

The vote function has one recurrent programme; Headquarters and a development project; support to NCDC Infrastructure Development.

a. 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, 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.

The approved budget for FY 2016/17, inclusive of A.I.A is Ug shs 8.9 billion, of which Ug shs 5.2 billion (58.4%) was released and Ug shs 4.4billion (84.6%) was expended by 31st December, 2016.

Performance

Programme performance was fair (66.8%). More than half of the planned recurrent targets were achieved. The centre suffered a budget cut of Ug shs 0.9billion which led to non-implementation of activities, including; development of a manual to guide making of play materials for Eearlu Childhood Development (ECD), translation of P.4 curriculum into braille, development of syllabus and teachers' guide for two diploma programme of purchasing and logistics management, clearing and forwarding. Table 6.42 details the performance.

Table 6.42: Performance of Programme 01: Headquarters by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Pre-primary and Primary Curriculum Comprises training of trainers for orientation of teachers, orientation of teachers on interpretation of curriculum and translation of Primary four curriculum into Braille materials for P.4 in ten learning areas.	100%	1,095,431,000	20%	7.18	135 ToTs were trained on interpretation of the primary curriculum at Nakaseke Core PTC and 387 (6.1% of the annual planned) teachers were oriented on the interpretation of the primary curriculum from 10 least performing districts of Eastern Uganda at Ngora PTC. However implementation was affected by limited funding. Some activities such as translation of P.4 curriculum was not done.
Secondary Education Curriculum Involves development and printing of training manual framework for rollout of the lower secondary curriculum, training of master trainers to implement the curriculum and printing of the learning area syllabuses.	100%	975,132,500	13.5%	7.86	Performance was affected by policy change. The center was asked to halt the printing and rollout of the lower secondary curriculum due to ongoing review process of the curriculum. However, the generic and specific training manuals for the 11 learning areas were developed. Only 108 teachers were trained out of the planned 400 due to limited funding.
Production of Instructional Materials Comprises development of the NCDC house style manual	100%	12,700,000	30%	0.06	A reviewed copy was in place awaiting submission to quality assurance committee.
BTVET Curriculum Involves development of assessment guides and orientation manual for six technical and vocational national certificate programmes; and development of two diploma programmes of Purchasing	100%	837,057,000	30%	9.81	Draft copies of the assessment guides and orientation manuals were in place awaiting fine tuning. Orientation of instructors and development of two Diploma programmes was planned for Q4.

and logistics management; Clearing and Forwarding					
Research, Evaluation, Consultancy and Publications Involves monitoring implementation of sub ICT and sub-math in secondary schools	100%	245,603,000	20	1.28	A research proposal focusing on how Sub ICT and Sub –Maths is conducted was approved by the Governing council and piloting of the instruments was done, data collected from 80 secondary schools in three regions and analysed. Preliminary findings are in place.
Administration and Support Services Comprises payment of staff salaries, utility bills, facilitation of meetings, trainings, development of master plan and NCDC strategic plan (2017-2022)	100%	5,345,586,190	30	40.65	Good implementation progress as 88% of the plan was being implemented. Salaries for 87 staff for the six months had been paid, procurement of a consultant for the strategic plan was in advanced stages, statutory and departmental meeting were held and utilities paid. The consultant for the NCDC master plan however had not been procured.
Total		**8,511,509,690**		**66.8**	**Fair performance**

Source: Field Findings

Implementation Challenges

i) Delays in approval due to a lag in information flow: it was noted that there was a delay in approval of payments during a period when Bank of Uganda was upgrading its systems. The institution was not informed in time that the files that had been sent for payment had bounced.

ii) Harmonisation of systems; being a new vote, the center has just accessed IFMS and some of its suppliers especially the writers did not have Tax Identification Numbers, which has delayed their payments.

iii) Policy change on secondary curriculum has affected planned activities. The NCDC had to halt some processes that were already under way and they have to revise their approved plans accordingly which has affected implementation.

iv) Budget cuts in Q1 and Q2 affected performance. For instance in Q1, out of the expected Ug shs 2.1 billion, Ug shs 1.7 billion was released and in Q2, Ug shs 1.6billion was released out of Ug shs 2.5 billion expected. A number of activities which are critical to the institution were not implemented in the first half of the financial year.

Recommendation

i) The NCDC should prioritise critical activities amidst the limited resources.

6.22 Transfers to Local Government

Background

The Uganda Local Government Act (1997) transferred delivery of the Primary and Secondary Education services to Local Governments. With this Act, education was listed as one of the major public functions for which the District council is directly responsible (Local Government Act, 1997, Article 176(2) of the Constitution, Section 97 & 98). The Act lists the levels of education that were decentralized as nursery, primary, secondary , trade education, special education and technical education.

Performance of 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). Approved Budget for the vote was Ug shs 1,384 billion. Release performance to Q2 for LGs was 66% and expenditures varied across districts.

Table 6.43 Performance of the LG programmes as at 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
UPE	45.00	29,056,754,814	45.00	31.44	The release and expenditure performance was very good.
USE	45	49,034,120,554	45	53.06	The release and expenditure performance was very good.
Secondary Development	24	5,010,000,000	10	2.26	The release was good but physical performance poor because many schools were still procuring
Transitional Development	34	7,582,500,119	11	2.65	The release was good but physical performance poor because many schools were still procuring

Inspection	45	1,730,127,744	45	1.87	The release and expenditure performance were very good.
Total		**92,413,503,231**		**91.3**	**Very good performance**

Source: Field Findings

Table 6.43 shows very good performance of the Local government grants at half year. The performance of each grant is detailed below:

Performance of the Votes 501- 580

The semi-annual monitoring focused on both the recurrent and development grants in the districts of; Kampala, Lira, Kapchorwa, Mbale, Wakiso, Kabale, Ntungamo, Kiruhura, Mbarara, Ibanda, Kamwenge, Bushenyi, Rubirizi, Kigumba, Masindi, Nakaseke, Luwero, Isingiro, Lwengo, Masaka, Butambala, Hoima, Kyankwanzi, Kiboga, Moyo, Yumbe, Arua, Nebbi, Apac, Agago, Kitgum, Gulu, Katakwi, Soroti, Ajumani, Tororo, Mityana, Kamuli, Kaliro, Kisoro, Pader, Kayunga, Kyenjojo, Bukedea, Iganga, Jinja and Amuria.

a. UPE Capitation

The annual budget for UPE capitation was Ug shs 22.846billion, of which Ug shs 15.215billion (66.6%) was released to all schools in the 116 districts. Most districts visited reported that schools in their respective jurisdiction received UPE funds for terms II and III as at half year, except Mbarara DLG which had received capitation for only Q1. Schools had also submitted their expenditures to the district internal audit departments for verification before accessing the grants for the next term. A few schools in Gulu district had not accounted.

Challenges

- The DEOs do not receive the details of the capitation grant released to schools in their districts (Agago, and Arua). This complicates accountabilities of the grant as the DEOs do not know how much the schools received.
- Schools in district like Soroti, Katakwi, Gulu, Kibuku , Namutumba, Jinja, Kaberamaido, and Kaliro reported that they received less money than they expected when they compare the rate per pupil multiplied by enrollment. For instance Ogul P/S in Gulu received Ug. Shs 1,005,902 instead of Ug 1,529,781. Schools in Kitgum reported a reduction in the grant of 30% especially with the Q1 release (Tearm II). This was attributed to use of EMIS information for the previous academic year.
- Three schools in Rubirizi and Ssemuto P/S in Nakaseke district did not receive capitation in both quarters whereas schools in Lwengo district did not receive capitation in Q1.
- Lamingone P/S and Rubindi P/S in Agago and Mbarara districts respectively did not receive capitation for Terms I and II last academic year and arrears are yet to be paid.
- There are schools with similar names and their grants continue to be interchanged. In Lira district, Angwen P/S in Angwen S/C with an enrollment of 1,900 pupils has

continued to receive the grant meant for Agwen Modern P/S with an enrollment of 600 pupils.

- Districts hosting refugees have seen a dramatic rise in enrollment numbers. In Adjumani district enrollment rose from 30,000 to 70,000 pupils yet the amount of the grant to the schools has not increased.
- The UPE grant utilization guidelines came out in 2008 and have never been reviewed since.

Recommendations

- The MFPED and the MoES should share the release advice to all DEOs detailing transfers per schools as opposed to the block figure for the district. This will improve accountabilities of the grant.
- The MoES should review the UPE utilization guidelines with all the stakeholders in order for them to achieve the objectives.

b. USE Capitation

The annual budget USE capitation was Ug shs 127,052,544,451, of which Ug shs 84,616,994,604,366 (66.6%) was released to all schools in the 116 districts. All districts visited reported that all schools in their respective jurisdiction received USE funds for terms II and III as at half year. Schools had also submitted their expenditures to Commissioner Secondary Education in MoES for verification before accessing the grants for the next term, however there were a few challenges namely:

- Schools in districts of Kibuku, Adjumani, and Jinja received less funds than they expected when they compare the rate per student per term multiplied by enrollment. For instance in Kibuku district, Kagumu S.S received Ug Shs16m out of Ug Shs 50m expected, Nabiswa S.S received Ug Shs 30m out of Ug Shs 60m expected and Buseeta S.S received Ug Shs 30 out of the expected Ug Shs 50m. In Kapchorwa district, schools received 28% out of the expected 33.3% although no school missed.
- Schools in Rubirizi district received the Q1 funds towards end of Q2.
- Almost all USE schools in Buikwe district received more money than planned for terms II and III. This has caused audit queries for the schools.
- DEOs do not know how much has been disbursed to each of the secondary schools in their respective districts which complicates accountabilities.

c. The Inspection Grant

The annual budget for the inspection grant was Ug shs 4,779,000,000, of which Ug shs 2,389,500,000 (50%) was disbursed to all districts by half year. This grant includes the DEOs facilitation. The DEOs in the districts reported to have received the grant for Q1 and Q2.

The key outputs for the two quarters included; inspection of all Government Primary Schools and some private primary and secondary schools; Monitoring the Learning Achievements (MLA) for P.2 which covered all government aided and private schools across the country;

and inspection using the Electronic Integrated School Inspection System (ISSIS) using smart phones. Part of the funds were used to recruit, train and pay allowances for associate assessors that were to beef up the inspection teams in districts.

Inspection in schools is centered on four pillars; the pupils, teachers, parents and School Management Committees. The areas of focus included pupil and teacher attendance/absenteeism, punctuality of the teachers and pupils, hygiene including the latrines and availability of water for use and drinking; Preparation of lesson plans among teachers, records of work done, staff housing and welfare; Parents involvement in the school for instance provision of meals for their children; level of involvement of the School Management Committee including evidence of their sitting and issues of whether the committee approves budgets or money gets misused.
The findings are centred around the four pillars;

i) Teachers

- Understaffing among teachers. Soroti and Kiruhura districts had a staffing gaps of 400 and 233 teachers respectively. Bushenyi district has not had a functional District Service Commission for two years and therefore no recruitment of teachers has been done.
- Teacher absenteeism
- Late coming among teachers.
- Most of the instructional materials in schools are not being utilized by teachers.
- Staff housing facilities are a threat to service delivery as in the districts of Kiruhura, Mbarara, and Bushenyi, 13%, 20% and 20% of the teachers are housed at school respectively.

ii) Pupils

- High drop out rates. During the dry season, children in Kiruhura district are engaged in feeding animals; In Kishuzi and Nyamarebe sub-counties in Ibanda district, the school drop out rate is high among girls in P.6 and P.7 as they are usually married off, while early pregnancies among pupils is predominant in Kiboga district.
- The pupil:teacher ratio is high. Whereas the recommended ratio is 1:55; Kiruhura, Mbarara, and Isingiro districts have a ratio of 1:80 in some schools.
- Inadequate latrines for instance in Ibanda, the pupil: latrine ratio in some schools is 1:131 and yet funds for capital development keep reducing every year.
- Lack of washrooms for girls.
- Access to water by the pupils is still a problem.

iii) Parents

- Inadequate parental support as most parents neglect to park meals and buy uniforms for their children. Other children are absent during market days and dry seasons as they have to look for pasture for the animals.

iv) School Management

- There is poor management of funds by the head teachers in some schools.

- Some members are unaware of their roles and responsibilities, whereas others are not motivated as they expect to be facilitated when they attend meetings at the schools.
- The SMCs lack minimum qualifications to enable them monitor and supervise the head teachers.

Recommendations

i) The stakeholders including political leaders, school authorities, and religious leaders should enhance sensitization of parents to enhance parental support towards the education of their children.
ii) The MoES should commission an audit on availability of school facilities including staffing levels to address issues of inadequate infrastructure and staffing gaps among districts.
iii) The inspectors together with the heard teachers and SMCs should intensify supervision of teachers.
iv) The MoES should set minimum qualifications for members of the SMCs.

General challenges facing the inspectorate function include;

- Some districts received the Q1 inspection release in Q2. These districts had to improvise by borrowing in order to undertake the inspection for term II.
- The inspection budget at district level is inadequate to cover all schools. Many districts conduct only one inspection per school per term. Some districts are big and schools are spread over long distances.
- Sports officers have no budget to do their routine work of supporting co-curricular activities and sports in schools yet schools were stopped from making contributions to support these activities. In some districts they are covered under NTR yet collections from these are dwindling. This creates challenges for sports officers in organizing sports competitions in schools, sub-county, district championships and bring schools to the national level. As a result many districts are not represented.
- The district education departments are understaffed with many 2 or 3 staff (DEO, DIS and one Education Officer). Agago district for instance has only two staff in the inspection department.
- Many districts still lack of transport for the education departments.

Recommendations

- The MFPED, with guidance from MoES should enhance funding to the inspectorate function based on the number of schools in the districts
- The MoES should conduct an audit of the school infrastructure in place including the staffing levels and provide minimum standards of classrooms, pit latrines, desks;, and staff housing for effective learning to take place.
- Transport for the inspectors and their field staff should be provided.

d. Transitional Development Grant/ School Facilities Grant

The grant comprises a number of projects implemented by the education department of the District Local Government. 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, classroom construction and rehabilitation, purchase of classroom furniture, Construction of 5 stance lined pit latrines, Construction of teachers staff houses, payment of retention for previous years projects, Capacity building for the School Management Committees, and Monitoring and Evaluation of projects.

The annual development budget (primary) is Ug shs 32,508,725,000, of which Ug shs 21,650,810,850 (66.6 %) was released. Expenditures varied across districts.

Performance
By Q2 FY 2016/17, 58% of the districts had received half of their annual budget although a number of districts reported late receipt of the Q1 release. Some districts received the Q1 release after receiving the Q2 release while others did not receive Q1 funds and only received Q2 funds such as Gulu, Kiruhura, Mbarara, Kamwenge, Masaaka, Butambala, thus receiving only 41% of the budget by Q2. There were also unique cases of districts receiving only Q1 funds such as Bushenyi, Kirayandongo districts which received only 25% of the budget.

Other districts reported to have received the development grant as follows: Mbale (42%), Iganga (44%), Pader (50%), Nebbi (50%), Kapchorwa (50%), Katakwi (50%), Kibuku (50%), Jinja (50%), Kaberamaido (50%), Lira (52.1%), whereas Ntungamo, Rubirizi, Luwero, Lwengo, Isingiro, Hoima, and Masindi districts received the entire 66.67% as expected by Q2.

i. Procurement of Vehicles by the District Local Governments

Background

Previously, majority of the District Local Governments did not have adequate transport to monitor and inspect projects and programs in the education sector. Districts Education departments last received vehicles around 1998 many of which have long been disposed off. This therefore necessitated the prioritization of procurement of a vehicles for the DEO's office to improve service delivery. This FY 2016/17, the MoES allowed the districts to use the Consolidated Development grant to procure vehicles and over 60% of the districts monitored took up the offer and most of them had completed the procurement process, some had vehicles delivered by January 2017 (Kyankwanzi, Butambala, Nakaseke, and Kaliro), and others were waiting for delivery of the vehicles. The average cost of the vehicle was about Ug shs 160,000,000. Other districts such as Ibanda, Rubirizi ,however, could not procure a vehicle due to limited funds and therefore postponed the activity to the next financial year.


L-R: New Education Departmental cars for Kyankwanzi and Nakaseke DLGs

ii. Construction Works

This was the second major activity after procurement of departmental vehicles. Districts across the country planned to construct classroom blocks and supply of furniture, construction of 5 stance lined pit latrines, payment of retention for previous financial year construction projects, and in some cases, construction of teachers' houses. By end of Q2, Payment of retention for the previous year's projects was the major ongoing activity across the districts. Construction works had started in only 31% of the districts, while 69% of the districts were concluding the procurement process or had just signed contacts by January 2017 (Kiruhura, Ntungamo, Kamwenge, Rubirizi, Luwero, Kyankwanzi, Adjumani, Moyo, Arua, Gulu, Kitgum, Soroti and Kapchorwa,). A few districts that had started construction of the different structures include Mbarara, Ibanda, Bushenyi, Lwengo, Isingiro, Hoima, Katakwi, and Namutumba.


L-R: Foundation works for construction of a two classroom block at Nyawaiga P/S, Hoima; Construction works of a two classroom block at roofing level at Kiriyandongo CoU P/S Kigumba


L-R; Construction of staff house at Byaruha P/S, Kirumba TC; Staff House at Kigondo P/S completed

L-R: A 5-stance lined pit latrine under construction at Katuna P/S; Kabale District; Completed 5 stance lined pit latrine at Rwatabaire P/S; Ishongororo Subcounty; Ibanda District.

e. Secondary Development Grant (DLG)

This FY2016/17, government is constructing/rehabilitating structures in 49 secondary schools across the country. The approved budget for FY 2016/17 is Ug shs 9,880,044,288, of which Ug shs 4,116,685,120 (41.6%) was disbursed to schools through the DLGs by half year. The funds were for construction/rehabilitation of multipurpose science laboratory blocks, staff houses, classroom blocks and extension of water systems in those schools. Schools received 66.6% of their budget by 31st December, 2016.

Physical progress of activities in these schools was slow. Apart from Katakwi High School, which had done 50% of the work to fit a chain link around the girls' dormitories, Vurra S.S where rehabilitation of the science laboratory was ongoing and Kaberamaido S.S where construction of the science laboratory was at roofing level, construction works in the other schools had not commenced majorly because the procurement process had not yet been initiated by MoES which was in charge of construction of the facilities.[20] Jinja district had not transferred money meant for Jinja S.S. to the school by end of January arguing that they had no official communication that money for that school was on the district consolidated account.

General Challenges

- Inadequate and late release of funds. A number of districts received Q1 funds towards Q2, while others only received funds for Q2 and yet there is shortage of infrastructure across districts.
- The delayed procurement process by the District Procurement Units has led to late start and completion of projects.
- The staff ceilings were reviewed recently but there has not been recruitment for teachers for some time. Many teachers in districts have retired, died, absconded from duty and many are sick. This is affecting performance.
- Many schools do not have adequate facilities. For instance more than 50 schools in Bushenyi district do not have a single teacher's house. In Kaliro district, the pupil-classroom ratio is 1:94, and a pupil-latrine stance ratio of 1:104. At least 13 primary

[20] Kei Seed, Yumbe; Moyo S.S, Moyo; Jinja S.S, Jinja; Mwiri S.S; Jinja, Rock High Tororo; Tororo, St Mary's Madera; Soroti; L. Mburo SS, Kiruhura; Rugarama SS, Ntungamo; St. Michael H.S Rugazi; Mpigi S.S, Luwero; St. Henry's Kitovu, Masaka; Nakyenyi P/S, Lwengo; Kigarama Vocational School, Isingiro

schools in the district have only 2 permanent classrooms (e.g Nabitende C.O.U, Budehe P/S, Kahango P/S, Nakabugo P/S, Nakabukuko P/S, Bugoda P/S, Igulamubiri P/S, Kibanda P/s, Mamutaka P/S, Kibembe P/S, Kanabugo P/S) while others have only three classrooms (e.g Bujeje P/S, and Isalo P/S,). All these schools and others have classrooms up to primary seven.

- In secondary schools, the biggest challenge is inadequate teaching staff for the science subjects. Many teachers in secondary schools are not on the payroll and are paid using the USE funds.
- Inadequate transport for the inspectors and other field officers who carry out inspection. Much as vehicles have been provided, they are majorly for the DEO's office. In Nakaseke district, some schools are over 120km from the district headquarters and inspectors have to hire motorcycles to carry out inspection even when it rains and the roads are impassable.

Recommendations

- The MoES should conduct an audit of the current school infrastructure including the staffing levels and provide minimum standards of classrooms, pit latrines, desks, and staff housing for effective learning to take place.
- Transport for the inspectors and their field staff should be provided.

Overall Education Sector Performance

The overall semi-annual performance of the sector was fair at (64%) - table 6.44. Performance was however lower across development projects compared to the recurrent programs. Sector performance was largely affected by; i) delays in initiation of the procurement process and receipt of counterpart funding, ii) poor planning as many project became effective before the necessary preparatory activities were undertaken, iii) delayed and inadequate release of funds partly leading to poor absorption, iv) delays by MoES to transfer funds to LGs which further held-up transfers to beneficiary institutions vi) limited knowledge on IFMS usage, and vii) lack of clear communication between MoES and LGs regarding usage of funds, especially under Presidential Pledges.

Table 6.44: Overall Performance of the Education Sector by 31st December, 2016

Vote	% Physical Performance
1. Ministry of Education and Sports, MoES (Vote 013)	58.8
2. Education Service Commission (Vote 132)	42.5
3. Makerere University (Vote 136)	51.1
4. Mbarara University (Vote 137),	65.9
5. Makerere University Business School (Vote 138)	66.8
6. Kyambogo University (Vote 139)	76.7
7. Gulu University (Vote 149)	54.7
8. Busitema University (Vote 111)	89

9. Muni University (Vote 127)	49.5
10. Lira University (Vote 301)	57.7
11. National Curriculum Development Centre NCDC (Vote 303)	66.8
12. Soroti University (Vote 308)	66.1
13. Kabale University (Vote 307).	68.3
14. Transfers to Local Government (Vote 501-580)	91.3
Average Sector Score	**64.7**

CHAPTER 7: ENERGY

7.1Introduction

7.1.1 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.[21] The contribution of the sector to the NDP II objective is done through the pursuance of the sector outcomes. These are[22];

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 2015/16 -2019/20, the sector continues to focus on the key priority areas; these are[23]:

- 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 37% of the total sector budget. This was attributed to the low disbursement from the donor component, which is dependent on projects requirements. As at January 2017, majority of the donor funded projects particularly transmission lines were behind schedule. The Government of Uganda (GoU) development budget performance however was very good at 62% as compared to the expected 50% as at 31st December 2016. The absorption of the released funds was very good at 88% of the development budget released. A summary of financial performance is presented in Table 7.1.

[21]National Planning Authority Second National Development Plan (NDPII) 2015/16 – 2019/20 :101

[22] MFPED, National Budget Framework Paper FY2016/17(Kampala 2016)

[23] 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	2.031	1.709	50.0	84.1
	Non wage	3.326	1.368	0.823	41.1	60.2
Development budget	GoU	446.901	276.472	242.21	61.9	87.6
	Donor	1922.943	601.061	627.177	31.3	104.3
Taxes & Arrears	Arrears	0.095	0.095	0.000	100	0.0
	Taxes	0.000	0.000	0.000	0.0	0.0
A.I.A	Appropriation in Aid total	40.8	22.644	19.657	55.5	86.8
Totals	**Grand total**	**2418.128**	**903.671**	**891.578**	**37.4**	**98.7**
	Excluding Taxes and Arrears	2418.128	903.671	891.578	37.4	98.7

Source: MEMD and REA, Q2 Performance Report

Scope

The chapter presents semi-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 17 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 Q2 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, Oyam
Mbarara- Nkenda/Tororo-Lira (Project: 1137)	Mbarara, Kasese, Tororo, Lira
Mputa Interconnection- Hoima-Nkenda (Project. 1026)	Kasese, Fort portal, Hoima
Nile Equatorial Lakes Subsidiary Action Program- (NELSAP):Bujagali-Tororo-Lessos/ Mbarara- Mirama-Birembo (Project 1140)	Jinja, Tororo, Mbarara, Ntungamo
Nile Equatorial Lakes Subsidiary Action Program- (NELSAP): Bujagali Interconnection Project/Bujagali	Jinja

Project code and Name	Location/ Areas visited
Switchyard Upgrade (Project 1024)	
Promotion of Renewable Energy and Energy Efficiency (PREEE) Project: 1023:	Lira, Apac, Alebtong, Amolata, Dokolo, Oyam, Kole, Kotido, Soroti
Vote Function 0302: Large Hydropower Infrastructure	
Isimba Hydropower Plant (Project 1143)	Kayunga
Karuma Hydropower Plant (Project 1183)	Kiryandongo
Nyagak III Hydro power Plant(Project 1351)	Zombo
Vote Function 0303: Petroleum Exploration, Development Production (PEDP)	
Construction of the Oil Refinery (Project:1184)	Hoima
Midstream Petroleum Infrastructure Development (Project:1352)	Entebbe[24]
Strengthening the Development and Production Phases of Oil and Gas sector (Project: 1335)	Entebbe, Hoima
Skills for Oil and Gas Africa, SOGA (Project 1410)	Entebbe
Vote Function 0304: Petroleum Supply, Infrastructure and Regulation	
Downstream Petroleum Infrastructure (Project :1258)	Kampala
Vote Function 0305: Mineral Exploration, Development and Production	
Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	Entebbe[25]
Mineral Wealth and Mining Infrastructure Development (Project: 1353)	Entebbe[26]
Vote 123: Rural Electrification Agency	
Vote function 0351: Rural Electrification	
Grid Extension Program-GBOBA (Project 1261)	Arua, Kyegegwa, Kasese
Rural Electrification (Project:1262)	Lira, Oyam, Otuke, Pader, Ntungamo; Rukungiri; Kanungu; Kisoro, Kabale,; Hoima; Zombo; Arua; Wakiso; Mayuge, Namayingo, Tororo, Busia, Kapchorwa, Bukwo, Butaleja,Mbale,Budaka
Energy for Rural Transformation-ERTII (Project 1332)	Hoima, Nwoya

Source: Authors' Compilation

Limitations

- Financial information for donor-funded projects such as the disbursement levels, expenditures for donor-funded projects is not obtainable from IFMS making the analysis of such projects difficult.
- Detailed information on the projects from contractors and funding agencies is not freely shared with the monitoring team.

[24] The monitoring team held meetings in Entebbe
[25] The monitoring team held meetings in Entebbe
[26] The monitoring team held meetings in Entebbe

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*"[27]

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 38.1% of the vote budget. The GoU component performed well with 63% of the development budget released by 31st December 2016. The funds utilization was very good at 98.9% of the release spent (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	2.031	1.709	50.0	84.1
	Non wage	3.326	1.368	0.823	41.1	60.2
Development budget	GoU	389.925	246.844	212.676	63.3	86.2
	Donor	1,710.755	553.735	579.851	32.4	104.7
T&A	Arrears	0.095	0.095	0.000	100	0.0
	Taxes	0.000	0.000	0.000	0	0
A.I.A Total		0.000	0.000	0.000	0	0
Totals	Grand total	2,108.164	804.073	795.060	38.1	98.9
Excluding Taxes and Arrears		2,108.164	804.073	795.060	38.1	98.9

Source: MEMD Performance Report Q2 FY2016/17

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.[28] The programme took up 21.6% 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'"*.

[27]MEMD *Ministerial Policy Statement 2016/17* Pg. 1
[28]MEMD *Ministerial Policy Statement 2016/17* (Kampala 2016) Pg. 26

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

Background

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

Project performance

The project performance was fair at 66% of the semi-annual target. Low performance is attributed to the late initiation of procurement for most of the capital development activities. The activities that were not capital development such as Energy Week, Biomass dialogue, training of trainings, Energy Audits, policy formulation registered some achievement as at half year. Summary of performance is presented in Table 7.4.

Table 7.4: Performance of the Promotion of Renewable Energy and Energy Efficiency Project by 31st December, 2016

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Energy Policy/Plans Dissemination, Regulation and Monitoring(-Technical support provided, Bills and regulations drafted, Energy policies drafted, Biomass standards developed, Energy mainstreaming, Technical regulations for solar water heating standards gazetted	100	0.580	30	7.02	Performance was fair. Policy formulation and establishment of standards was at various levels of completion commensurate to the funds usage.
Energy Efficiency Promotion (Energy week and other exhibition activities, Trainings conducted, Energy Audits carried out)	100	1.079	40	17.49	Very good performance registered at half year. Majority were promotional activities that were conducted.
Renewable Energy Promotion(Demonstrations of biomass energy, Awareness campaigns done, Pico Hydro Systems for Electricity Generation developed)	100	0.700	35	9.89	Good performance albeit the non-completion of the artisans training. The other activities were still under procurement

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Specialised Machinery & Equipment (Purchase of Energy Audit Equipment, Power factor correction equipment, Two wind mills installed in Karamoja, Five hybrid solar water heating units installed in institutions,	100	2.597	32	32.44	Fair performance. Procurement was initiated after completion of the assessment of the requirements in Karamoja and was at issuance of Local Purchase Order. Others were under procurement.
Total		**4.956**		**66.8**	**This is fair physical performance**

Source: Field Findings

Performance Highlights between July 2016 – January 2017

- The MEMD has continued to receive technical support from GIZ. Consultants funded by GIZ finalized the drafting of the Energy Efficiency and Conservation Bill and consultations are ongoing before submission to Parliament for discussion.
- The regulations for the energy efficiency bill are at draft stage and key issues have been highlighted for inclusion. The final regulations are pending approval of the bill by Parliament.
- Energy Week 2016 was conducted from 31st October to 5th November 2016 while the Biomass Dialogue was held in November 2016. Road shows and exhibitions about energy efficiency were conducted in Kitgum and Mbarara districts as part of end user awareness.
- Energy management trainings were also carried out in high-energy consuming facilities like tea factories in July and August and preliminary assessment was carried out for 12 companies. In addition, energy auditing was undertaken for 6 out of the 10 chosen industries.
- Two trainings for future Energy Managers have also been undertaken. The first training focused on industrialists where 32 energy managers were trained in August 2016. The second training focused on consulting engineers where 30 consultants were trained from 14th-21st November 2016.

Source: Field Findings

Challenge to project implementation

- Delays in initiation of procurement by the user departments.

Recommendation

- The MFPED and PPDA should guide on the initiation of procurement to save time and ensure funds absorption

7.2.2 Transmission Line projects

Background

There a various number of 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 67% of the semi-annual target. Majority of the transmission lines and substations although in advanced stages were behind schedule. Karuma Interconnection line was the worst performing at 25% with only preliminary works (Detailed route survey and check survey) ongoing, while the Bujagali Switchyard Upgrade was at nearly 100% as it had been completed and commissioned, but still under the defects liability period. The Right of Way (RoW) and way leaves acquisition remains a main implementation challenge in transmission lines projects. Summary of performance for the selected transmission lines is presented in Table 7.5.

Table 7.5: Performance for the Selected Transmission Lines by 31st December, 2016

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		98.78	The project was completed. Still under the defects liability period. Quality of works was good after increased supervision vigilance of Uganda Electricity Transmission Company Limited (UETCL).
Electricity Sector Development Project	100	16.544	38	78.52	Project progressing fairly. The quality of works is good although behind schedule. MEMD components were experiencing time overruns more than the UETCL components.
Karuma Interconnection Project	83	1,028.897	20	25.36	The project is progressing at a slow pace. The substantial construction works had not commenced at 52% time progress.
Mbarara- Nkenda Transmission Line (TL) and Associated substations	100	287.132	64	78.03	Stringing of Conductor and Earth wire is 27.6% complete for Mbarara- Nkenda and 38.1% complete for Tororo- Lira The substations were in advanced stages.
Mputa	100	267.156	39	52.23	The transmission line

Key projects outputs	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Interconnection					component performed better than the substation works. Due to delays in approval of substation designs. The delay was occasioned by inadequate designs submitted by the EPC contractors.
NELSAP(Uganda -Kenya ; and Uganda-Rwanda TL with associated substations	100	249.455	56	70.27	Performance was impressive with the increased mobilisation of labour and equipment especially at Mirama substation, which was more behind schedule than all the other components.
Total		**1,877.113**			
Overall average performance				**67**	**This is fair physical performance**

Source: IFMS Data; Project Documents; Field Findings

Detailed performance of the selected transmission lines and substations

I. Bujagali Switchyard Upgrade (Project 1024)

Background

This project was financed using savings from the Bujagali Interconnection Project which had been 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 physical performance of this project was very good at 98.78%. The last equipment erection was completed in March 2016 and all commissioning tests completed in December 2016. The project is still under defects liability period to identify any snags and have them rectified. This project-experienced time overruns and the final payments were made using the liquidated damages incurred by the contractor. The contractor National Contracting Company (NCC) had financial and technical capacity constraints and hired an incompetent subcontractor at the project commencement.


L- R: Newly installed 132/220kV Transformer; Installed Control and Protection Panels at Bujagali Switchyard in Jinja District

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 the access to electricity supply in the southwest region of Uganda. It is implemented by the MEMD and Uganda Electricity Transmission Company Limited (UETCL).

Project performance

Construction works

Overall, physical performance was good at 78.5% although behind schedule in part due to RoW for the UETCL implemented component, and delayed initiation of procurement for the MEMD implemented component. The project will not be able to be completed within the loan period where the last disbursement date is 28th February 2017. The MEMD has requested for an extension to the loan and at the time of monitoring, the World Bank was still reviewing the request. A summary of performance is presented in Table 7.6.

Table 7.6: Progress of the Electricity Sector Development Project

	Component	Progress
Components Implemented by UETCL		
1.	Construction of Kawanda-Masaka 220kV Transmission line.	320 out of the 352 tower foundations have been completed, 296 towers have been erected out of the 352. Work on 3 pile locations has not yet been sanctioned by UETCL 23 km of stringing has been completed out of 137km 16 tower locations have not been worked on because of RoW issues. Overall progress of transmission line works is at 85%

2.	Kawanda Substation Works	The 2 power transformers have been installed and all tests done apart from the Dissolved Gas Analysis test. The reactor has been installed and all tests on it undertaken Plant house has been completed and the snags are being fixed All secondary equipment has been installed and tested Earthing grid has been completed and tested Protection and communication panels have been installed and configured Power and control cables have been laid and terminated to the panels, awaiting arrival of switch gear. Overall progress of the substation work at 91%
3.	Masaka and Mbarara Substation Works	Civil works are at 70% complete and works are on-going on the plant house (70%), cable trenches (70%), slope protection (80%), stone pitching (60%), equipment foundations (90%), leveling (40%). Works on drainage systems, access road and fencing not yet commenced. Electrical works are at 85% in the 220kV section(zone 4), the 2 power transformers and reactors were installed and tested in zone 3, electrical works in zone 1 and 2 are 80% complete. The earth grid installation is 80% complete. All control panels and switchgear have been delivered , pending installation. Installation of the reactors 2 reactors at Mbarara substation is complete, and works on the control room is being finalised. Overall progress of Masaka substation works at 65%
Components implemented by MEMD		
4.	Masaka Street and Market lighting	Construction is on-going and 317 concrete bases out of the 450 have been casted. 295 metallic poles have been erected out of 450, 5 wooden poles have been erected (at Katwe, Saaza and Kyabakuza) Cables for 295 metallic lighting points have been laid. Overall progress is at 60%
6	Peri-Urban grid extensions and connections in Wakiso,Mpigi, Masaka and Kalungu	Survey drawings have 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 1,056 compared to a target of 3,000. Overall progress is at 20% and is behind schedule
7	Review of the Power Sector Reforms	A draft report was presented to MEMD. The report has been shared with the development partners for their input until mid January 2017. Overall progress is at 80%
8.	Implementation of a power sector information centre	Equipment specifications were approved and procurement of equipment was still on-going. Civil works on the room to house the centre had not yet commenced. Overall progress at 30% and behind schedule

Source: UETCL, MEMD; and Field Findings

Resettlement Action Plan

By the end of December 2016, 34 resettlement houses had been completed and handed over to the respective vulnerable Project Affected Persons (PAPs) and 8 houses were under construction, three new sites were identified and procurement process was ongoing while one site was at identification stage. The progress of the cash compensations to the PAPs on the Kawanda –Masaka line is in Table 7.7.

Table 7.7: Status of cash compensations for the Project Affected Persons

	Item	Coverage	Percentage
1.	Total Transactions	2,644	100
2.	Disclosures	2,328	88
3.	Agreements	2,298	87
4.	Disputes	30	1
5.	Payments	2,038	77
6.	Outstanding disclosures	316	12

Source: UETCL; Field Findings

Project challenges

- Uncertainty of extension of the loan period to enable initial project completion and the new project components that UETCL identified to utilise the realised savings from the loan. The project works are behind schedule yet the last loan disbursement date was scheduled for 28th February 2017 and the World Bank was yet to extend the loan period.
- Right of Way (RoW) issues. The contractor cannot access 16 tower locations for excavation works due to delay in PAPs compensation. The RoW are also affecting the stringing work on the line since the contractor requires a continuous line corridor. This has resulted in idle equipment and personnel. Right of Way (RoW) issues were affecting the progress of the transmission line works. For instance in Jandira village, Kayabwe parish, Mpigi district, the contractor was denied access to site to complete stringing works due to delays in compensation


L-R: Installed 250MVA transformer at the 220kVsection; Ongoing external works on the partially completed 220kV plant house at Kawanda sub-station


L-R: Ongoing stone pitching works for slope protection; Civil works on the 220kV plant house in Masaka substation


L-R: Completed towers ready for stringing; Ongoing tower erection in the wetland on the Kawanda-Masaka transmission line at Kyabadaza, Mpigi District

III. Karuma Interconnection Project (Project 1025)

Background
The project is funded by a loan from 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 is progressing at a slow pace at 25% of the semi-annual target. Physical progress averaged at 25% against 52% of time progress. The substantial construction works had not commenced by end of January 2017 with detailed survey ongoing on the Karuma- Kawanda section alone. The summary status is presented in table 7.8.

Table 7.8: Performance of the Karuma Interconnection Project as at 31st December 2017

	Works Description	Works accomplished by end of Dec 2016
1	The construction of 248km double circuit 400kV **Karuma-Kawanda transmission line**	• Work on this line subcontracted to Kalpataru Power Transmission Ltd • Route alignment survey completed • Detailed survey on-going (227/248km completed) • Design of DA Tower type submitted under review • Conceptual electrical layout of Kawanda substation complete • Bush clearing and ground levelling on-going • Pending soil investigation
2	The construction of 78km double circuit 132kV **Karuma-Lira transmission line**	• Route alignment completed by contractor • Detailed survey using satellite images ongoing • Design of DA Tower types submitted for approval • Soil investigation including laboratory tests pending • Start soil investigation for Lira substation
3	The construction of 55 km double circuit 400kV **Karuma-Olwiyo transmission line** (initially operated at 132kV)	• Line Route survey including approval is ongoing • UETCL is finalisingKaruma-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 ongoing 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
4	**Karuma substation:** Two (2) 400kV line bays, four (4) 132kV line bays and control room (building) with associated protection, control and communication facilities	• Submission of basic design (Concept layout and Single Line Diagram) in accordance with proposed change
5	**Kawanda substation:** Two (2) 400kV line bays, 1300MVA 400/220kV power transformers, 1300MVA 220/132kV power transformers, transformer bays, and control building. All with associated protection, control and communication facilities.	• 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
6	**Olwiyo substation:** Two (2) 132kV line bays, two (2) 20MVA 132/33kV power transformers, six (6) feeder bays, and control building with associated protection, control and communication facilitate.	• 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
7	**Lira substation:** Two (2) 132kV line bays with associated protection, control and communication facilities.	• 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

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 status of implementation is summarised in Table 7.9.

Table 7.9: Status of RAP for Karuma Interconnection as at 31st December 2016

No	ITEM	Karuma-Lira-Olwiyo Segment		Karuma-Kawanda Segment	
		Coverage	Percentage	Coverage	Percentage
1	Total Transactions	1,125	100%	3,005	100%
2	Disclosures	892	79%	2,337	78%
3	Agreements	827	73%	2,143	71%
4	Disputes	65	6%	194	6%
5	Payments	700	62%	1,544	51%
6	Outstanding disclosures	237	21%	668	22%

Source: UETCL; Field findings

Project challenges

- Slow implementation of the RAP due to PAPs who are tenants with absentee land lords, lack of letters of administration, There are also cases of PAPs who resale land after compensation.
- The contractor lacks access to full project site leading to time loss and idleness. There is a risk of UETCL incurring idle and interest charges.
- Inadequate staff for RAP implementation. The UETCL team implementing the RAP is lean compared to the length of line corridor.
- There is delay by Uganda Wildlife Authority (UWA) to give the necessary permits to enable the EPC contractor begin work in Murchison Falls National Park areas.

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 78% of the semi-annual target. Substation works (Nkenda, Opuyo, Lira, Mbarara, Tororo were at 100% and FortPortal at 96%) were substantially complete and contractors had left site. The pending works are final installation of protection, communication system and final commissioning.

Works on the transmission line were ongoing although have been hampered by RoW issues. Right of Way issues were mainly in areas of Dokolo, Lira and Tororo, which have adversely affected the construction works on the transmission line. One court case in Tororo district has dragged on since 2014, and because of this, the contractor has no access to 38 out of 88 structure sites. Foundation works are on-going, 578 foundations (80.8%) Lot 1 and 399 foundations (88.1%) Lot 2 have been completed. Tower and monopole erection is on-going.

529 towers (74%) lot 1, and 387 towers/monopoles (85.4%) Lot 2 have been completed. Stringing of Conductor and Earth wire is 27.6% complete (72.47/262.98 km) for Lot 1 and 38.1% complete (59.72/157km) for Lot 2.

Resettlement Action plan

The construction of resettlement houses for weak and vulnerable PAPs was ongoing; 45 houses have been completed out of 50 houses and 3 houses were under construction. The cash compensations for the PAPs was also ongoing and a summary of performance is presented in Table 7.10.

Table 7.10: Performance of Cash Compensations

Item	Total Number	(%)
Total Number of Project Affected Households	1,887	100 %
Number Disclosed to	1,700	90%
Agreements	1,636	87%
Number of households paid	1,533	81%
Compensation Disputes	64	3%

Source: UETCL; Field Findings

Project Challenges

- Inadequate facilitation of the UETCL RAP implementation team. For instance, the RAP Field Team leader does not have dedicated transport to do his work.
- The contractor has not been flexible in working on only the available tower spots and has not undertaken work on the available tower spots in the wetlands apart from Awoja.
- Lack of full project site because the PAPs reject the compensation packages, perceiving them as low. Lack of access to project site prompted the contractor to issue notice of suspension of works on 9th December 2016, after being idle since August 2016.


L-R: Newly installed reactor at the Opuyo substation extension; A completed section of the 132kV Lira-Opuyo-Tororo Transmission line in Soroti, beside it is the old 132kV transmission line

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 power plant, and mini-hydros in the project area.

Project Performance

Project performance was fair at 52% of the semi-annual target. The project is behind schedule and works for substations was due to be completed in February 2017 but the contract has been extended to June 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: Performance of the Mputa Interconnection Project as at 31st December 2017

Component	Achievement
Hoima-Nkenda transmission line	• Foundation and tower erection works are on-going; A total of 478 foundations (75.8%) have been completed and 395 towers (62.6%) have been erected of the total 631 structures • Stringing of conductors commenced; 11.6km is completed out of 226km • Construction of monopole foundations started; 13 foundations are completed out of 31 monopole locations. • All monopoles, number plates, phase plates and anti-climbing material were delivered to site. • Compensation of PAPs is at 87%.
Nkenda and Hoima substations	• The contractor has delivered the following primary equipment to site: Disconnector Switches, Surge Arrestors, Circuit Breakers, Standby Diesel Generators, and Station Transformers, Power Transformers, earthing material, power cables, CTs and CVTs. • Factory Acceptance Tests for power cables, CTs, CVTs, earthing material and steel structures were done. • Hoima Site: Construction of equipment foundations, fence, gantry foundations and foundation works for communication building are ongoing. Casting of control room building raft, wall basement and foundations for columns are complete. • Nkenda: Site clearance is complete, casting of Control Room Building basement raft and columns is complete. Excavation for other equipment foundations is in progress. • A total of 85% of submitted engineering designs have been reviewed and approved.

Source: UETCL, and Field findings

Resettlement Action Plan

As at 31st December 2016, the construction of houses for the Physically Displaced and Vulnerable Persons had been completed while the cash compensations were ongoing. The progress of cash payments is summarized in Table 7.12. The major challenge being faced is rejection of compensations due to their perceived low values by the PAPs.

Table 7.12: Performance of RAP implementation as at 31st December 2016

Component	Achievement
Construction of Resettlement houses	All houses were completed
Compensation of PAPs	Total PAPs: 1,990 (100%), Disclosures: 1,902 (96%), Agreements: 1,855 (93.1%), Paid:1,724 (87.0%), Disputes: 47 (2%)
Acquisition of substation sites	Acquired

Source: UETCL and Field Findings

Project Challenges

- Inadequate technical capacity of the EPC contractor, Shangdong Taikai to produce approvable designs for the substation. Final approval delayed because of the prolonged back and forth discussions with the supervising consultant regarding the substation designs.
- Delayed compensation occasioned by the delay by the Office of the Chief Government Valuer (CGV) to approve valuation reports. The last report submitted in October 2016 had not yet been approved.
- 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.


L-R: Foundation works for the plant house in Hoima substation; Civil works for equipment and overhead gantry foundations at Nkenda substation


Recently strung section of the Hoima-Nkenda transmission line in Hoima District

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 good at 70%. Majority of the project components were in advanced stages except for the Mirama substation that was lagging. The time overruns for the project and Mirama substation in particular was due to delays in land acquisition and later delayed payment to the EPC contractor that led to suspension of works at all project sites in February 2016. Works on the Tororo substation resumed in December 2016, and those in Mirama and Mbarara resumed in May 2016. A detailed performance is presented in Table 7.13.

Table 7.13: Performance of NELSAP as at 31st December 2016

Activity	Summary of Progress of Execution
1. Works	
Lot A: Uganda- Kenya Overhead 220kV transmission line	• Route alignment and survey, 100% (131.25km of 131.25km) • Tower design and tests 100% (5 of 5no tower types) • Foundation design 100% • Foundation works 85.6% (344 of estimated 402no) • Tower Erection 78% (313 of estimated 402no) • Supply of tower stubs and parts 87% • Stinging 22.7% (29.7 out of 131.25km) • Supply of line materials (conductor, OPGW, insulators, hardware fittings, etc.) 100% • **Overall progress at 80%**
Lot B: Uganda- Rwanda Overhead 220kV transmission line	• Route alignment and survey, 100% (66 of 66km) • Tower design and tests 100% (5 of 5no tower types) • Foundation design 100% • Foundation works 96.7% (204 of estimated 211no; • Tower Erection 92.9% (196 of estimated 211no) • Supply of tower stubs and parts 100% • Supply of line materials (conductor, OPGW, insulators, hardware fittings, etc.) 100% • Stringing of Conductor: 20km (30%) • **Overall progress: 85%**
Lot C: Uganda- Kenya-Rwanda Substations	

Activity	Summary of Progress of Execution
New Mbarara Substation	• Topographic survey and geotechnical investigations 100%; • Site clearance and levelling 100%; complete; • Design 100%; • Manufacture of equipment and materials 95%; • Supply of equipment and materials 95%; • Equipment foundations 99.6%; • Equipment erection 90%; • Control building 80%; • **Overall progress: 94.5%**
Bujagali Switch Yard	• Topographic survey and geotechnical investigations 100%; • Site clearance and levelling 100%; complete; • Design 100%; • Manufacture of equipment and materials 95%; • Supply of equipment and materials 90%; • Equipment foundations 100%; • Equipment erection 35%; • **Overall progress: 72.5%**
Tororo Substation	• Topographic survey and geotechnical investigations 100%; • Site clearance and levelling 100%; complete; • Design 100%; • 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	• Topographic survey and geotechnical investigations 100%; • Site clearance and levelling 100%; • Design 98%; • Manufacture of equipment and materials 90%; • Supply of equipment and materials 80%; • Equipment foundations construction is ongoing 54% • Equipment erection 10%; • Control building 20% • **Overall progress: 69%**

Source: UETCL; Field findings

Resettlement Action Plan

The total number of resettlement houses under the Mbarara-Mirama-Birembo Transmission line is 44 Units and so far 35 units have been handed over to the Vulnerable and Physically Displaced PAPs, the 9 remaining units are completed and are awaiting hand over. The cash compensation were in advanced stages and a summary as at 31st December 2016 is presented in Tables 7.14 and 7.15.

Table 7.14: Compensation on Mbarara-Mirama-Birembo Transmission line as at 31st December 2016

	Total Number	Percentage
Total Number of Project Affected Households	1,459	100
Number Disclosed to	1,444	99
Contracts signed	1,395	96
Number of households paid	1,383	95
Compensation Disputes	49	3

Source: UETCL and Field Findings

Table 7.15: Compensation on Tororo- Bujagali-Lessos Transmission line at at 31st December, 2016

	Total Number	Percentage
Total Number of Project Affected Households	3,148	100
Number Disclosed to	3,088	98
Contracts signed	3,041	97
Number of households paid	2,894	89
Compensation Disputes	47	1

Source: UETCL and Field Findings

Challenges

- Rejection of compensation packages that are perceived as low by the PAPs. As at January 2017, 63 tower locations had not yet been handed over to the contractor for Bugagali- Tororo line and, two tower locations on the Mbarara-Mirama line.
- Delay in payment to the EPC Contractor for Mbarara-Mirama transmission line (Jyoti Structures Limited) was affecting their cash flows. This was attributed to project financiers' delay in payment of submitted invoices. The contractor has not been able to clear his stringing equipment from Uganda Revenue Authority (URA) since November 2016.
- Lack of a supervising consultant upon expiry of the initial contract. Extension of contract for supervising contract was still under negotiation.

L-R: On-going equipment erection at the 132/220kV New Mbrarara substation; On-going civil and electro-mechanical works at Mirama Hills substation


L-R: Completed sections of Mbarara-Mirama-Birembo transmission line, One of the completed resettlement houses on the Mbarara-Mirama transmission lines in Bushoro Cell, Bugamba Parish, Bugamba Subcounty, Mbarara district

Overall programme performance

Overall programme performance was fair at 67% of the semi-annual target. Transmission lines were behind schedule but largely promising as completion can be attained in the second half of the year if the same pace of implementation is maintained. The capital development components for such other sources of energy such as windmills, solar water heaters, Pico and mini hydros implemented by the MEMD were majorly at procurement stage by the end of December, 2016. This implied late initiation for procurements. The key setbacks of the programme was notably RoW for the transmission lines and procurement management.

Recommendations

- The Ministry of Lands, Housing and Urban development should fast truck the amendment of the Land Act and Constitution to ensure that PAPs are fairly compensated while at the same time not paralysing projects implementation.
- The PPDA and MFPED should clarify to the Ministries, Departments and Agencies on the law regarding when to initiate procurements to ensure timely project implementation so that by the time funds are received, the procurement process is in advanced stages.

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 67.3% of the total vote budget. The programme contributes to the sector outcome of "*increased access to affordable and efficient sources of energy*".

Programme Highlights

The contract management issues that had previously affected smooth implementation and timely resolution of disputes were resolved with Uganda Electricity Generation Company Limited (UEGCL) being awarded the full contract management over the two projects in October 2016. This followed the earlier inauguration of a six-member project steering committee headed by Dr. Eng. Badru Kiggundu to oversee Karuma and Isimba Power projects in August 201. This, it is hoped will help streamline the handling of issues within the two projects.

Source: Field findings

7.2.3 Isimba Hydroelectricity Power (Project: 1143)

Background

The project is a 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 82% of the semi-annual target. Construction works for the HPP was cumulatively at 52% against 40% financial progress. Works on the dam were at 62%, electromechanical works (draft tubes and spiral casing) at 49% and hydro-mechanical works (sluice gates, spiral-casing inlets, bridge crane) at 39%. The 4 draft tubes and their cones and shattering for the spiral casing are being erected at site for units 1, 2, 3 and 4. The embedded parts for the gates are being done (3 lower spillway radial gates and 2 upper spillway gates). The concrete works alone are at 85% completion and were slightly ahead of schedule.

The contractor submitted the program for repair of defects in the concrete in November 2016 and the defects surveyed by the repair specialist in December 2016. As at January 2017, the repairs were ongoing while others had been completed. The works on the embankment dams which had stalled since 14th October 2016 were expected to resume in the second half of the FY2016/17 on the Left Hand Embankment Dam, while tests on the Right Hand Embankment Dam are still under review. A summary of performance is presented in Table 7.16.

Table 7.16: Performance of Isimba Hydropower Project by 31st December, 2016

Key projects outputs	Annual Planned Quantity or Target completion in % tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Civil, electrical and mechanical works at Isimba HPP	50	478.110	42	80.07	Civil works are at 62% and electromechanical works are at 49%. Hydro mechanical works are 39%. Concrete works are ongoing in the powerhouse and are at 85%. The project lost two months due to suspension of work at the site in October 2016. Work on the embankment dams is behind schedule. The last factory acceptance tests have been concluded in China.
Supervision of works on Isimba HPP	100	23.469	100	2.14	Project supervision has continued led by Energy Infratek, UEGCL and the project steering committee appointed in August 2016.
Resettlement action plan for PAPs	100	0.100	91.3	0.01	The dam structure compensation is at 99.35%, the reservoir at 94.53% and the transmission line at 80%. There were delays in getting approval from the CGV for the supplementary valuation report.
Total		**501.579**		**82.2**	**This very good physical performance**

Source: Field findings

The last Factory Acceptance Tests (FATs) for the key electromechanical equipment (turbines and generators) were under-taken in January 2017 in China. Works on the 42km transmission line and substation to evacuate power from Isimba HPP are ongoing and 36 out of 124 tower foundations have been completed. Levelling of land for the substation had been completed and excavation of the foundations for substation structures and laying of the earth mat was on-going.


L: R: On-going civil works on the dam structure at Isimba HPP as seen from the tailrace; Civil works for the generator foundations in the powerhouse at Isimba HPP

L-R: Newly installed Over Head Electric Crane in the machine assembly room; Repaired crack on part of the dam tailrace structure at Isimba HPP

Resettlement Action Plan (RAP)
Percentage performance of the cash compensation was at 80%. The summary by project area is presented in Table 7.17.

Table 7.17: Summary of RAP implementation

Project Area	Total no. of PAPs	No. of PAPs Compensated	% Compensated
Dam	766	761	99.35
Reservoir	1,717	1,623	94.53
Transmission Line	987	790	80

Source: UETCL; Field findings

Project challenges

- The contractor is adamant at following instructions on health and safety, resulting in some injuries. The issue is being monitored by UEGCL to ensure compliance.
- The remaining 5.5% land for the reservoir that has not been compensated thus may hinder work if not resolved early.

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 good at 75% of the semi-annual target. Construction works at Karuma power plant cumulatively achieved 48% against 35% financial progress**.** Concreting works resumed in December 2016 although not at full scale as some recommended form works were still in transit and were expected in February 2017. A key milestone of this progress includes completion of all excavation works in the tunnels, underground caverns, Shafts. Hydro-mechanical and electromechanical works had begun with installation of the penstock steel linings, draft tubes and installation of the Electric Overhead Travelling Crane was completed to assist in these works. The suspension of concreting works in April 2016 for the spillway and power intake led to time loss. A summary of performance is presented in Table 7.18.

Table 7.18: Performance of Karuma HydroPower Plant by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs Billion)	Cum. Achieved Quantity	Physical Performance (%)	Remarks
Construction of Karuma Hydropower plant	63	827.954	48.00	73.40	All excavation works for the Main Access Tunnel, Emergency/Ventilation Tunnels, ADITS 1-10, Main Transformer Exhaust Tunnels, Underground Caverns and shafts is complete. Commencement of structural concrete in the tailrace tunnel, power house and head race tunnel. Hydro mechanical works and electromechanical works have commenced and penstock steel linings and draft tubes have been delivered to site.
Supervision of works on Karuma HPP	100	25.128	100	1.75	Project supervision has continued led by Energy Infratek, UEGCL and the project steering committee appointed in August 2016.
Construction of church and mosque at Karuma	100	4.546	100	0.21	The church was at 50% completion with all walls erected, pending roofing. The mosque is behind schedule and is still at the foundation level,] the contractor is struggling with the works due to late payment.
Land acquisition for constructing resettlement houses	100	1.823	0	0.00	The land for the houses is still at procurement by the MEMD.
Resettlement action plan for project affected persons	100	13.432	97	1.52	Of the 3,735 PAPs, 97% have been compensated. 2 out of the 5 PAPs have been compensated in the additional land required. The remaining 3 PAPs have not consented and the issue is with the Solicitor General for legal advice.
Total		**859.453**		**75.4**	**This is good physical performance**

Source: Field findings


L-R: Civil works at the dam structure; Civil and electromechanical works in one of the turbine pits at Karuma HPP in Nwoya/Kiryandongo district


L-R: Completed excavations and ongoing steel works in preparation for concreting in the Tail Race Tunnel (TRT) at Karuma HPP in Nwoya/Kiryandongo district

Resettlement Action Plan and Community Development Action Plan

- The construction of houses for the 100 PAPs to be resettled has also not began due to delay by the MEMD to procure land. The total payments for compensation as at January 2017 was 97% of 3,735 PAPs.
- The project is experiencing delays in implementation of the Community Development Action Plan (CDAP). It was observed that there is a lack of clarity on who (UEGCL or MEMD) to implement the CDAP.
- The additional land to use for access to the dam area and power intake has not been fully acquired. Only two of the five PAPs had been compensated. This was due to a delay in approval of the supplementary valuation report by the Office of the Chief Government Valuer (CGV).
- The fencing works on Karuma Primary School are at 90% but works on the church and mosque are behind schedule. Only 50% of work on the church and 40% on the mosque had been completed.

Source: Field findings

L-R: On-going civil works on the church; Foundation for the mosque at Karuma, in Kiryandongo/Nwoya district

Challenges

- Delays arising out of the suspension of the concrete work due to the defects and cracks.
- 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 Government of Uganda (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 (SPV) (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 Iswitch yard.

Project performance

Project performance was poor at 10% of the semi-annual target. Works were at a very slow pace, a year after signing of the contract for the PPP. There is hope that with the procurement of the supervising consultant for the UEGCL, work is expected to commence. Summary of performance is presented in Table 7.19.

Table 7.19: Performance of Nyagak III Hydro Power Plant by 31st December, 2016

Key projects outputs	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Construction works on Nyagak III dam	10	58.140	0.0	0.00	The civil works on the dam structure, power intake , penstock, and power house are planned to begin in April 2017
Supervision of works on Nyagak III	100	3.910	10	8.24	UECGL has procured German firm, Intec Gopa to supervise works on the project. The contractor (Hydromax Ltd) has commenced works and leveling of the powerhouse site is complete. Construction of the access road to the powerhouse is complete. Landscaping for the batching plant is complete pending arrival of the batching plant equipment. Geotechnical tests and survey reports were submitted to UEGCL in November 2016 and are still pending approval. Works on the dam are scheduled to begin in April 2017.
Land acquisition for Nyagak III and West Nile Grid Extensions under KFW	100	4.000	4.76	2.53	There has been delay in compensation for the additional land for the access road to the fore bay and dam. The original project design was modified so its access road changed. Compensation for the West Nile Grid extension works have not begun and currently the MEMD is finalizing procurement of a RAP consultant.
Total		**7.910**		**10.8**	**This is poor physical performance**

Source: Field findings


L-R: Laying of gabions on the power house access road; Part of the contractors camp at Nyagak III in Zombo district

Challenges

- Inadequate financial capacity of the partner, as by 31st December 2016, they had not attained financial closure.
- Lack of access to full project site to execute works.

Overall performance

Performance of the large power hydro programmes was fair at 57% of the semi-annual target. The most dismal performance was most notable on the Nyagak III where none of the core works had commenced. There is a risk of Nyagak III experiencing time overruns as it were with Nyagak I. Any delay in completion of these dams only serves to reinforce expenditures on thermal power plants, which is very expensive, yet it is taking a huge bulk of the sector expenditure in energy subsidy. The management of PPPs and identification of the most credible partners is still lacking in government. Karuma and Isimba are back on course but there is need to maintain a keen eye of supervision to ensure time saving and quality of work.

Recommendations

- The MFPED should build capacity of the MDAs in PPP management.

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.*"

7.2.6 Construction of the Oil Refinery (Project 1184)

Background

There was a significant exploration success in 2006, which determined that the Albertine Graben contained sufficient oil reserves. The discoveries are currently estimated at 3.5 billion barrels of oil in place and about 1.2 billion barrels of recoverable oil[29]. Following the exploration success in Uganda, MEMD formulated a Refinery Development Program (RDP) to guide the development of the refinery and its associated infrastructure. The feasibility study for the oil refinery was completed in 2010.

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

Project performance

The project performance was good at 83% of the semi-annual target. By the end of December 2016, cash compensations for the refinery land was at 98%. The construction of houses for relocation of the PAPs in Kyakaboga in Kabaale – Hoima district was at 95% complete. The MEMD is currently on the quest for a strategic partner for the refinery.

As at January 2017, several Expressions of Interest from potential investors had been received, and meetings held with interested bidders. Absence of a lead investor is affecting progress of works as the Front End Engineering Design (FEED) and Environmental Impact Assessment (EIA) studies will be undertaken following identification of an investor. The procurement for the Transaction Advisory Services for the refinery project are ongoing and are currently at tendering stage. The ministry has also received and reviewed the inception report for the development of the Kabaale Industrial Park. The procurement of a contractor to install boundary markers on the refinery land had been concluded, and work was to commence in the second half of FY2016/17.

A Memorandum of Understanding was signed with Colas Limited and SBI International Holdings Ag (SBC Uganda joint venture) for the development of Kabaale International Airport. SBC Uganda has undertaken initial geotechnical investigations at the proposed airport site as part of the preparation of the proposal for the development of the airport. A summary of performance is presented in Table 7.20.

Table 7.20: Performance of the Construction of the Oil Refinery Project by 31st December, 2016

Out put	Annual Planned Quantity or Target completion in % tage	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Capacity Building for the oil & gas sector (Human resource capacity for crude oil refining, gas processing and utilisation, transportation and storage developed and maintained, mid-stream institutional framework implemented)	100	4.220	39.00	32.13	Very good performance. The capacity of the staff is under continuous development in preparation for production.
Develop and implement a communication strategy for oil & gas in the country (Talk shows conducted)	100	0.500	40	3.70	The department has a communication strategy in place and continuously engages the stakeholders in oil and gas using local radio stations in the oil regions.
Government Buildings and Administrative Infrastructure (Well organized and structured work environment)	100	0.565	7	1.85	Fair performance. The funds are for payment for rent, utilities for the department.

Out put	Annual Planned Quantity or Target completion in % tage	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Initiate and formulate petroleum policy and Legislation (Initiate and formulate petroleum petrochemical policies and legislation)	100	0.500	35	3.24	Good performance. The review of the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, was ongoing
Oil refinery construction; FEED for refinery development, EIA for refinery development undertaken, PAPS houses and other resettlement infrastructure constructed, Airport in Hoima developed, a Master plan for the Kabaale Industrial Park Refinery Complex Area developed, A strategy and plan for petrochemicals and other energy based industries formulated, Refinery land boundly marked, Monitoring and evaluation of the RAP activities for refinery land)	100	3.002	30	17.35	Good performance although the FEED and EIA had not commenced in part due to absence of a lead investor. RAP performance was good as cash compensation was in advanced stages just like the construction of resettlement houses **(Table 7.21).**
Participate in Regional Initiatives (Participate and continue the promotion of investment in refinery, pipelines and other Midstream infrastructure at regional level)	100	1.850	33	12.97	Very good performance. The Ministry participated in the preparation for the EAPCE'17 which will take place in Burundi
Promotion of the country's petroleum potential and licensing (Regulations for midstream petroleum operations, Standards and Codes for midstream petroleum operations and facilities developed and issued, Investment in Midstream activities promoted including petrochemical and energy based industries, Applications for licenses for all midstream petroleum projects evaluated in line with the laws and regulations)	100	0.752	35	4.87	Good performance. The Standards and Codes for midstream petroleum operations developed, promotional meetings held with potential investors in refinery, and petrochemicals

Out put	Annual Planned Quantity or Target completion in % tage	Annual Output Budget (Ug shs billions)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of motor vehicles and other transport equipment (A well-coordinated and monitored midstream oil and gas infrastructure)	100	1.078	30	3.47	Poor performance. Procurement was still ongoing.
Purchase of office and ICT equipment, including software (Secure ICT, and oil and gas data and information)	100	0.359	40	2.66	Poor performance. Procurement was still ongoing.
Purchase of office and residential furniture and fittings (Serene and conducive Office Accommodation)	100	0.125	40	0.92	Poor performance. Procurement was still ongoing.
Total		**12.951**		**83.2**	**This is good physical performance**

Source: Field findings

Resettlement Action Plan

As part of the resettlement action plan, Government purchased 533 acres of land in Kyakaboga village, Buseruka sub-county, Hoima district for the construction of 46 new houses. The houses are meant for those PAPs categorized as vulnerable. Details of the implementation of the resettlement action plan for the PAPs is presented in Table 7.21.

Table 7.21: Performance of In-kind compensation/construction of houses and other infrastructure

Scope of works	Physical performance
Establishment of housing units	
Kyakaboga Housing site (46 housing units) (3 bedrooms with an external kitchen, 2 stance pit latrine, bathroom and rainwater harvesting system)	The contract for housing estate was awarded to Sumadhura Technologies Limited at a contract sum of Ug shs 4,380,966,347. The contract start date was 23rd September 2015 with an expected completion date of 3rd July 2016. The contract was given a second extension to 31st January 2017 to enable contractor finish the work. 27 units are fully complete out of the 46 housing units. Installation of glass panes conduits is being done for the remaining units. The quality of work on some of the houses was poor. Overall, physical progress was 95%.
Construction and rehabilitation of schools	

2 new schools constructed:	The contract was awarded to Build Base Contractors Limited at a contract sum Ug shs 4,464,994,684. The contract start date was 23rd September 2015 with an expected completion date of 30th July 2016.
Nyahaira Primary School (Nzorobi Village) –scope of work includes 7 classroom blocks, 2 staff houses, 1 admin block, 4 pit latrines	Office and classroom blocks erected at 100% Staff houses are erected at 100% Latrines erected at 100% Pending finishing work. Overall progress at 80%.
Kyapaloni Primary School(Katooke Village) Scope of works for construction include; construct and furnish; 7 blocks x three streams/class rooms; 1adminstration block, construction of teachers' houses, and VIP latrine blocks.	All the 7 class room blocks have been erected, roofed and windows inserted. 1 staff house has been erected, roofed and the other staff house at foundation level. 6 latrine blocks have been erected 1 kitchen has been erected and the other kitchen is at foundation level. Overall progress at 60%
Buseruka Primary school General renovation of 3 classroom blocks, construction of 3 latrine blocks.	All latrines have been erected and pending finishing. Renovation works are left with painting and work on the verandah. Overall progress at 85%
Rehabilitation of Health Centres	
Health Centre: Construction of a new maternity ward, a general ward, , staff houses, pit latrines, tanks for rain water harvesting, fencing facilities and renovation of existing buildings as well as supply and installation of an assortment of HCIII equipment at Buseruka Health Centre III and Kabaale Health Centre III	The contract for the rehabilitation of Kabaale and Buseruka HC III was awarded to Trans Action International at a contract sum of Ug shs 3,303,817,752. The contract start date was 1st October 2015 with and expected completion date of 30th July 2016. Contract was extended to 8th February 2017. Physical progress was 95% at Buseruka health centre III. All the structures are finished and, remaining work left is on walkways and supply of medical equipment. All building construction, modification and renovation are completed at Kabaale. The pending works were with final painting, walkways and landscaping. Overall progress at Kabaale Health Centre at 95%.

Source: Field Findings

L-R: Outpatient Department at final finishes at Buseruka HCIII; Final painting works in a classroom at Buseruka Primary School

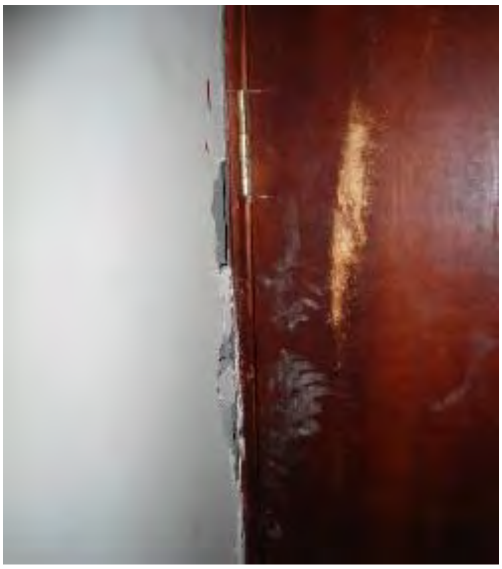
Challenges to project implementation

- Delayed payments to the contractor has affected cash flows and some works. The contractor for the health centre had only received 50% of the contract sum against 95% of physical work done and invoiced.
- Inadequate preparations of the Bills of Quantities (BoQs) for the resettlement packages. The projects were under budgeted and the BoQs did not include some of the key requirements at a social facility. At both health centres for instance, the Anti-Retroviral clinic and cooking/resting shade was not provided in the reconstruction/re-modification of the units. Some old structures at the health centres, which were in bad condition, were not included in the scope of work.

7.2.7 Midstream Petroleum Infrastructure Development (Project 1352)

Background

The main objective of this project is to establish processes and build human resources and institutional capacity for the planning, development and operation of bulk petroleum pipelines

L-R: Some completed units for the PAPs; Observed cracks near the doorframe joint in one the units in Kyakaboga, Hoima district

and storage infrastructure to enable the realization of the country's plans for commercialization of its oil and gas resources[30]. As Uganda moves into the development and production phases, it is highly essential that the targeted measures are taken to establish the capabilities in the development of midstream infrastructure.

Project performance

Performance of the Midstream Petroleum Infrastructure Development Project was fair at 67% of the semi-annual target. Key achievements from July to December 2016 included; participation in the setting up of survey control points along Hoima-Tanga pipeline route in preparation for the topographic survey of the route using LIDAR technology; Final report for the detailed routing survey and Environmental Baseline Survey was presented in August 2016.

The project also completed the detailed environmental route survey for the Hoima-Kampala products pipeline. Sensitization meetings were held in 5 districts (Mpigi, Wakiso, Kiboga, Kyankwanzi and Hoima), the Social Economic survey of the project area (Hoima-Kampala Utility corridor) was undertaken in November and December 2016.

A Cabinet paper on implementation of the National Strategy and Plan for Petroleum Transportation and Storage was developed and submitted to the Ministry of Finance, Planning and Economic Development on 14th November, 2016 for their consideration and issuance of a certificate of financial implication, prior to its submission to Cabinet. A summary of performance is presented in Table 7.22.

Table 7.22: Performance of the Midstream Petroleum Infrastructure Development Project by 31st December, 2016

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity(%)	Physical performance Score (%)	Remark
Acquisition of Land by Government (Rights of ways for the pipelines and storage facilities acquired, Implementation Plan for the National Strategy and Plan for Petroleum Transportation and Storage facilities developed, EIA for the project undertaken, Develop and execute an intergovernmental agreement for the crude export pipeline)	50	9.203	15	60.575	Fair performance. Process for land acquisition had commenced.
Capacity Building for the oil & gas sector (National expertise for the midstream oil transport and storage developed and maintained)	100	0.020	40	0.159	Good performance. Five officers received short trainings by the International Finance Corportation (IFC), one officer

[30]MEMD *Ministerial Policy Statement 2016/17* (Kampala 2016) Pg 82

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity(%)	Physical performance Score (%)	Remark
					continued with long term training.
Initiate and formulate petroleum policy and legislation (Initiate and formulate petroleum policies for and legislation for midstream infrastructures)	100	0.150	40	1.191	Good performance. Regulations were issued and gazetted while the development of codes and guidelines continued
Monitoring upstream petroleum activities (Monitoring, Evaluation and supervision of field project activities carried out)	100	0.200	48	1.906	Very good performance. Monitored field activities for the RAP study for the Hoima - Kampala products pipeline.
Participate in Regional Initiatives (Participate in regional initiatives to develop the infrastructure under the Northern Corridor Project and Uganda –Tanzania bilateral on crude oil export pipeline,Regional initiatives and Conferences on oil and gas developments attended.)	100	0.300	45	2.680	Very good performance. The MEMD participated in meetings on the crude oil export pipeline held in Dar-es-Salaam, Tanzania among other meetings for promoting regional initiatives.
Promotion of the country's petroleum potential and licensing (Investments in petroleum pipelines and storage facilities promoted in Uganda and regional level)	100	0.200	33	1.310	Fair performance. The MEMD participated in the 3rd set of Joint Project Development Committee (JPDC), Project Steering Committee (PSC) and Ministerial meetings held in Tanga Tanzania 26th - 30th October 2016.
Overall physical performance				**67.8**	**This is fair performance**

Source: Field Findings

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 62.8% of the semi-annual target. As at 31st December 2016, Eight oil production licenses had been issued to TOTAL E&P and Tullow in August 2016; Basin Analysis for Lake Edward-George basin concluded while two basins, viz Kaiso-Tonya and Pakwach basins had their modelling completed; Negotiations with the four successful bidders for the first Licensing Round continued. Due diligence was carried out and the corresponding Production Sharing Agreements would be signed after successful negotiations. Phase 3 construction of the offices for the petroleum exploration and production directorate has delayed due to the procurement process, which is under administrative review. Summary of performance is presented in Table 7.23.

Table 7.23: Performance of Strengthening the Development and Production Phases of Oil and Gas Sector by 31st December, 2016

Out put	Annual Planned Quantity or Target percentage completion	Annual Output Budget (Ug shs Bn)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Capacity Building for the oil & gas sector (6 staff trained and retained)	100	2.840	50	8.88	Very good performance. Two (2) staff commenced M.Sc. Exploration Geophysics and M.Sc. Pipeline Engineering respectively. Those who completed studies were paid retention allowance.
Government Buildings and Service Delivery Infrastructure (Phase III data centre constructed, Labs and office building maintained)	100	13.200	15	13.28	Poor performance as the procurement of the contractor for Phase three construction was at initial stages. The road maintenance works were in advanced stages.
Initiate and formulate petroleum policy and legislation (Guidelines for upstream regulations made, M&E database operationalized, oil and gas policy revised, New petroleum sector policy and investment plan developed)	100	0.160	30	0.30	Fair performance. The guidelines were postponed pending harmonization of some issues in the Upstream Petroleum Regulations with those of the Upstream Law. The terms of reference (ToRs) for a consultant to develop a revised petroleum policy for Uganda were developed.

Out put	Annual Planned Quantity or Target percentage completion	Annual Output Budget (Ug shs Bn)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Participate in Regional Initiatives (Regional sectoral committee meetings attended, East African Petroleum E-conference for 2017 attended)	100	1.000	50	3.12	Very good performance. One Regional Sectoral meeting on oil and gas matters with South Sudan was held in Kampala.
Promotion of the country's petroleum potential and licensing (Geo physical data acquired, Impact Assessment for new exploration areas undertaken, Petroleum potential promoted in conferences)	100	0.999	35	1.56	Poor performance. Geophysical, geological and geochemical data acquisition in Kadam-Moroto commenced, however, the exercise was halted due to lack of cooperation from the locals during the process. The other outputs were at procurement stage.
Purchase of Motor Vehicles and Other Transport Equipment (Contribution made to the ministry purchase of a bus, Procurement of 2 station wagons)	100	0.850	0	0.00	Clearance from Ministry of Public Service was obtained. Specifications were developed and cleared by Ministry of Works and Transport. Procurement had just been initiated.
Purchase of Office and ICT Equipment, including Software (ICT Equipment and maintenance licenses for specialized software packages procured)	100	1.000	10	0.63	Procurement was initiated and was at the evaluation stage.
Purchase of Office and Residential Furniture and Fittings (Office furniture and fixtures.)	100	0.200	0	0.00	Procurement was initiated and was at the evaluation stage
Purchase of Specialized Machinery & Equipment (Assorted	100	0.540	8	0.27	Assessment of works on the equipment to be maintained was undertaken to determine the scope of

Out put	Annual Planned Quantity or Target percentage completion	Annual Output Budget (Ug shs Bn)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Laboratory Equipment and chemicals procured)					work.
Transfer for petroleum refining (PAU and UNOC operations implemented)	100	11.199	64	34.79	Very good performance. The ministry continued with the role of supporting NOC and PAU through secondment of staff, information sharing, training of the members
Total		**31.989**		**62.8**	**This is fair physical performance**

Source: Field Findings

7.2.8 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 77.9% of the semi-annual target. The achievements are recurrent in nature and relate to capacity building. As at 31st December 2016, Four (4) workshops had been held on National Content Policy with stakeholders. Seven (7) officials from government agencies and private sector undertook a National Suppliers Database study visit in Nigeria. Three (3) officials from the ministry were facilitated to participate in the 2016 Get Energy VTEC Africa conference in Tanzania. A summary of performance is presented in Table 7.24.

Table 7.24: Performance of Skills for Oil and Gas Africa (SOGA) Project by 31st December, 2016

Out put	Annual Planned Quantity or Target percentage completion	Annual Ouput Budget (Ug shs Bn)	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	0.700	35.00	77.89	Good performance. The policy was at Cabinet level pending approval. Other funds used for operations and capacity building of the oil sector stakeholders.
Total		**0.700**		**77.9**	**This is the physical performance**

Source: Field Findings

Overall Performance

Petroleum Exploration, Development and Production programme exhibited good performance at 72% of the semi-annual target. Majority of the achieved outputs were recurrent in nature such as participation in regional initiatives and some development activities such as construction of resettlement houses and attendant infrastructure. The programme has experienced a lag in the process of commencement of petroleum refining as a lead investor is yet to be obtained.

Recommendation

- The MEMD should fast-track acquisition of a lead investor to enable timely commencement of the oil production and refining.

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, 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.

7.2.9 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 54% of the semi-annual target. Some activities planned for the year such as establishment of a petroleum policy had been suspended due to the need to formulate a universal policy for the entire petroleum subsector. Other activities such as the procurement of 12 million litres of fuel to restock the strategic reserves in Jinja was at the evaluation stage and the contract for the current operating partner for the strategic reserves- Hared Petroleum had been terminated. Plans to develop the Kenya-Uganda-Rwanda pipeline for oil products are ongoing and the review of the RAP was concluded and submitted to the MEMD.

The procurement of a consultancy service to develop the master plan for the oil products terminal at Buloba has been finalized and Technology Consults have been engaged for this assignment. The upgrading of the National Petroleum Information System (NPIS) was at the procurement stage. Once the upgrade is completed, all other modules in the system will be available to add to the licensing, laboratory and pricing modules. A summary of performance is presented in table 7.25.

Table 7.25: Performance of the Downstream Petroleum Infrastructure Project by 31st December, 2016

Out put	Annual Planned Quantity or Target percentage completion	Annual Ouput Budget (Ug shs Bn)	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	5.190	25	20.76	Fair performance. Inception report on regulations for barges transport had been completed.
Acquisition of other Capital Assets (Jinja Storage Tanks Strategic Reserves Restocked, Equipment acquired for quality monitoring of products at strategic reserves.)	100	6.31	25	32	Procurement of the 12 million litres was under procurement at bid evaluation stage.
Purchase of Office and ICT Equipment, including Software (NPIS Upgraded and maintained. Technical regulations and standards acquired)	100	0.07	20	0.32	The procurement of the consultant to upgrade the system was ongoing.

Out put	Annual Planned Quantity or Target percentage completion	Annual Ouput Budget (Ug shs Bn)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Specialized Machinery & Equipment (Downstream Petroleum policy put in place, Use of Liquefied petroleum gas promoted, LPG supply regulations made)	100	0.930	10	1.49	Establishment of the policy was on halt for purposes of harmonization so that a single policy is established for the Directorate to cover the up, mid and down stream operations.
Total		**12.500**		**54.6**	**This is fair physical performance**

Source: Field Findings

Overall performance

The programme performed fairly at 54%. Some activities planned for the year such as establishment of petroleum policy had been suspended due to the need to formulate a universal policy for the entire petroleum sub-sector. There is a tendency to delay initiation of procurements that renders the entire half year dedicated to procurement.

Recommendations

- The PPDA and MFPED should clarify to the MDAs on the law regarding when to initiate procurements to ensure timely project implementation so that by the time funds are received, the procurement process is in advanced stages.

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.

7.2.10 Design, Construction and Installation of National Infrasound Network (Project 1392)

Background

An infrasound network consists of sensors thet measure micropressure changes in the atmosphere which are generatedbythe propagation of infrasonic waves created as a result of nuclear explosion, storms, earthquakes, exploding volcanos and meteors. The technology therefore has considerable potential for disaster prevention and mitigation.

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 fair at 59%. By 31st December, 2016, the project had carried out two market surveys in Kampala on lightning mitigation technology and found 60% of the accessories not pure copper but alloys of copper which are not fit for use adaptation. Stakeholders were trained in application of infrasound data to study animal behavior at the Wildlife Education Centre, Field investigations on lightning strikes were carried out in Mbale, Iganga and Jinja districts, Nine (9) infrasound array sites for Entebbe station were mapped, developed infrasound station equipment configuration layout for Entebbe reference station. The Infrasound station inter spacing is at not more than 500km for good signal detection. The summary of performance is presented in table 7.26.

Table 7.26: Performance of Design, Construction and Installation of Uganda National Infrasound Network (DCIIN) by 31st December, 2016

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Acquisition of land by government (Land acquisition framework established, Suitable site for the infrasound stations in forested zones established, Owners of land identified, Land for the planned five (5) infrasound array stations acquired.)	100	0.100	30	2.42	Infrasound network geometry was defined and site locations were established in West Nile, Kigezi Region, Karamoja Region and Central Region of Uganda.
Contribution to international organization Southern and Eastern Africa Mineral Center (SEAMIC)-(Annual subscriptions to Comprehensive Nuclear Test Ban Treaty Organization(CTBTO) and *World Meteorological Organization* (WMO) for global infrasound database and membership)	100	0.100	50	4.26	Very good performance. The subscriptions to these organizations were made. In addition two technical staff participated in workshops in Vienna on geohazards, onsite inspection an infrasound technology workshop in Quito South America.

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performa nce Score (%)	Remark
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	1.100	20	26.77	The procurement of contractors to design and construct the infrasound network station in Entebbe was initiated. The other components were all at initiation level.
Health safety and Social Awareness for Miners (Infrasound technologies safety standards developed and affect assessment carried out.)	100	0.200	50	8.48	Lightning flares base map generated. Carried out geo-hazards vulnerability surveys in Mubende, Mbale, Jinja and Iganga districts.
Institutional capacity for the mineral sector (Human resource well trained and a pool of experts for the country produced, Training programme developed for human resource development in Infrasound Technology skills, Human resource training in Infrasound Technology initiated through seminars and workshops)	100	0.100	40	3.40	Trained project stakeholders in application of infrasound data to study animal behavior at the Wildlife Education Centre; Developed a training of sixty one (61) course units for in house use, and trained 2 trainers.
Licensing and inspection (Field inspections on Infrasound network installations and lightning affected and vulnerable communities carried out)	100	0.100	49	4.20	Carried out inspection of Communities Vulnerable to Geo-hazards in Eastern Region and found that communities needed more sensitization and awareness on dangers of lightning and safety measures.

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Mineral Exploration, development, production and value-addition promoted (Field reconnaissance and desk studies undertaken to enable packaging of project awareness messages, Suitable site for the infrasound stations in forested zones established and owners of land identified.)	100.00	0.200	40	6.85	Field investigations on lightning strikes were carried out in Mbale, Iganga and Jinja districts. In addition field work in Budaka, Bukedea and Namutumba revealed that the region is vulnerable to lightning strikes.
Policy Formulation Regulation (Desk studies to review existing legal framework on infrasound technology undertaken, Legal and regulatory framework reviewed to identify gaps in the existing framework on Infrasound technologies.)	100	0.100	35	2.99	Fair performance. Identified gaps in the existing legal framework on Infrasound technologies and proposed a research section be included in the new Mining and Mineral policy being drafted.
Total		**2.00**		**59.4**	**This is fair physical performance**

Source: Field findings

7.2.11 Mineral Wealth and Mining Infrastructure Development (Project 1353)

Background

After restructuring of Ministry of Energy and Mineral Development in 2012/13, mineral sub-sector is now a Directorate of Geological Surveys and Mines that is composed of three (3) departments as follows: Geological Surveys, 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 74.6% of the semi-annual target. By the end of December 2016, 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 have been re-defined.

The studies confirmed Gold, base metals and PGM at Amuru: Geological mapping and regional soil survey on metavolcanic covering an area of about 125km^2 on sheets 14/1 at a sample spacing of 500m and line spacing of 1km was undertaken. A total of one hundred and fifty four (154) soil samples, 15 stream sediments and 28 rock samples were collected for analysis. A summary of performance is presented in table 7.27.

Table 7.27: Performance of Mineral Wealth and Mining Infrastructure Development Project by 31st December, 2016

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
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	0.130	39.00	1.33	Concluded procurement of contractor for chain link fencing land at Nyaka Avenue in Fort Portal Municipality and Kyamugoranyi Road, Kakiika in Mbarara District and Plot M23. Initiated procurement for Land of Seismological Station but stalled awaiting input from Uganda Land Commission.
Acquisition of other capital Assets (Updated the Mining Cadaster assets and geo-information system i.e. Libero, Unpublished Document Infromation system(UDIS), Labarotory Information Management System(LIMS) and and e-governance, Mineral certification infrastructure in place)	100	0.200	25	1.32	Procurement was initiated and was at evaluation stage
Contribution to international organisation (SEAMIC)- (Contributions to SEAMIC, Geological Society of Africa (GSAf) and Organization of the African Geological Surveys (OAGS) paid)	100	0.120	50	1.58	The contribution was paid

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Government Buildings and Service Delivery Infrastructure (Earthquake research and monitoring facilities designed, Design and construct four mineral beneficiation 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)	70	1.453	20	12.03	Procurement of a contractor for construction of the 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. The other components were still under procurement.
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	0.400	50	5.26	Profiling of ASM was undertaken in Mubende, Namayingo and Moroto Districts.; Updated a base map showing areas of active ASM.; Undertook sensitization and training of ASM communities especially in Morulem, Abim, Karita, Namayingo, Mubende, Busia , Kabale, and Kisoro to address environmental, social, gender, child labour and best mining practices. Terms of reference have been prepared for a consultant to undertake registration of ASM.
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 Industries and steel industry)	100	0.530	35	4.88	One training on the use of the Spectrometer was conducted. 5 staff of the department are undertaking their masters courses. The supply, installation and maintenance of an anti-virus for a period of three (3) Years was initiated

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Licencing and inspection (Mining and exploration activities effectively monitored and regulated for sustainable development of mines)	100	0.864	49	11.14	Mining areas in different parts of the country were inspected and monitored. The project supported over forty (40) inspections throughout the entire country. The inspections established some issues of non-compliance related to: filing of production records at site, environmental concerns, and non-commencement of mineral production among others.
Major bridges (Installation of weigh bridges Promoted)	100	0.050	30	0.39	Discussions were held with MoWT to install bridges to measure quantities.
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	0.770	40	8.11	Gold, basemetals and PGM at Amuru: Geological mapping and regional soil survey on metavolcanic covering an area of about 125km^2 on sheets 14/1 at a sample spacing of 500m and line spacing of 1 km was undertaken. A total of 154 soil samples, 15 stream sediments and 28 rock samples were collected for analysis. The samples will be analyzed for gold and all base metals. Preliminary finding indicates traces of disseminated sulphides, which appear to be pyrite and chalcopyrite. Samples have been submitted for analysis.
Policy Formulation Regulation (A new legal, fiscal and Regulatory framework developed)	100	0.652	35	6.01	The project supported stakeholder's consultative meetings on the draft mineral policy and principles to be embodied in the Mining Act Amendment Bill leading to: (i) Draft Green Paper on the Minerals and Mining policy; (ii) Draft Cabinet Memo on the principles for the policy review and (iii) Cabinet Memo for the principles to be embodied in the Mining Act Amendment, 2016

Out put	Annual Planned Quantity or Target completion in %tage	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Purchase of Motor Vehicles and other Transport Equipment (Six (6) field motor vehicles Procured)	100	1.200	28	9.95	Four Motor Vehicles were procured from Cooper (u) Ltd and delivered to DGSM to facilitate project activities. In addition, procurement for additional six motor vehicles to facilitate inspections and field work has been initiated. The procurement is at evaluation stage.
Purchase of Office and ICT Equipment, including Software (Data display systems, screens, Security cameras, Softwares procured and maintained)	100	0.630	35	5.80	Supply, installation, and testing of x-top multi-screen desktop display and multiple monitor pc system for seismology unit.
Purchase of Office and Residential Furniture and Fittings (Office tables, chairs and shelves purchased)	100	0.100	35	0.92	Part of the furniture was delivered and the rest is still under procurement.
Purchase of Specialised Machinery & Equipment (Specialised equipment for earthquake monitoring purchased)	100	0.500	45	5.92	Repair works on the DGSM's power factor control unit and reconfiguration of the uninterrupted power supply installations was completed 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) ongoing
Total		**7.599**		**74.6**	**This is good physical performance**

Source: Field findings

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. In FY2013/14, the agency was upgraded to a vote status.

Mandate and Mission

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

Overall Performance

The total vote release performance up to end of Q2 was good at 52% for GoU and only 22.3% for the Donor funded component. Expenditure performance was similarly good at 96.9% of the total released funds (table 7.28).

Table 7.28: Financial Performance of the Vote

REA						
Component		**Approved budget (Ug shs billion)**	**Release (Ug shs billion)**	**Expenditure (Ug shs billion)**	**Percentage releases**	**Percentage spent**
Recurrent budget	Wage	0	0	0	0	0
	Non wage	0	0	0	0	0
Development budget	GoU	56.976	29.628	29.534	52.0	99.7
	Donor	212.188	47.326	47.326	22.3	100
Taxes & Arrears	Arrears	0.000	0.000	0.000	0.0	0.0
	Taxes	0.000	0.000	0.000	0.0	0.0
A.I.A Total		40.8	22.644	19.657	55.5	86.8
Totals	**Grand total**	**309.964**	**99.598**	**96.518**	**31.1**	**96.9**
Excluding Taxes and Arrears		309.964	99.598	96.518	31.1	96.9

Source: REA Annual Performance Report Q2 FY2016/17

Vote Function 0351: Rural electrification

The vote function is responsible for construction of mini grids, intensification of consumer connections, construction of mini hydro power plants and grid extensions.

7.2.13 Global Partnerships on Output Based Aid - Grid Extension Program-Project 1261

Background

The Global Partnership on Output-Based Aid (GPOBA) through the World Bank (IDA), the Government of the Federal Republic of Germany and the European Union (EU) through the German Financial Cooperation (KfW), and the GoU funds the Uganda grid-based Output Based Aid (OBA) Project.

Under OBA connections to households are subsidized under the following criteria:

- Household location within License Area of the Licensed Distribution Company (LDC), but not in list of excluded urban areas.
- Household application for connection and ability to be serviced by a no pole single phase connection from the nearest distribution line.

- Household's completion of internal wiring at the time of application for a connection or application for a load-limited ready-board solution.
- Household's ability to pay the cost of inspection and the security deposit (for postpaid meters only).
- Eligibility of poor households identified by the poverty mapping undertaken by a REA appointed consultant
- Household not connected for at least 18 months after the distribution line was completed.

The eligibility of connected customers for whom the service territory operator are refunded is verified by an Independent Verification Agent appointed by Rural Electrification Agency.

The distribution service providers that are participating in the OBA program include; Umeme Limited, West Nile Rural Electrification Company (WENRECO), Ferdsult Engineering Services Limited (FESL), Kilembe Investments Limited (KIL), Bundibugyo Energy Cooperative Society (BECS), Pader – Abim Community Multi-Purpose Electric Cooperative Society Limited (PACMECS),Uganda Electricity Distribution Company Limited (UEDCL) and Kyegegwa Rural Electric Cooperative Society (KRECS).

Project performance

Performance of the Output-based Aid Project was poor at 45.6%. The rate of connection this financial year has been low since the project is ending. Some of the factors that contributed to the poor performance among others were; the low financial capacity of the smaller service providers (to procure and stock adequate connection materials); high wiring costs for the poor households; service providers also lacked adequate work force to undertake the connections, and the slow reimbursement for connections made placed a financial constraint on the service providers thus hindering their ability to continue with the connections. A summary of performance is presented in Table 7.29.

Table 7.29: Performance of the Output Based Aid Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs Bn)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Increased rural household connections	8,230	4.370	1876.00	45.6	There were no connections done by WENRECO, FSL, UEDCL.
Total		**4.370**		**45.6**	**This is poor physical performance**

Source: Field findings

The performance of OBA connections was poor as shown in Table 7.30. WENRECO, FESL and UEDCL did not have connections in financial year 2016/17 because funds allocated were exhausted.

Table 7.30: Connections made by each service provider

Service Provider	Annual planned	Achieved	% tage performance
UEDCL	1,000	0	0.0
UMEME	0	318	N/A
PACMECS	230	19	8.3
WENRECO	0	0	0.0
FESL	0	0	0.0
BECS	2,000	423	21.2
KIL	4,000	909	22.7
KRECS	1,000	207	20.7
Totals	**8,230**	**1,876**	**23**

Source: REA, OBA Q2 FY2016/17 Performance report

Interview with OBA beneficiaries in Kyegegwa and Kasese districts

Ten beneficiaries were interviewed in each of the selected districts. The beneficiaries acknowledged receipt of the free household connections between July and December 2016. The cited benefits from the connections included;

- The new connection is economical and the bills are manageable since it uses prepaid meters.
- Ability to use electronic appliances such as televisions, radio, computers, charge phones and work for longer hours.
- Reliable power compared to the solar and other sources they used before.

The challenges cited included;

- The Value Added Tax (VAT) and service fee they pay was perceived as high and unfair.
- Some of the service providers lack vending points for recharging the prepaid meters.

Source: Field Findings

User interface unit on one of the OBA connections made by Kyegegwa Rural Electricity Cooperative Society in Kyegegwa district

Challenges being faced by OBA Project

- There is delay in approval of customers who may be eligible for OBA under the poverty mapping criteria like in areas of Mityana dsitrict.
- Cost of connection materials is high for the smaller service territory operators due to lack of economies of scale during procurement.
- Shortages of connection materials has also affected the speed of connections, the smaller service operators cannot afford to keep the necessary stock of connection materials for the project.
- The REA takes long to do network equipment replacements for cases that are beyond the scope of the service territory provider.
- The scope of OBA does not cover institutions such as schools, health centers which are meant to serve the general population.

Recommendations

- The REA should make an arrangement like that one under the revolving fund to help the smaller service territory operators procure materials for connections.
- The project eligibility for similar interventions should be modified to benefit schools and health centers which offer services to the general population.

7.2.14 Rural Electrification (Project 1262)

Background

The project objectives are 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 project is jointly funded by GoU and Development partners who include Islamic Development Bank (IDB), The World Bank (IDA), Arab Bank for Economic in Africa (BADEA) and Africa Development Bank(ADB).

Project performance

Performance of the rural electrification was good at 86.6% as shown in table 7.31. The quality of works on most of the monitored projects was good apart from a few snags like loosely tensioned stay wires, transformers with oil in the silica gel and poorly joined earth wires in the Lot 8 (Kabale/Kanungu/Ntungamo/Rukungiri/Kisoro) of the GoU schemes.

Table 7.31: Performance of the Rural Electrification Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Number of line Kms of medium voltage constructed (33kV or 11kV)	550	126.355	474.33	86.24	Generally, good performance. The 10 GoU Lots are 90% complete in Western and Eastern Uganda, GoU lots in West Nile and Central Uganda are at pole erection.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Number of line Kms of Low voltage (240V) constructed	450	126.355	391.63	87.03	Under BADEA/SFD 8 lots are complete and under defects liability period, OPEC projects are at 98% completion, 3 projects under ERTII are completed,
Total		**252.710**		**86.6**	**This is average very good physical performance**

Source: Field Findings

The lots of projects being funded under the IDB I& II, Abu Dhabi Fund, AfDB, and AFD are at different levels of procurement and work will commence in the second half of FY2016/17. A summary of progress is presented in table 7.32.

Table 7.32: Progress of Rural Electrification Projects

Scheme	Status
GoU community share schemes covering: Simba Trading Center in Wakiso, Katende- Mbuye-Kagezi in Mpigi, Drummal Tabiro Primary school In Kamengo, Katonga Technical Institute in Nindiye, Mark Mat agro processors Ltd in Mukono, Miles integrated farm in Saala Village Wakiso, Andruvu community-Mvra Sudan-Oluko, Alengo, Oganyi and Ociba community In Arua, Butiti Ranch in Nakasongola.	• Line poles erection complete for Simba, Drummal, Katonga, Mark Agro, Alengo, Pole erection is on-going on the other schemes. • Other materials (insulator, conductors, cables) are awaiting clearance at URA. • Pole dressing expected to begin by end of January 2017 after line materials have been cleared.
Aber-Amii, Alenga-Kwibale, Aluga-Olepek, Aduku-Cawente, Aduku-Nambieso, Aduku-Inomo in Apac funded by OPEC	**Aber-Amii:** The medium voltage network is completed (33 km),10 out of the 13 transformers have been installed, 95% of the low voltage network is complete. **Alenga-Kwibale:** Pole erection is complete, 25km of medium voltage network stringing done out of 32 km, Low voltage network at 70% completion, 7 out of the 9 transformers have been installed. **Aluga-Olepek:**The medium voltage network is complete, 5 out of the 7 transformers is installed, low voltage network poles have been erected. **Aduku-Cawente:** All medium voltage poles were erected, 25 km of medium voltage stringing completed out of 28km. All 5 transformers were installed, and the low voltage network completed. **Aduku-Nambieso:**The medium voltage network was completed (23km), all the 12 transformers installed and low voltage network completed. **Aduku-Inomo:**The medium and low voltage voltage networks are complete, All 6 transformers installed, however, this scheme is facing way leaves challenges.

Lot 5: Manafwa/Mbale/Tororo/Sironko/Butaleja/Budaka/Bulambuli/Bududa funded by GoU	• 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 awaiting commissioning included; Iki-Iki, and Kakule Nasulete, Bugusege in Sironko and Buwabuwala,Bumwango,Masase in Manafwa. • Bukiga, Bunaporo, Buchibopolo, Kenya in Bududa are completed but Nabweya is not yet commissioned. A few snags were noted on this scheme especially poorly joined earthwires and oil filled silica gel for the transformers. **Overall progress of Lot 5 is 95% complete.**
Lot 8: Ntugamo/ Rukungiri/ Kabale/Kanungu/Kisoro and environs funded by GoU	• Scheme to Kahengye and Kizaara in Ntugamo were commissioned and handed over in April 2016. • The Kabingo Parish scheme in Rukungiri 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 was completed and handed over to Ferduslt in December 2016. • Nyakinoni-Nyamirama-Kyakarimira in Kanungu was completed and is awaiting commissioning. • Buhara-Rwene in Kabale, pole erection and low voltage stringing is complete, awaiting installation of transformers. • Kyobugombe in Kabale was commissioned in September 2016. • Tangaza tours in Heisesero, Kabale was commissioned in December 2016. • Mgahinga Tourist Lodge scheme: Pole erection at 90%, pole dressing at 50%. There was delay pole in erection due to difficulty in excavation of pole pits. **Contract has been characterized by delays in payments to the contractor and overall progress of Lot 8 is at 80%.**
Lot 3: Mayuge-Bwondha landing site in Mayuge. Funded by BADEA/SFD	• All the line works were completed and project commissioned in November 2016 and handed over to UEDCL for operation.
Lot 2: Kapchorwa-Bukwo-Suam. Funded by BADEA/SFD	• Line erection is complete for the medium voltage and low voltage. • All transformers have been installed and pre-commissioning tests done. • Final commissioning to be done in February 2017. • Project was completed after two contract extensions. Delays were due to impassable roads, and delay by UWA to give access to part of line route and delayed payments.
Amuru- Anaka-Olwiyo. funded by IDA under ERTII	• Completed and handed over to UEDCL to operate. • There were a few snags pending correction by the contractor.

Kabale-Kiziramfumbi in Hoima funded by IDA under ERTII	• All works were completed • The line has not yet been handed over to any service provider so there are no connections as yet.
Bwindi community Hospital , Bwindi Tourist lodges and environs (Rugando, Bukuto, Buhoma trading centers). Funded by GoU	• All poles were erected. • HV stringing was left with 1.5km out of 16.8 km due to failure to obtain wayleaves in private forest land. • All 4 transformers were installed 3 years ago. • The REA resolved the wayleaves issues in December 2016 and work on the scheme has resumed.

Source: Field Findings

L-R: Workers of C&G Installing a transformer at Acuta Trading Center (Oyam District), Completed work on the Aduku-Inomo 33kV distribution line in Apac District

L-R:Completed electricity extension to Ecofarm in Mbale under Lot 3 (Mbale/Manafwa) funded by GoU, Ongoing works at Buhara Trading Center, Kabale District part of Lot 8 (Ntugamo-Kabale-Kanungu) funded by GoU

L-R: Installed transformer on the completed 33kV Kapchorwa-Bukwo-Suam line, Poles erected on the Ociba Community share scheme in Arua district

Overall performance of Rural Electrification

The rural electrification programme performed fairly at 66% of the semi-annual target. Some distribution lines were completed and commissioned while the others were still under implementation. The rate of free connections was low in the first half of the year amidst high demand. The smaller service providers are financially constrained by the OBA design of reimbursement after connection. The rates of connections are higher in UMEME service territories compared to those of other service providers because of the subsidy on the connection cost.

Recommendation

- The Government should harmonize the subsidy for the cheapest category of connections (No-pole and 1-pole) so that all service territory operators can charge rates like those offered by UMEME and UEDCL

Overall performance of Energy Sector

The overall sector performance was fair at 65.3% of the semi-annual targets (Table 7.33). The key constraints in the achievement of sector outcomes for most of the programmes was delayed initiation of procurement, high electricity connections costs,Right of Way issues, and inadequate releases. Other limitations included rampant power thefts, and vandalism of distribution and transmission infrastructure, and delayed payment of contractors.

Table 7.33: Overall Performance of the Energy Sector

	Project	Overall performance(%)
1	Power transmission projects	67.2
2	Promotion of Renewable Energy and Energy Efficiency Programme (PREEEP) (Project: 1023)	66.8
3	Isimba Hydropower Plant (Project 1143)	82.2
4	Karuma Hydropower Plant (Project 1183)	75.4
5	Nyagak III Hydro power Plant(Project 1351)	10.8
6	Construction of the Oil Refinery(Project:1184)	83.2
7	Midstream Petroleum Infrastructure Development (Project:1352)	67.8
8	Strengthening the Development and Production Phases of Oil and Gas Sector (Project: 1335)	62.8
9	Skills for Oil and Gas Africa, SOGA (Project 1410)	77.9
10	Downstream Petroleum Infrastructure (Project 1258)	54.6
11	Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)-(1392)	59.4
12	Mineral Wealth and Mining Infrastructure Development (Project: 1353)	74.6
13	Grid Extension Program-GBOBA (Project 1261)	45.6
14	Rural Electrification (Project:1262)	86.6
	Average Overall Sector Performance	**65.3**

CHAPTER 8: HEALTH

8.1 Introduction

Health is identified as a key priority in the medium term of the National Development Plan (NDP) 11. Its main goal is to reduce morbidity and mortality as a contribution to poverty reduction, economic. The health sector is comprised of votes; The Ministry of Health (Vote 014) as the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services like emergency preparedness, health research, monitoring and evaluation of the overall health sector performance.

National Medical Stores (Vote 116) responsible for procurement and distribution of medicines and medical supplies to government health facilities. Specialized services are provided by a number of semi-autonomous institutions namely; Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids Commission (Vote 107) and Health Service Commission (Vote 134).

Mulago and Butabika National Referral Hospitals (Votes 161 to 162 respectively) provide comprehensive specialist services, health research, training and all services at general and regional referral hospitals. A total of 14 Regional Referral Hospitals (Votes 163 – 176) offer specialized clinical services and higher level medical and surgical services[31].

Districts take primary responsibility for delivery of frontline healthcare services through provision of Primary Health Care (PHC) services. Districts are responsible for management of human resources for district health services, general hospitals and health center's (II, III and IV)[32]. The total number of general hospital was 43, HC IVs 182, HCIIIs 977 and 1,734 for HCII by December 2013.

During FY 2016/17, the sector's key areas of focus were[33]:

- Human resource (attraction, motivation retention and development).
- Improvement of maternal and child health services including reproductive health.
- Control of HIV/AIDS, Malaria, Tuberculosis (TB) & Hepatitis.
- Improving Primary Health Care focusing on disease prevention, health promotion, nutrition, environmental sanitation, hygiene, and functionalizing lower level health facilities.
- Reduction of referrals abroad through equipping, training, recruitment of specialist, staff motivation and acquisition of specialized medicines.
- Enhancing blood collection under the Uganda Blood Transfusion Services.
- Control/preparedness for disease outbreaks including surveillance.
- Infrastructural rehabilitation and remodeling as well as constructing new facilities.
- strengthening the community health extension system

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[31]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

[32]Ibid

[33]These have been the sector's key focus areas for the last three FY's (2014/15, 2015/16 and 2016/17)

Overall health 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. This was 8% of the National Budget. The MoH was allocated 55.14% of the sector budget, 18.47% to LGs and 13.02% to National Medical Stores. Regional Referral Hospitals got 4.87%, 4.03% to national referral hospitals and 4.46% to other spending agencies. The total donar budget was Ug shs 903.1billion (49%) of the health sector budget.

A total of Ug shs 434.29 billion was released to the sector by 31st December, 2016 which was 47% of the approved National Budget. The sector absorbed 94% of the releasesed funds

8.1.1 Scope

The monitoring covered 21 out of 23[34] sector votes and all the 17 local governments that benefited from the PHC transitional grant. Table 8.1 shows Votes, Vote Functions and location of programs/projects monitored for semi-annual FY2016/17 performance.

Table 8.1: Votes, Vote Functions, programs, projects and outputs selected for semi-annual monitoring FY 2016/17

Vote	Vote Function	Program/Project/Output	Institution visited/location
014 Ministry of Health (MoH)	Health systems Development	Project 0216: District Infrastructure Support Programmes	Tororo General Hospital,Mukuju Health Centre iv,Atutur General Hospital, kapchorwa General hospital,Bugembe HC IV, Walukuba HC IV, Yumbe General Hospital, Lyantonde HCIV, Masaka RRH, Kalisizo GH, Bundibugyo RRH, Mwera HCIV, Mityana GH, Kibito HCIII, Virika Family Hospital, Gombe GH.
		Institutional Support to MoH	MoH headquarters
		Project 1135: Italian Support to HSSP and PRDP	Abim, Kotido, Moroto, Nakapiripiti
		Project 1123: Health Systems Strengthening	Oyam (Aboke HC IV)Apac (Aduku HC IV), Amuru (Aiaka HC IV), Bugiri (Nankoma, Muterera HC IV), Iganga (Bugono HC IV), Ntungamo (Rubare HCIV), Mubende (Kasanda, Kiganda), Moyo Hospital, Moyo (Obongi HC IV), Iganga Hospita,l Mityana Hospital, Kyantungo, Mwera, Kikamulo, Ngoma; Nakaseke Hospital

[34]NMS and Uganda Aids Commission were left out

		Project 1315: Construction of Specialized Neonatal and Maternal Unit in Mulago Hospital	Mulago Hospital
		Project 1187: Support to Mulago Hospital Rehabilitation	Mulago, Kawempe, and Kiruddu Hospitals
	Pharmaceutical and other Supplies	Global Alliance for Vaccines Initiative (GAVI)	Bugiri, Buikwe, Bundibugyo, Buhweju, Kanungu, Ntoroko, Kibaale, Kisoro, Lyantonde, Lwengo, Mukono, Nakaseke, Nakapiripiriti, Sheema, and Wakiso
	Clinical and Public Health	Output: Immunization of Hepatitis B Output: Indoor Residual Spraying Output: Technical support to Non-communicable diseases	Arua, Maracha, Yumbe, Moyo, Adjumani, Gulu, Oyam, Lira and Apac
	Policy, Planning and Support Services	Institutional Capacity Building(ICB II)	Arua, Maracha, Moyo, Adjumani, and FortPortal
134 Health Service Commission	Human Resource Management for Health	Health Workers Recruitment and Human Resource for Health Management Services Projet 0365: Health Service Commission	Health Service Commission(HSC), and RRHs
151-Uganda Blood Transfusion Service (UBTS)	Safe Blood Provision	Regional Blood Banks(Programme 02) Project 0242: Uganda Blood Transfusion Service	Nakasero, Arua, Mbale
161-Mulago Hospital Complex	National Referral Hospital Services	Project 0392: Mulago Hospital Complex	Mulago headquarters
162-Butabika National Referral Hospital	Provision of Specialised Mental Health Services	Project 0911: Butabika and health centre remodelling/construction	Butabika Hospital
114-Uganda Cancer Institute	Cancer Services	Project 114:Uganda Cancer Institute	Mulago
		Project 1345: ADB	Mulago

		Support to UCI	
115-Uganda Heart Institute	Heart services	Project 115:Uganda Heart Institute	Mulago
Regional Referral Hospitals	Regional Referral Hospital Services	Project 1004: 14 Regional Referral Hospitals	Arua, Mbale, Moroto, Lira, Soroti, Jinja, Gulu, Fort Portal, Hoima, Kabale, Masaka, Mbarara, Mubende, Naguru,
Vote 501-850		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: Authors' Compilation

8.2 Ministry of Health (Vote 014)

Performance of four out six vote functions of the MoH was assessed. These were: Health System Development: Pharmaceutical and other Supplies: Clinical Health, Policy, Planning and Support Services. The following was established:

8.2.1 Health System Development (Vote Function 0802)

Eight out of ten development projects were monitored. These were: Italian Support to Peace Recovery and Development Plan (PRDP and Health Sector Development Plan (HSDP), Uganda Health System Strengthening (UHSSP), District Infrastructure Support Project (DISP), Global Alliance for Vaccine Initiative (GAVI), Support to rehabilitation of Mulago Hospital, Construction of Specialized Neonatal and Maternity Unit in Mulago.

8.2.1.1 District Infrastructure Support Programme (DISP) -Project 0216

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.

The physical performance was rated at 6.2%, which was poor. This was mainly attributed to delayed; procurement process for purchase of the six X-ray machines, commencement of construction works for Kapchorwa staff houses, and transfer of funds to National Medical Stores (NMS). Table 8.2 shows the physical performance of DISP by 31st December, 2016.

Table 8.2: Performance of DISP by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance score	Remark
Monitoring, Supervision, and Evaluation of health systems	1	498	1.00	5.25	Monitoring was carried out as scheduled. 80% of the ultrasound sound scanners were maintained for selected health facilities. The activity was affected by absence of spare parts.

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance score	Remark
Six X-ray machines procured and payment for shipping and clearing of donated items done	6	4,791	0	0	The Draft bid documents were submitted to the contracts committee. No payment was made for shipping and clearance of donated items
Hospital construction/rehabilitation	0.9	200	0.4	0.94	Physical performance was rated at 40% progress., however the quality was good. There was late commencement of works about 10months from the time the contract was signed.
Health workers' uniforms procured	1	3,000	0	0.00	Poor performance due to the delayed transfer of funds to NMS
Health management Information system (HMIS) tools procured	1	1,000	0	0.00	Poor performance due to delayed transfer of funds to NMS
Total		**9,489**		**6.2**	**The poor performance was mainly attributed to the delayed transfer of funds to NMS and delayed procurement of the X-ray machines**

Source: Field findings and Authors' Compilation

Challenges

- Delayed procurement process by the MoH affected the purchase of x-rays, uniforms and HMIS forms.
- Unutilized imaging equipment as 80% of the ultrasound scanners maintained did not have any operator to run them for two years. This limited access to the service by the expectant mothers who had to be referred to other private clinics.
- Transfer of trained personnel operating the X-rays without replacement for the imaging equipments by the District Health Officer (DHO). This ultimately affected services in the facilities of; Bugembe HC IV,Walukuba HC IV in Jinja District, and Mukuju HC IV in Tororo District.
- Less stakeholder involvement between the MoH, general hospitals and health facilities. Kapchorwa hospital administrators and operators of the ultrasound scanner did not know the scope of works or level of maintenance done.
- Non-functional X-ray and ultrasound scanners in Kalisizo General Hospital, and Hoima RRH, despite replacement of the X-ray batteries, switch, and probes

Recommendations

- The MoH Accounting Officer should reprimand project officers that fail to initiate procurement processes in due time.
- The Health Service Commission should ensure that radiologists are recruited, transferred with replacement and trained on the effective use of the equipment.
- The MoH should involve health facility administrators by providing Bills of Quantities (BoQs) for the works to improve supervision and accountability.

8.2.1.2 Uganda Health Systems Strengthening Project (UHSSP) – Project 1123

The UHSSP is a World Bank funded project that commenced on 25th May 2010 and was expected to end on 31st July 2015. However,due to incomplete works,the project was extended to 2017. The objectives are to; *reduce maternal mortality through renovation and infrastructure development of health facilities: Strengthen human resource management and development: Strengthen the leadership and management of the health sector through training, performance, contracting, and client charters among others.*

The scope of the project is; Moroto RRH, Eight (8) General Hospitals (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 half year performance was at 62.5%, which was fair. The construction works for Moroto RRH and the eight general hospitals were under 12 a months defects liability period (DLP). By 31st December 2016, rectification of defects at Moroto RRH, Iganga GH, Mityana GH, and Budondo HC IV was on-going. The main defects were; poor quality terrazzo installed in the theaters and the maternity wards, however, defects at Nakaseke GH had not been rectified by the end of the DLP.

Works were completed at the HC IVs apart from Atiak in Amuru district, where works had stagnated at 80% due to the abandonment of the site by the contractor (Amugoli Enterprises Ltd) despite time extensions and warnings from the supervising consultant. The installed medical equipment; x-rays and dental machines in the health facilities lacked critical components. For instance at Iganga GH; the compressor, low and high speed hand pieces, ultrasonic scalars, and disposal suckers for the dental machine were missing rendering it non-useable. Table 8.3 shows the physical performance of the UHSSP by 31st December, 2016.

Table 8.3: Performance of the UHSSP by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Procurement of mobile workshop vehicles for Masaka, and Jinja RRHs	2	1,500	0.00	0	The mobile workshops were reportedly being delivered at Mombasa port to Uganda.
Roll out of the Human Resource Management Informaton System, the Electronic Job Bureau for the Health Service Commission	100%	2,500	100%	4.06	The human resource management information system was rolled out and Electronic Job Bureau functiona.l
Procurement of medical equipment requiring pre-installation works, instruments for emergency obstetric and neonatal care and delivery kits and implants	100%	11,830	0	0	The contracts for the supply of the equipment were awaiting approval from the Solicitor General.
Procurement of office furniture for health facilities renovated by UHSSP	100%	5,780,	0	0	The contracts for the supply of the equipment were awaiting approval from the Solicitor General.
Hospital Construction/rehabilitation (9 Hospitals, 26 HCIVs including maternity and operating theatres) and Procurement of office furniture for the renovated health facilities	100%	40,000	90	58.43	The facilities visited were substantially complete, and under the DLP. Rectification of snags was on-going at Moroto RRH and Iganga GH.The main defects were on the poor terrazzo, door hedges, fixing theatre lights. Correction of defects for Nakaseke Hospital were not done although the DLP had expired.
Total		**61,610**		**62.5**	**This is a good performance**

Source:Field findings and Authors' Compilations

Observations

- Beneficiary satisfaction. The hospitals' administrations were happy with the works. There was an improvement in access to maternal and child health services, and better environment for handling casualties in the emergency departments.
- Stock outs of medical supplies for maternal health for instance; Ferrous Sulphate, gloves, mama kits, liquid soap, and Jik were noted. This constrained service delivery at the facilities.

Implementation Challenges

- Poor quality control as there was no supervising consultant for the rectification of defects at Moroto RRH, and Nakaseke GH which could lead to shody works.
- Uneven distribution of resources as some health facilities were given pit latrines and water borne toilets while others did not receive pit latrines yet they are vital in case of absence of water. Kasanda HCIV had a drainable pit latrine as well as four stance water borne toilets with the new infrastructure, however, Rubaare HCIV in Ntungamo and Kyantungo HCIV in Mityana district did not have pit latrines.
- Unattended to defects before the expiry of the DLP as evidenced in Nakaseke where the conmtractor did not attended to a number of defects. These included; replacement of 45% of the iron sheets which were already peeling, redoing rejected terrazzo especially in the casualty theatre, replacement of door hedges, theatre light, sockets and switches. Some pavers were failing, paint in some wards like the private wing was already peeling, drainage challenges in the theatre, and doors falling among others.
- Limited staff, medical supplies and equipment have constrained effective use of the facilities. Equipment including medical beds that were withdrawn from the hospitals in 2015 had never been replaced. The drug budget had also declined; stock outs of the six tracer medicines were noted. Patients were often requested to buy medical supplies from private facilities or pharmacies.
- Some facilities like the maternity ward at Kiganda HCIV had not operationalized the newly constructed infrastructure by 16th January 2017, although it was handed over in December 2016. Delays were attributed to leakages in the water tank, most taps had no water and a number of sinks were rusting.

Recommendations

- The MoH should ensure that works are well supervised and that contractors attend to all defects within the stipulated timelines.
- The MoH should provide BoQs to the facility administrators to ensure effective monitoring of the planned outputs.
- The MoH should provide adequate maintenance budgets and necessary supplies for effective utilisation of newly constructed infrastructure which has attracted high numbers of patients to these facilities.
- The MFPED should avail districts with an adequate wage bill to facilitate recruitment of critical staffs at general hospitals.

Left: Poor quality terrazzo and misfitted cabinet doors in the theatre at Nakaseke GH; Right: Poorly fitted theatre light at Atiak HC IV, Amuru District

8.2.1.3 Italian Support to Health Sector Development Plan (HSDP) and Peace Recovery and Development Plan (PRDP) - Project 1185

This project is funded by the Italian Development Agency for the construction of 34 blocks, semi-detached houses for 68 staff in selected Public, and Private-Not-for-Profit (PNFP) in HC III's. The works were in the districts of; Kaabong, Kotido, Abim, Moroto, Napak, Amudat, and Nakapiripirit. The contract for construction works was awarded to M/s Zhonghao Overseas Construction Engineering Company on 8th February, 2016 supervised by M/S Joadah Consult Ltd for a period of 18 months.

The half year physical performance was at 87%, which was very good. By 31st December, 2016, the progress of works in the districts of; Abim (Alerek, Orwamuge, and Nyakwae HC IIIs'), and Kotido (Lokitelaebu, Kanyeri, Rengen, Nakapelimoru, Panyangara, and Napumpum HC IIIs) was at walling and roofing level. There was however, no supervising consultant for the on-going works in Abim district. The works for the sites in Kotido district had stalled at different levels of physical progress and the contractor had demobilized to go to the sites in Moroto, Nakapiripirit and Napak districts. The works in Moroto, and Nakapiripirit were at the foundation level. Table 8.4 shows the physical performance of the Italian Support to PRDP and HSSP by 31st December, 2016.

Table 8.4: Performance of Italian Support to PRDP and HSDP by 31st December, 2016

Out put	Annual Planned Quantity or Target in %ge	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Construction of staff houses	67	19,015,809,612	58.00	87	The quality of works was good, however, there was no supervising consultant at the sites in Abim District to ensure adherence to the specifications. Works in Kotido had stalled.

Out put	Annual Planned Quantity or Target in %ge	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Total		19,015,809,612		87	This was very good performance

Source: Field findings and Authors' Compilation

L-R: On-going works at Alerek HC III, Abim district; Stalled works at Rengen HC III, Kotido district

Challenges

- Poor quality control as despite the allocations of supervising consultants, there was no evidence of effective supervision works to ensure adherence to the specifications.
- Delayed handover of sites in the districts of Moroto, and Nakapiripit affected progress of works.

Recommendations

- The MoH should effectively monitor the work of supervising consultants.

8.2.1.4 Support to Mulago Hospital Rehabilitation (Project 1187)

The project commenced in January 2012 and will end in June 2017. It is aimed at providing super specialised services for a national referral 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) is by the Nigerian Trust Fund (NTF).

The physical performance was poor at 44.5%. Major civil works at the lower Mulago were affected by; design changes that led to additional works, time and cost variations. A Kidney Transplant Unit was constructed instead of the Renal/Dialysis Unit. Rectification of snags and completion works were on going at Kiruddu and Kawempe hospitals. Table 8.5 shows the physical performance of Support to Mulago Hospital Rehabilitation Project by 31st December 2016.

Table 8.5: Physical performance of Support to Mulago Hospital Rehabilitation Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Supervision of civil works for Lower Mulago Hospital undertaken	1	1,549,544	0	4.236	Supervision of the civil works was undertaken both by the consultants and the Project management unit
Medical equipment for Kawempe, Kirrudu, and Lower Mulago procured	1	17,193,817	0	0.00	By February 2017, Installation for some medical equipment like Maniac shower for the Labaroatory, CT scan, Xray, Ultrasound, fluscopy, Mammography for Kawempe and Kiruddu was on going. however, these were less than 5% of the expected equipment
Rehabilitation of lower Mulago	0.41	10,844,628	0.15	30.16	Works were delayed by the relocation of patients and design variations. An addendum was signed by the Solicitor General awaiting approval from the African Development Bank (ADB). The physical performance was assed based on the original contract.
Kawempe General hospital completed	1	3,009,883	1	8.37	Rectification of snags was slowed by the presence of patients at the facility. The staff quarters however, were substantially complete.
Kirrudu General Hospital completed	1	2,164,636	1	6.02	Rectification of snags was delayed by the presence of patients at the facility. The progress of correction was at 60% and the quality of works was good
300 Health workers trained	200	1340,000	200	2.702	
Services for management of Ambulances procured	12	480000.	0	0.00	There was a change in plan to procure two life support ambulances and hence a no objection was sough from the ADB
Total		**35,961,338**		**50.7**	Performance was below average attributed mainly to delayed procurements

Source: Field findings and Authors' Compilation

Challenges

- Variations in the design led to additional works, time, and cost.
- Poor design of the septic tank at Kawempe Hospital. This was not connected to the main sewer line and therefore the hospital hygiene is compromised.
- Increased costs of emptying the Kawempe Hospital septic tank that was designed for 200 patients; however the facility is utilized by 500 patients.
- Unpaid VAT to the contractor to the tune of US$2.5 million by 31st December 2016. The MFPED had only released Ug shs 900million by half year out of the Ug shs 15.7billion that was provided for in the budget. This might lead to cost overruns for the government.
- Delayed submission of drawings from the suppliers of medical equipment that require pre installation civil works has delayed progress of civil works at the Lower Mulago Hospital.
- His Excellency the President directed that all windows on the wards should have mosquito nets, which would require modification of the windows to enable fixing the nets. Additional funds would be needed yet the budget has not been approved and provided by GoU.

Recommendations

- The MoH should effectively plan for works to avoid incurring costs caused by variations in designs.
- The MoH should ensure adherence to the timely submission of designs through penalizing non-compliant contractors.
- The MoH should re-design the septic tank at Kawempe Hospital to connect to the main sewer line.
- The MoH should plan for an additional tank septic tank to accommodate the increasing number of patients at the facility.

8.2.1.5 Institutional Support to Ministry of Health (MoH) - Project 1027

The current phase of the project commenced on July 1st 2015 and is expected to end on 30th 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.

The half year physical performance was at 32%, which was poor. Works were behind schedule due to late release of funds, and no release for items like taxes on specialised and other equipment. Table 8.6 shows the physical performance of the Institutional Support Project by 31st December, 2016.

Table 8.6: Performance of Institutional Support to MoH Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance Weighted Score (%)	Remark
MoH headquarters renovated, Staff canteen constructed	2	100	0.30	1.07	The civil works for the staff canteen were not done. Renovations on the ministry of health headquarters included; leaking roof, ministry entrance , and replacement of doors, repair of water works, maintenance of MoH gardens was on going.
Double cabin and one salon car procured. *Taxes for the vehicles procured paid*	3	628	0	0	The procurement process was at the awarding stage for the double cabins. Part of funds meant for procurement of a car were diverted for the purchase of a bull bar.
Office and ICT equipment procured	1	50	0.38	1.36	Some of the ICT equipment procured items included; fittings and access control doors. While others were pending
Taxes on specialised and other equipment and donations paid	1	1,200	0	0	No funds were released during the first two quarters of FY 2016/17.
Office and residential Furniture and fittings procured	1	50	0.24	0.52	Executive chairs were bought; Payments for walk through metal detectors were also done. Refunds for repair of sofa chairs were done.
Contract staff paid	1	50	0	0	The project did not employ any project staff
Allowences paid	1	50	0.44	2.05	These included lunch and transport allowances to 19 officers and office imprest .
Staff trained	1	100	0.25	4.30	Two staff were trained while in annual Association of Certisfied Chartertered Accountants professional subscription was paid for three staff

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance Weighted Score (%)	Remark
Health systems monitored, supervised and evaluated	1	100	0.49	4.21	Funds were mainly spent on support supervision in various parts of Uganda.
Vechicles maintained	1	100	0.35	2.26	Some vehicles were repaired, others were serviced, tyres, batteries flags procured
Total		**2,328**		**15.8**	**Performance was below average**

Source: Field findings and Authors' Compilation

Challenges

- Poor planning and budgeting for non-existent entities. The project budgeted Ug shs 50million for contract staff, Ug shs 26million was released, yet no staff is employed. There was underbugeting for the construction of a staff canteen.
- Unclear targets on utilization of allocated funds for the outputs of; renovations, staff canteen construction, procurement of ICT equipment, thus limiting the monitoring.
- Delayed procurement of outputs like ICT and transport equipment.
- Variations in the project outputs. The core expected outputs were development in nature while actual outputs were recurrent-retooling outputs with activities like payment of office imprest, lunch allowances, repair of furniture, and vehicle maintenance

Recommendations

- The MoH planning unit should ensure that there are clear and measurable output targets for effective implementation and monitoring.
- The MoH planning unit should consider the recommendation from the MFPED Development Committee to separate the recurrent from development outputs.
- The project coordinator should fast track all procurements to ensure achievement of set targets by 30th June, 2017.

8.2.1.5 Rehabilitation and Construction of General Hospitals (Project 1243)

The project comemced on 1st July 2015 and is expected to end on 30th June, 2020.This project is divided into two components: the rehabilitation of Kawolo Hospital funded by 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. In FY 2016/17, 25 districts benefitted from the grant and 18 were monitored namely; Abim, Adjumani, Apac, Bugiri, Buhweju, Bundibugyo, Butambala, Katakwi, Kiboga, Kitgum, Kumi, Lyantonde, Masaka, Maracha, Ntungamo, Kitgum, Tororo, and Wakiso.

The half year physical performance was at 18%, which was poor performance, mainly attributed to delayed procurement for 90% of the GHs. Other GHs received late the PHC-guidelines on the utilization of the grant. Table 8.7 shows the physical performance of the GH by 31st December, 2016.

Table 8.7: Performance for Rehabilitation and Construction of General Hospitals by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (million Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Rehabilitation of a Maternity Ward ceiling in Lyantonde Hospital	100%	500	0%	0	Delayed procurement. The District Procurement Unit expected to open the bids on 13th January 2017.
Rehabilitation of Kiboga Hospital-Phase III (Sewerage system and Lagoon works)	100%	300	0%	0	The project had just been cleared by Solicitor General and signing of the contract for works was expected by February 2017.
Rehabilitaion of the sewerage system, children's ward, main operating theatre and the water tank at Tororo Hospital	100%	400	0.4	5.37	The contracts for the works were awarded to M/s Mass technologies ltd and Suleigh Engineering at a sum of Ug shs 296,152,459 and 81,492,528 respectively. Construction of the base for two tanks of capacity 5m3 and 10m3 was on-going at the maternity ward. Overhauling the sewerage system was completed. The works were of good quality and no payments had been made.
Rehabilitation of Bugiri Hospital Phase II	100%	400	0	0	Expenditure made were for phase I works. Phase II construction works had not started as the contractor was overwhelmed by GAVI works for the staff house construction.
Rehabilitation of staff quarters at Atutur Hospital Kumi	100%	300	0.25	1.51	Overhauling of the sewerage system was on-going and facelifting at the staff quarters.
Renovation of the theatre at Apac hospital	100%	300	0	0	The procurement process was at the awarding stage for the renovation of the theater.
Rehabilitation of OPD Block, Construction of the sewerage line and septic tank at Kitgum Hospital	100%	300	0.45	2.72	The construction of the sewerage line was on-going while rehabilitation of the OPD was completed. The quality of works was good although no payments had been made.

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (million Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Construction of the OPD in Maracha district	100%	350	0.50	3.52	The OPD was at finishes level. The quality of works was good and supervised by the district engineer.
Renovation of Ofua HCIII in Adjumani district	100%	400	0	0	BoQs were being developed.
Works on the sewerage system and partial rehabilitation of junior quarters of Itojo Hospital, Ntungamo	100%	500	0	0	Bids for the works were to be evaluated. The previous contractor had not worked on the defects earlier identified.
Rehabilitation works completed at Bundibugyo General Hospital	100%	200	0	0	Part of the funds was paid for works in FY 2015/16. The FY 2016/17 outputs construction of the placenta pit and generator house were at the awarding stage of procurement.
Renovation of the OPD and toilets at Gombe Hospital-Butambala district	100%	700	0	0	The contract for the toilet was awarded in January 2017 at a sum of Ug shs 149million to M/s JES&E Technical Services. The site was handed over in January 2017. Contract for the OPD was awarded to Pharm Investments Ltd. The site for works for construction of the OPD block was handed over to Je.s Technical Services Ltd . Both contracts were awaiting approval from the Solicitor General at the time of the monitoring visit.
Rehabilitation of Family Health Care hospital-Wakiso	100%	500	0	0	All the funds were meant for the Family Health Care Hospital (PNFP). The Presidential Pledge for the facility was Ug shs 80 million, however, the MoH allocated Ug shs 500million. The ministry later directed the district to utilize the funds in the public facilities of; Nakawuka HCIII, and Wakiso HCIV. The MFPED had not approved the change of workplan.
Rehabilitation of Kigo Hospital-Masaka	100%	400	0	0	The facility was in Kalungu district yet funds were sent to Masaka district which caused delays in the utilization and management of the funds.
Construction of a maternity ward at	100%	300	0.10	0.81	Ug shs 400million were allocated to a PNFP as a fulfillment of a 2012

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (million Ug shs)	Cum. Achieved Quantity	Physical Performa nce	Remark
Butare HCIII, Buhweju district					Presidential Pledge. The health centre procured the materials for construction and contracted the Archdiocese engineer to supervise works on a 90 bed maternity ward. By 31st December 2016, physical works were at 10% foundation level.
Rehabilitation of Maisuka HCIII-Kibaale district	100%	300	0	0	The contract was awarded on 23rd January 2017 to M/s Azu Properties Limited at a sum of Ug shs 296,110,016. The delay in contract award was caused by absence of a district procurement officer.
Partial rehabilitation of Kagadi hospital	100%	500	0	0	Delayed procurement and commencement of works due to errors in transfer of funds by MFPED to Ntungamo District General Fund account.
Rehabilitation of Kambuga HCIV-Kanungu district (overhauling sewerage system,, rehabilitation of nurses block and mortuary, construction of 3 pit latrines and bath shelters, general external works	100%	400	50%	4.04	The contract was awarded to M/s Extech Technical Services Limited at a sum of Ug shs 379,039,588. Works commenced on 9th December 2016 and expected to be completed by 1st April 2017. The completed works inluded: construction of 3 pit latrines. On-going works included; overhauling the sewerage system and nurses block. The works were of good quality
Rehabilitation of Rukunyu HCIV-Kamwenge district	100%	400	0	0	Contracts for the completion of the paediatric ward, staff quarters, and the female ward were awarded however; the contractors had not assumed the sites. The contract for construction of the patients' kitchen had not been awarded because none of the prequalified service providers bidded for the works.
Total		**7,450**		**18.0**	**Performance was below average**

Source: Authors' Compilation

L-R: Rehabilitation of the staff quarters at Atutur Hospital, Kumi District; Construction of a water tank base for the maternity ward at Tororo General Hospital

L-R: Rehabilitated water borne toilets at Bundibugyo General Hospital; Rehabilitated maternity ward at Masindi General Hospital

Challenges

- Delayed initiation of the procurement process. This affected 90% of the districts as planned works could not be executed in the half year. In Lyantonde, Bugiri, and Adjumani districts the procurement process commenced upon receipt of funds from MFPED. In Kiboga, the Solicitor General cleared the contract on 23rd January, 2017.
- Inadequate financial and technical capacity of the contractors. In Bugiri, works could not start because the contractor (Alliance Services) was still executing works under GAVI in Nankoma, and Muterere HC IIIs.
- Equity issues. The districts of Kanungu, Kamwenge and Kagadi in Western Uganda were promised continuous support for the next three financial years by MoH, while those in the east were informed that the grant was a one-off support.
- Delayed receipt of guidelines from the MoH to the GHs on the utilization of the grant.
- Delays in transfer of funds to the intended beneficiary health facilities in the districts of Kanungu, and Buhweju.

- Inadequate monitoring and supervision of projects leading to poor quality works at Itojo Hospital, Ntungamo district.

Recommendations

- The PPDA and MoH should reprimand entities that delay/prolong the procurement process.
- The MoH should make clear long term workplans for the rehabilitation of general hospitals countrywide.
- The MoH Planning Unit should send timely communication of the guidelines to the beneficiary facilities and LGs to enable effective implementation.
- The MoH should set aside funds in FY 2017/18 to cater for the payment of retention for rehabilitation works in the LGs which received the grant as a one off support.

8.2.1.6 Construction of Specialised Neonatal and Maternal Unit in Mulago Hospital - Project 1315

This project commenced in February 2014 and is expected to end in February 2019. It is funded by the Islamic Development Bank at a cost of US$30.72 millions 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 and specialized maternal and child healthcare services in obstetric/gynecology.

The physical performance was rated at 60%, which was fair. The construction works were behind schedule due to design variations, however, the quality of civil works was good and the consultant (Joadah Engineering Services) was on site to ensure adherence to the standards and specifications. Table 8.8 shows the physical performance for Construction of the Neonatal and Maternal Unit in Mulago by 31st December, 2016.

Table 8.8: Performance of the Construction of the Neonatal and Maternal Unit in Mulago Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Specialized equipment and machinery procured	1	4,000,000,000	0	0	By January 2017, the procurement process had been initiated.
Maternal and neonatal hospital construction undertaken	0.47	20,092,100,000	0.22	51.09	The construction works were behind schedule by 10%. Cummulatively the project had achieved 72% against the planned target 82%. This was mainly due to design variations.

Supervision of civil works undertaken	1	1,046,271,600	46%	3.94	The works were supervised and were of good quality.
Monitoring, Supervision, and Evaluation of health systems	1	1,400,000,000	0.5253	5.28	The project management caried out the monitoring and supervison of the health systems.
Total		**26,538,371,600**		**60.3**	**This was fair performance**

Source: Field findings and Authors' Compilation

L-R: On-going construction works at the maternal and neonatal unit; Painting of the children's ward

Challenges

- Design variations arising from the Presidential directive to include mosquito nets, and user needs to have the suspended ceiling from the planned 1,500Sq meters to 22,000 Sq meters.These variations necesitated the change in the scope of works and additional funding however, no budgets from GoU had been approved for this purpose.
- Accumulated unpaid VAT obligations of US$2,338,873.3 likely to lead to project cost overruns.

8.2.2 Pharmaceutical and other Supplies (Vote Function: 08 05)

One development project and a program; clinical and public health were monitored.

8.2.2.1 Global Alliance for Vaccines Initiative (Project 1141)

The project started in 2010 and was expected to end on 30th June 2015. It was given a no cost extension to 30th June 2016. Due to delays in procurement of service providers, it was given another no cost extension to 30th June 2017 to enable completion of civil works. The 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 half year monitoring focused on the construction of seven vaccine stores and 12 staff houses in the 13 districts.

The average physical performance for the sites monitored was poor at 36% of the planned targets . The quality of construction works was good, and there were supervising consultants at 90% of the sites. The civil works for drug stores inNakapiripirit, and Ntoroko districts had stalled at walling and foundation level respectively. No explanation was given to the DHOs for the stalledof works at the sites.

Challenge

- Less involvement of the stakeholders in the construction works limits supervision and monitoring of outputs. In Ntoroko and Nakapiripirit districts, the DHOs lacked the BoQs and no explanations were availed for stalled works.

Recommendations

- The MoH project implementation unit should involve all stakeholders in the works to improve supervision, monitoring and accountability.
- The MoH should ensure timely execution of the contracted works through close monitoring and instituting of penalties for the non-complaint.

8.2.2.2 Program: Clinical and Public Health

This program covers Clinical Services, Community Health, National Diseases Control, and Nursing. The Clinical services include; Immunization against Hepatitis B, Integrated Curative Services like oral and dental health, Health Infrastructure, Pharmacy, Mental Health, and Uganda National Ambulance Services.

The half year monitoring focused on the program outputs of; Immunization against Hepatitis B in West Nile, Indoor Residual Spraying (IRS) in the Northern Uganda non communicables diseases, and nursing.

The half year physical performance was fair at 50%. The Immunization against Hepatitis B was a health facility based activity, and administration of the second dose was on-going. The vaccines were distributed by the DHOs to the health facilities. The IRS was implemented in five districts, however insufficient protective gears for the sprayers was a limitation to the activity. Table 8.9 shows the physical performance of Clinical Services Program by 31st December, 2016.

Table 8.9: Performance of Clinical Services Program by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (USD)	Cum. Achieved Quantity	Physical Performance	Remark
Indoor Residual Spraying	100	131,386,419	30%	29.87	The activity was implemented in the five districts and was on-going in the households, and health facilities. Communication of schedules for spraying was done mostly in places of worship.
Immunization of Hepatitis B	100	571,429	50%	20	The second dose of the vaccine was administered at the health facilities. Distribution of the vaccines was done by the DHO to the respective HCs.
Total		**131,957,848**		**49.9**	**The physical performance was below average**

Source: Authors' Compilation

L-R: Indoor Residual spraying at Aboke Health Centre IV, Oyam District; Immunization against Hepatitis B at Obongi Health Center IV, Moyo District

Performance of the program at different RRHs

Jinja RRH

- **Non-communicable diseases:** TheUganda Heart Institute UHI conducted a session at the facility**,** the World Diabetes Day was hosted at the facility, and the Infectious Disease Institute supported the facility in disease control. Engender Health, a Non Governmental Organisation(NGO) operated and handled fistula cases at the facility.
- **Nursing:** Nurses were sensitized on the ethical code of conduct, and encouraged to register with the nurses and midwives council.
- **Reproductive Health and Nutrition:** The MoH provided technical support through mentorship, encouraging keeping of records for infant mortality and nutrition. This was done twice in half year, FY 2016/17.

Arua RRH

- Non-communicable diseases: The MoH provided technical support through monitoring of cases like; hypertension, sickle cells, and immunization against Hepatitis B by providing vaccines and syringes.
- Nursing: there were a 117 nurses at the facility, and yet the mandate of the RRH had increased to handle other specialized services such as cardiac and palliative care services.

Mbale RRH

- **Non communicable diseases:** The MoH provided technical support through monitoring of special clinics for non-communicable diseases; hypertension, and sickle cells.

Challenges

- Delays in Hepatitis B vaccination due to stigma among the target group. Discrimination was noted in Arua, Maracha, and Adjumani districts which affected progress of the activity.
- Stock outs of Antiretroviral Therapy (ARVs) due to usage and encroachment by Hepatitis B patients. This affected availability of ARVs for the primary intended beneficiaries (HIV patients).
- Limited counseling services at the health facilities for positive cases of Hepatitis B.

Recommendations

- The MoH should sensitize communities and encourage counseling services at health facilities for the Hepatitis B positive patients.
- The MoH should adequately plan for and supply adequate Hepatitis B drugs to avoid encroachment on ARVs.

Soroti Regional referral Hospital

Clinical Services

- **Non-communicable diseases:** Special clinics were run for sickle cells, diabetes, and hypertension. The MoH supplied test kits for Dry Blood Spot (DBS) for sickle cell patients; insulin, Glucometer (monitors blood sugar levels), and syringes for diabetic children below 17 years.
- **Child Health and Nutrition:** The facility provided nutritional feeds (peanuts and milk to patients), height boards and weighing scales services.
- **Expanded Programme on Immunization:** Medical officers were trained in management of the cold chain and vaccine fridge tags.

Moroto Regional referral hospital

- **Clinical Services:** The facility run special clinics on fistula related cases, family planning, special cases of hypertension, diabetes and hepatitis on Thursdays and cancer screening services. The MoH provided technical supervision to the clinics.
- **Nursing:** Understaffing and low access to uniforms affected service delivery.

8.3 Policy, Planning and Support Services - Vote Function 0849

8.3.1 Institutional Capacity Building Project (ICB) - Phase II -Project 1145

This phase started in September 2016 and is expected to end on 27th July, 2019. The project seeks to improve effective delivery of an integrated Uganda National Minimum Health Care Package. It supports maintenance of ambulance services to improve on the referral system; develop Result Based Financing (RBF) for public health facilities for the districts in the West Nile and Western Uganda.

The half year physical performance was at 100%, which was a very good performance. There was an improvement in the ambulance referral services/emergency medical care. The districts of Arua, Maracha and Adjumani received 100litres of fuel on a monthly basis and their Ambulances were provided with the car tyres. The RBF was being rolled out and training carried out for DHOs and in-charges for health facilities. Table 8.10 shows the physical performance for ICB II by 31st December, 2016.

Table 8.10: Performance of ICB II by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Improved organization and institutional performance of Health institutions in the West Nile and Rwenzori Region	100%	13,770,000	80%	80	The Arua RRH, and DHOs in the West Nile districts; Arua, Maracha, and Adjumani were provided with 100 litres of fuel on a monthly basis to improve the referral system. In the Rwenzori region, Three PNFPs in Kamwenge district selected to benefit; PadrePio HCIII, Kyabenda HCIII and Kichwamba HCII.The two public hospitals that qualified to benefit were Kikyekye HCIII and Rukunyu HCIV but implementation of RBF had not started in these facilities. The pre-qualification assessment of the RBF was completed for private health facilities and was commencing for public facilities.
Total		**13,770,000**		**80**	**The physical performance was very good**

Source: Author's Compilation

8.4 Uganda Cancer Institute (UCI)- Vote 114

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. Half year monitoring focused on two development projects; Uganda Cancer Institute Project (1120) and African Development Bank (ADB) Support to UCI.

The UCI attained 26% for both development projects. Under the UCI Project, 35% of the annual set targets were achieved and 17% under the ADB project. Detailed half year physical performance per project is highlighted in tables 8.11 and 8:12.

Table 8.11: Performance of UCI (Project 1120) by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance	Remark
Radiotherapy bunker constructed and supervised	1	3,451,335,398	0.5	32.3	Works were contracted to M/s ROKO Construction Limited at a sum of Ug shs 25.3billion for 12months. The supervising consultants were STUP CONSULTS LTD and ARCHTECH CONSULTS (U) LTD. Physical progress was estimated at 50% of the annual targets.The quality of works were good, although behind schedule. The contractor had been paid 11% of the contract sum.
Modern kitchen, flushing toilets for patients at new cancer ward, Walkway between the lower UCI and the Upper UCI (New Cancer Ward) constructed. Generator house, OPD, registry file shelves remodelled, UCI premises fenced. Engineering designs developed,	10	982,750,002	0	0	The procurement process was at bidding stage

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance	Remark
works supervised, and Installation of worktable for pharmacy					
Two station wagons and one service van (pickup) procured	3	360,000,000	1	1.4	One station wagon was delivered by M/s Motor Care Uganda Limited in December 2016. The other wagon and a service van were under procurement.
Hospital equipment and furniture procured	100%	127,914,600	0	0.0	No funds were released for the output.
Specialised machinery and equipment procured- Included an assortment of over 50 machines and general equipment	53	2,580,000,000	2	1.2	The heavy duty ultra sound machine was procured and delivered in November 2016, while the rest were still under procurement.
Office and ICT equipment and Software procured- Assortment of over 14 office and ICT equipment	15	898,000,000	0.1	0.1	Most equipment was under procurement
Total		**8,400,000,000**		**35.1**	**This performance was below average**

Source: Authors' Compilation

On-going construction works for the bunker at Uganda Cancer Institute

a. African Development Bank Support to UCI -Project 1345

The half year physical performance at 17% was poor, attributable to the delayed/prolonged procurement process. Table 8.12 shows the physical performance of the ADB Support to UCI project by 31st December, 2016.

Table 8.12: Performance of the ADB Support to UCI by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Million-Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
Development of structural designs for the multipurpose building contracted. Works project monitored.	100%	10,600	0	3.77	The procurement process was at bidding stage
Mayuge connected to UCI (data and voice)	100%	195	0	0	Works had not commenced by January 2017.
Staff trained and long term consultancies undertaken	100%	13,300	0.1	4.66	fiveLong term consultancies were under procurement. Fifty two staff were awarded scholarships and training in different fields
Equipment for Mayuge and Arua satellite Cancer centres procured	100%	2,974	0.3	3.12	Diagnostic and theatre equipments for the satellite cancer centeres were under procurement
Cancer institute operations supported	100%	1,495	0.5	5.24	Support services were mainly recurrent in nature including maintenance of the project management unit.
Total		**28,566**		**13.03**	**Physical performance was poor**

Source: Authors' Compilation

Challenges

- Delayed submission of the structural designs for the multi-purpose building delaying procurements for the contruction works.
- Delayed procurement of the cancer equipment for Mayuge and Arua satellite cancer centres.
- Delays in seeking and acquiring no objections from the ADB. This may lead to prolonged project implementation and thus additional costs.

Recommendations

- The UCI Accounting officer should enforce adherence to project timelines by the architects of the multipurpose building.
- The UCI procurement office should initiate the procurement process early in the FY.
- The UCI should ensure timely submission of requests and clearance of no objection from ADB office to avoid further project delays.

8.5 Uganda Heart Institute (UHI) - Vote 115

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. Half year monitoring focused on; Uganda Heart Institute Project (Project 1121) which commenced on 1st July 2010 and was expected to end on 3th June 2015. This project is expected to provide convenient and affordable heart treatment.

The physical performance was poor estimated at 36%. The MFPED frontloaded 100% of the development budget, however UHI absorbed 54% of the released funds. Despite the frontloading, planned outputs like procurement of specialized machines - infusion pumps, stress tests, vital sign, and the heart-lung machines was not done. Table 8.13 shows the physical performance of the Uganda Heart Institute Project by 31st December, 2016.

Table 8.13: Performance of the Uganda Heart Institute Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
Developing Strategic plan for the UHI	1	400	0.2	1.78	The contract for drafting the strategic plan was awarded to M/s JSR Consultants Limited at a sum of Ug shs 36,490,000 and the process was on-going.
One station wagon and two double cabin vehicles procured	3	620	1	4.59	One station wagon was procured and delivered at a sum of Ug shs 150 million on 23rd December 2016. The UHI was awaiting delivery of two double cabins by M/s Victoria Motors. They were expected to cost Ug shs 296million.
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	41	800	32	13.88	15 computers, 15 UPS , one scanner and a rack monitor were procured. The other equipment was still under procurement.

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
ward procured.					
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).	14	2,480	4	15.75	The ventilator machines was procured, however other machines; Infusion pumps, stress test, vital sign, and the heart-lung machines will not be procured due to inadequate funding. The blood gas analyser was at the bidding stage of the procurement
Chairs, tables and desks for administrative, other office and laboratory procured	100%	200	10%	0.44	The UHI was awaiting deliveries by M/S Visible Investments Limited on 15th December 2016.
Total		**4,500**		**36.4**	**This was poor physical performance**

Source: Authors' Compilation

Challenge

- Inadequate space due to on ongoing rehabilation works at Lower Mulago building which houses the Institute. This affects achievement of planned service outputs like the numbers of patients admitted to intensive care on a daily basis.

Recommendation

- The GoU should fast track construction of the UHI complex to avail adequate space which will improve access for critically ill-patients attended to in the ICU.

8.6 Health Service Commission(HSC) - Vote 134

The project started on 1st July 2015 and is projected to end on 30th June, 2020. It is responsible for human Resources for health matters in National Referral Hospitalls (NRHs), Regional Refferral Hospitals (RRHs), 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; and to build a fundamentally strong and competent human resource base for efficient and effective health services delivery. The monitoring focused on the program-Human Resource Management (HRM), and the Health Service Commission Development Project.

The half year physical performance at 16.9% was poor, mainly attributed to delays in recruitment of health workers and delayed procurement. Table 8.14 shows the physical performance for HSC project and HRM program by 31st December, 2016.

Table 8.14: Performance for HSC project and HRM program by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget-Million (Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
2 Double Cabin Pick-Ups procured	2	308	0	0	The procurement process was at the bidding stage
Four (4) Desktop Computers, four (4) Printers and four (4) UPSs procured.	12	27	11	3.08	Five computers and six printers were procured. No UPS was procured during the period under review.
Eleven (11) Office Chairs and Eighteen (18) office shelves purchased	29	11	0	0	24 chairs were refurbished in the board room, no new chairs were procured.
850 Health Workers recruited for MoH, NRRs as well as specialised institutions. 1,200 HRH Cases of confirmation, corrigenda, re-designation, study leave, interdictions, abscondments, retirement on medical grounds processed	850	432	0.1	0.01	No health workers were recruited. However, 438 cases of confirmation, study leave, retirement were handled.
Technical support and Support Supervision-60 Districts/Districts Service Commissions, 14 RRHs, 5 National Health Institutions and KCCA Health Units carried out	79	124	57	13.82	All RRHs confirmed support supervision visits by HSC officials
Total		**903**		**16.9**	**Physical performance was poor**

Source: Authors' Compilation

Challenges

- Low absorption of the wage bill due to delayed recruitment of health workers. Butabika Hospital had an unspent balance of Ug shs 200million.
- Delayed submission of recruitment plans by entities.
- Delays in the manual recruitment system that involves tedious paper work, sorting of application forms, and shortlisting. The first advert was published in October 2016,

however by 1st February, 2017 neither the short list nor interviews had been conducted.

- Limited staff at the HSC leading to an upward trend in unresolved disciplinary. This was evidenced in Mubende RRH where a disciplinary case remained unresolved for over a year.

Recommendations

- The MoH,RRH and MoPS should fast track timely recruitment of health workers which will lead to timely utilization of the wage bill.
- The HSC should fast track the E-recruitment system and effectively utilise the Job Bureau for timely recruitment of staff.
- The MoPS should recruit more technical staff at the HSC to handle disciplinary cases across the different entities.

8.6 Uganda Blood Transfusion Service (UBTS) - Vote 151

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 half year physical performance at 97% was very good. The units of blood collected improved, but it was noted that some health facilities lacked adequate blood. The facilities further faced inadequate storage facilities and power outages that compromised the quality of blood. Table 8.15 shows the physical performance of the UBTS and the Regional Blood Banks by 31st December, 2016.

Table 8.15: Performance of the Uganda Blood Tranfusion Service by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget-Million (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remarks
Units of blood collected, tested and issued to transfusing health facilities	280,145	4,481	139,200	80.10	This was a good performance, however, the 14 Hospitals visited , lacked adequate blood which might translate into loss of lives

Quarterly work plans in place, support supervision undertaken and production of quarterly reports.	2	418	2	7.48	Supervision visits were undertaken as planned in the regional blood banks. Quarterly workplans were and reports were prepared and submitted to the relevant agencies
Non-medical laboratory supplies procured and issued to blood donors	280,145	324	139,200	5.81	The supplies for donors included biscuits and refreshments.
Procure one blood collection vehicle	1	250	1	4.47	A blood collection vehicle was donated by National Health Services-UK. The funds were diverted to procurement of a station wagon which had been delivered.
Procure a generator for Arua and Mbale centres	2	70	0	0	The procurement process was at the bidding stage.
Procure furniture for Regional Blood Banks	0	50	0	0	No funds released during the period under review
Total		**5,594**		**97.9**	**This was very good performance**

Source: Authors' Compilation

Challenges

- Shortages of blood which was mainly attributed to the school holiday seasons because 70% of the blood collected from schools is safer than that from communities whose blood discard rate is higher.
- Variations in the requests and actual blood deliveries. What is usually ordered by thehospitals is not actually what is supplied by the UBTS.
- Delayed issuance of blood. Mubende RRH requisitioned for 16units of blood on 14th January, 2017 but by 16th January 2017, no blood had been issued. It was noted that anaemia was the lead cause of death in the maternity and paediatric wards.
- Limited budget: The unit cost of processing blood is USD 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 (Ug shs 7.8billion for FY 2016/17, leaving a deficit of over 20billion). Staff in regional blood banks noted that often failed to reach distant virgin blood collection areas in the country due to lack of adequate funds.
- Limited blood banks, regional collection centres and transport make 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 that could compromise the blood quality.
- Inconsistent power supply affected the storage of blood especially at the regional centers.

Recommendations

- The UBTS should expand the number of regional and blood collection centres to increase the coverage of blood collection.
- The UBTS should procure hi-tech equipment to preserve already processed blood to avoid expiries and associated losses.
- The UBTS should reinstate vouchers and recognition of blood donors to increase the morale of volunteers. In addition, the UBTS should sensitise communities about voluntary blood donation to reduce over-reliance on schools for blood.
- The MFPED should improve funding for blood collection to the tune of Ug shs 33billion. The Planning and budget releases should take into account the World Health Organisation (WHO) guidelines in view of available funds. The WHO guidelines require that at least 1% of the total population (340,000 people) donate blood at present about two hundred thousand people are donating blood annually .
- The UBTS should routinely harmise records of blood supply with the receiving hospitals
- The UBTS should procure stand by generators to avoid blood getting spoilt in their storage facilities.

8.7.1 Mulago National Referral Hospital (MNRH) - Vote 161

The MNRH is mandated to provide super-specialized health care, training, and conduct research as per requirements of MoH. The half year monitoring focussed on Mulago Hospital Complex Project.

The physical performance was poor at 45.9%. The main achievements were: procurement of staff vans and construction of staff houses, although works were affected by delayed procurements. Table 8.16 shows the physical performance of Mulago Hospital Complex project by 31st December, 2016

Table 8.16: Performance of Mulago Hospital Complex Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Million-Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
Two staff vans to transport staff to Kawempe and Kiruddu procured	2	700	2	3.18	These were procured and in use. The hospital paid Ug shs 700million to M/s MAC East Africa Limited, however, taxes of Ug shs 300million were not

					paid.
200 hospital beds and mattresses procured	200	300	0	0	Under procurement-at evaluation stage. Delays in development of bed specification by stakeholders were noted.
Oxygen plant supplied, installed, piped and commissioned	100%	1,000	0	0	Under procurement- Deadline of bid submission was 1st February 2017. Delays in writing specifications of the plant were noted.
Completion of 100 staff houses	100%	4,020	0	14.60	Cumulative progress was at 80%,and the expected handover is 31st May 2017. The contractor (M/s Block Technical Services Limited) had been paid 88% of the revised contract sum (Ug shs 19billion).
Specialised machinery procured(imaging equipment)	100%	16,000	20	28.13	A contract worth 6.4million USD 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.
Total		**22,020**		**45.9**	**Performance was below average**

Source: Authors' Compilation

Challenge

- Delayed development of bed specifications, their procurement and that of mattreeses and the oxygen plant.

Recommendation

- The MRNH planning unit should initiate procurement processes in time.

8.7.2 Butabika National Mental Referral Hospital- Vote 162

The hospital is mandated to provide super specialized tertiary health care, train health workers and conduct mental health research as per the requirements of the MoH. The half year monitoring focused on Project 0911 Butabika and Health Centre Remodelling/Construction. The project seeks to provide additional stock of hospital infrastructure, cater for depreciation of hospital infrastructure, replacement of furnishings and fittings, and general maintenance of hospital equipment.

The physical performance at 25% was poor attributed to delayed initiation of the procurement process. Nonetheless, achievement was noted in construction of the private wing. Table 8.17 shows the physical performance of Butabika and Health Care Remodelling/Construction Project by 31st December, 2016.

Table 8.17: Performance of Butabika and Health Centre Remodelling/Construction by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Million-Ugshs)	Cum. Achieved Quantity	Physical Performance	Remarks
Internet services upgraded	100%	20	0	0	No funds were released for the activity.
Biosafety cabinet and other assorted medical equipment procured	100%	100	0	0	By 4th January 2017, the contract with the supplier had not been signed.
Patient seats and kitchen utensils procured, private wing furnished	100%	358	0	0	Patient seats and kitchen utensils were under procurement. Consultations with the users regarding specifications of the items was on-going by January 2017.
Private wing completed	100%	400	96%	22.12	Overall physical progress was 96% and quality was good. Outstanding works included; polishing terrazzo, painting final coat, installation of door glasses, water works, installation of shelves in the kitchen and general finishes.
1st phase of the expansion of the Alcohol and Drug Unit	100%	800	0	0	By 4th January 2017, the contract had not been signed
Strategic plan reviewed	100%	100	20%	2.21	Consultations with stakeholders were on-going.
Supervision of the construction the Private wing and the Alcohol Unit	100%	30	25%	0.83	MoH engineers supervised the private wing to ensure quality works. No supervision works had started for the Alcohol unit.
Total		**1,808**		**25.2**	**This was poor performance**

Source: Authors' Compilation

The completed private wing at Butabika National Referral Hospital

Challenges

- Delayed procurement affected attainment of the set targets.
- Low resource absorption as only 7% of the half year releases were spent.
- Outdated equipment (X-rays) characterized by frequent breakdowns, understaffing, and drug stock outs also affected service delivery.

Recommendations

- The Accounting Officer-Butabika Hospital should fast track implementation of planned outputs to ensure completion of planned projects and effective resource absorption by 30th June 2017.
- The hospital's planning unit should initiate procurement process early so as to meet the set targets.
- The MoH should prioritize allocation of an X-ray to the hospital to avoid incurring costs of referring and transporting patients to Naguru Hospital for checkups.

8.8 Regional Referral Hospitals (Vote 163- 176)

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).

Half year monitoring focused on the development grant-Rehabilitation of Regional Referral Hospitals based on the following objectives;

- Rehabilitation of old and broken infrastructure.
- Construction of vital infrastructure including staff accommodation.
- Adequately equip the hospitals with medical equipment, office equipment and furniture.
- Provide appropriate transport for the performance of hospital activities
- Provide alternative/backup power and water sources.

The overall physical performance for the 14 RRHs at 30% was below average. This was mainly attributed to delayed procurements, understaffing, mischarges, and design variations for construction works.

Vote 163: Arua Regional Referral Hospital

The half year physical performance at 33.2% was below average and attributed to delayed procurement. The water borne toilets were completed but not functional because the water connection works were not included in the BoQs, so the hospital planned to outsource funding to carry out the activity. The drawings and designs of the oxygen plant was awaiting approval from Arua Municipal council. Table 8.18 shows the physical performance for Arua RRH by 31st December 2016.

Table 8.18: Performance of Arua RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Development of the master plan	1	180,000,000	1	2.01	This output was achieved
Construction of the drug store	1	3,000,000,000	0.1	20.06	The works were at foundation level. The quality was good
Improvement of the sewerage system	1	1,000,000,000	0.98	11.15	The construction of 12-stance waterborne toilets was completed, although these were non-functional. The water connection, however was not planned in the FY 2016/17
Construction of the walkway	1	4,791,000,000	0	0	This output will be implemented in Q3,FY 2016/17
Total		**8,971,000,000**		**33.2**	**The physical performance was below average**

Source: Authors' Compilation

On-going construction works for the drug store at Arua RRH

Challenges

- **Understaffing:** There are few nurses and midwives in hospital which has increased the workload and affected the quality of services.
- Power outages led to high generator maintenance costs.

Recommendation

- The Health Service Commission should recruit and transfer staff to the hospital.

Vote 164: Fort Portal Regional Referral Hospital

The half year physical performance at 15% was below average attributed to delayed procurements. Funds for construction of an oxygen plant were diverted to rehabilitation and maintenance of other structures. These funds were supposed to be sent to Naguru RRH which is the central procuring entity for the construction of the oxygen plants in the 13 RRHs . Table 8.19 shows the physical performance of Fort-Portal RRH by 31st December 2016.

Table 8.19: Performance of Fort Portal RRH by 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remarks
Renovation and maintenance of government buildings and administrative Infrastructure	7	38	6	3.08	Maintenance of the surgical and children's ward was done; Furnishing of private, and two public pharmacies and painting of the walkway were done although the paint was already peeling off. Pending works included; installation of shelves in the medical records, library and human resource department.
Engineering and study designs and plan	2	12	0	0	The hospital planned and budgeted for the designs, however, they were not sure whether they really needed the study designs. They planned on replicating the old designs for existing structures. They were awaiting advice from MoH engineers.
Monitoring, Supervision and Appraisal	1	10	0	0	This activity could not be undertaken before commencement of construction of the staff houses.
Assorted specialized equipment procured , Patient vital	100%	99	0.1	1.88	Specialized equipment like the Biometric clock in-out system, oxygen concentrators and insect killer machines were under procurement. The Local

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remarks
Monitors, Sanction , Patient trolleys, Televisions, Theatre, ward and OPD equipment)- Biometric clock in-out system, Oxygen concentrators and insect killers					Purchase Order (LPO) had been issued to the supplier in January 2017.
Construction of a storeyed 16 one bed roomed staff house	100%	520	0.05	4.49	Drafting of BoQs for the infrastructure by the MoH engineers was on-going. This is a multi-year project.
Ambulance procured	1	300	0.2	5.67	The procurement process was at bidding stage.
Other structures- Funds for the oxygen plant transferred to Naguru RRH	100%	78	0	0.00	No funds were sent to Naguru hospital by January 2017; 79% of the released funds were spent on rehabilitation and maintenance of other structures like replacement of broken glases on the surgical ward modification of the container for the inpatients fpharmacy and sundry stores paitnign of the walk ways etc .
Total		**1,058**		**15.1**	**Physical performance is below average.**

Source: Authors' Compilation

Challenge

- Diversion of funds for the oxygen plant to rehabilitation and maintenance of other structures without the approval of the Permanent Secretary and Secretary to Treasury (PS/ST) and line Ministry.

Recommendation

- The MoH Planning Unit should ensure that funds meant for the oxygen plant sent to Fortportal RRH are returned to Naguru RRH, to enable the planned construction of the oxyen plants at RRHs.

Vote 165: Gulu Regional Referral Hospital

The half year physical performance at 44.3% was below average, attributed to delayed procurement of medical supplies. The construction of 18 units staff house was ongoing and the consultant was onsite to ensure quality control. Table 8.20 shows the physical performance of Gulu RRH by 31st December, 2016.

Table 8.20: Performance for Gulu RRH by 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Payment for retention of the main store	1	250,000,000	1	23.62	The output was achieved
Construction of 18 units of staff houses	1	729,857,143	0.3	20.69	The works were at the second level of the storeyed building. The quality was good and the consultant was on site to ensure quality control.
Procurement of the Medical Equipment	1	78,571,400	0	0	This was at the bidding stage of procurement
Total		**1,058,428,543**		**44.3**	**The performance was below average**

Source: Authors' Compilation

General Observations

- **Clinical Services:** The facility run special clinics on Fistula related cases, family planning, and special cases of hypertension, diabetes and hepatitis on Thursdays and cancer screening services.

On-going construction works for staff houses at Gulu RRH

Vote 166: Hoima Regional Referral Hospital

The half year physical performance at 19.71% was below average. Funds were diverted to outputs of: Environmental Impact Assessment (EIA) for a lagoon and a clock-in system. Table 8.21 shows the physical performance of Hoima RRH by 31st December, 2016.

Table 8.21: Performance of Hoima RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Physical Performance	Remarks
Construction of the perimeter fence	100%	200	0	0	The procurement process had not started and the activity was rolled over to Q3, FY 2016/17. The hospital needed clearance from the municipal council on the boundaries and passage of the drainage channels before the construction.
A storeyed ward complex block comprising of surgical, paediatric, neonatal, male and female medical wards, gynaecology ward and intensive care (First phase-contractor on site and commencement of works)	50%	580	0	0	Since BoQs had not been developed for the ward, funds were diverted to overhauling the sewerage system and construction of a lagoon for all the buildings. An EIA for the lagoon and procurement of clock-in machine was in progress at a sum of Ug shs 100million.
Payment for the newly constructed Admin Block completed	100%	278	0.38	19.71	M/s Techo Limited was paid Ug shs 190.2million (57% of the contract sum) for completion of works on the newly constructed administration block
Other structures (Oxygen Plant)	50%	78	0	0	Funds were transferred to Naguru RRH, and construction was expected to begin in February 2017.
Total		**1,058**		**19.71**	**The physical performance was below average**

Source: Authors' Compilation

Challenges

- Diversion of funds for planned outputs to non-achievement of planned outputs.
- The MFPED frontloaded funds to the hospital without a clear work plan and schedule of activities. Ug shs 580million (100% of the annual output budget for the storeyed ward) was released by quarter two FY 2016/17, yet with no BoQs in place, the vote did not have an exact cost for the storeyed ward complex. The procurement process had not commenced. The vote was not ready to receive and utilize the funds.

Recommendation

- The MFPED-Health Desk Officer should critically scrutinize vote work plans so that funds are released to projects that are ready to receive and utilize funds.

Vote 167: Jinja Regional Referral Hospital

The half year performance at 34.4 % was poor. This was due to absence of a procurement officer which caused delayed procurement for the outputs. Table 8.22 shows the detailed physical performance of Jinja RRH by 31st December 2016.

Table 8.22: Performance of Jinja RRH by 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Land title for the hospital secured	1	1,000,000	0	0	Negotiations for the land titles are still on going through the various stakeholders for the encroachers to vacate the land, However, payments for the land process were made
Access control attendance machine and CCTV installed	1	50,000,000	0	0	Under procurement, the specifications were changed during the initial process of procurement
Assorted medical equipment procured, ECHo cardiogram machine procured, Tools for medical maintenance workshop procured.	3	263,546,000	0	0	The technical team for the cardiac Echo is seeking some clarification from the suppliers. The best evaluated bidder of the other sub outputs were identified
Medical maintenance workshop completed	1	193,469,000	11.6	14.696	This was completed but not yet equipped
Payment for renovation of maternity ward completed	3	327,842,000	0	19.745	Partial payments were made, however, complete payment was awaiting verification of the corrected defects by the user
Construction of the private wing completed, Payment for the renovation of Pediatric ward completed, Payment for consultancy services completed	3	0	0	0	The procurement process was at bidding stage. The private wing was envisaged to generate Non-Tax Revenue for the facility
Total		**979,857,000**		**34.4**	**This is the physical performance was poor**

Source: Field findings and Author Compilations

Challenges

- Inadequate funding for non-wage to effectively cater for the running of the hospital, and maintenance of medical equipment.
- Inadequate hospital space as the structures were originally planned to handle a given number of specialized services, however, over time, cardiac and palliative services were added. These require both personnel and space which is not available and is affecting service delivery. This compromised space to handle such cases at the hospital.
- Lack of training for continuous education of the medical workers. There is no budget for the continuous training of medical workers which has demoralized staff.

Recommendations

- The MoH in conjunction with MoPS should fast track the implementation of the revised staff structure which was approved by Cabinet to address issue of inadequate human resources to cater for the broad base of health services required at the RRH level .
- The MoH should plan for the continuous capacity building of its medical workers in a phased manner so that all medical workers skilled are improved over time.

Vote 168: Kabale Regional Referral Hospital

The half year performance at 7.7% was below average, attributable to delayed initiation of the procurement process for outputs. Funds for the oxygen plant were transferred to Naguru RRH.

Table 8.23: Performance of Kabale RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Physical Performance	Remarks
Construction of a four storeyed interns' hostel	7.8	550	0.10	2.96	The contract had been awarded to M/s Musuza Contractors at Ug sh 7bn. Commencement of works, was expected in Q3 FY 2016/17.
Purchase of amotor vehicle	1	150	0.1	2.13	The contract was awaiting approval by the Solicitor General. The initial procurement attracted M/s Toyota at Ug shs 278million which was above the reserve/quoted price.
External works that include making a walkway, installing security lights,	1	78	0	0	This output was completed in FY 2015/16. No funds were released for Q1 and Q2 ,FY 2016/17.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Physical Performance	Remarks
planting flowers and grass					
Purchase of a mortuary fridge	1	279	0.1	2.64	Evaluation of bids was in progress.
Total		**1,058**		7.7	**This is poor physical performance**

Source: Authors' Compilation

Challenge

Delayed/prolonged procurement process, hence most of the scheduled activities hadnot commenced.

Vote 169: Masaka Regional Referral Hospital

The hospital achieved 62% of the set targets which was fair performance. Construction of the maternity ward was way behind schedule with overall physical progress was 36% against a target of 100%. Other outputs like renovation of the private dental unit, procurement of furniture and equipment were not yet achieved. Detailed performance per output is indicated in table 8.24.

Table 8.24: Performance of Masaka RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Physical performance	Remarks
Rehabilitation of Private OPD dental, toilets and procurement of chairs and equipment	100%	22	0	0	This output will be achieved with funds from NTR or Appropriation in Aid (AIA).
Oxygen plant installed-Other Structures	100%	78	0	0	Funds for the oxygen plant were not released to the entity.
Completion of the foundation for a 40 unit staff hostel	100%	400	2%	0.32	Works begun in 2015 and were behind schedule. The contractor had abandoned site despite payment of over Ug shs 300million. M/s Block Technical Services was awarded the contract at Ug shs 9.6billion while M/s Fencon Ltd was contracted to supervise works at Ug shs 291million and 189million had been paid by December 2016.

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-Million)	Cum. Achieved Quantity	Physical perform ance	Remarks
Superstructure of the maternity ward at 100% completion	100%	2,579	36%	62.28	The construction works by Tirupati Development(U) were progressing well, and were supervised by M/S Joadah Consultant at a sum of 328 million out of which 262.3(79%) was paid. The contractor was paid 29% of the sum (2.9billion out of 10billion).
Total		**3,080,57 1,143**		**62.7**	**This was good physical performance**

Source: Authors' Compilation

On-going construction works for the Paediatric and Maternity ward at Masaka RRH

Challenge

- Poor planning characterized by over committing GoU funds through undertaking multiple development projects. Foundation works for the staff house should not have been undertaken given the urgency and resources required for completion of maternity ward.

Recommendation

- The MFPED-Desk Officer Health should critically scrutinize vote work plans so that funds are released to viable projects.

Vote 173: Mbarara Regional Referral Hospital

The half year physical performance at 45.8% was below average, affected mainly by delayed procurements.Diversion of funds and mischarges were also noted. Table 8.25 shows the physical performance for Mbarara RRH by 31st December, 2016.

Table 8.25: Performance of Mbarara RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget-Million (Ug shs)	Cum. Achieved Quantity	Physical Perform ance	Remarks
Purchase of transport equipment (one double cabin)	1	220	0	0	The procurement process was at advertisement stage, however, Ug shs 8.7 million had been mischarged on the line item.
Refurbishment of medicine stores to put metallic racks	100%	99	0	0	Procurement was at user level-consultations. Funds however were diverted to installation of wooden shelves in offices.
Renovation of the existing laundry into multipurpose rooms (Laboratory and orthopaedic offices)-Other structures	100%	78	70%	3.53	The contract was awarded to M/s Tania Suppliers and Technical Services at Ug shs 64million. Works commenced on 9th November 2016 and were expected to be completed by 25th December 2016, however, progress was affected by unavailable materials. The expected completion date was February 2017.
Medical Equipment procured	100%	500	0	0	No equipment had been procured, however Ug shs 88million had been spent on payment for equipment procured in FY 2015/16 from M/s Pacific Diagnostics Ltd.
Continuation of construction of 16 unit staff quarters	100%	659	56%	42.35	This is a multi-year output that commenced in 2015 for a duration of 12 months. The contract was awarded to M/s Block Services Limited at a sum of Ug shs 2.6billion, and 46% had been paid. By January 2017, the contract had been extended for 12 months. Works , noted to be of good quality were at 56%, and construction of the third floor was on-going.
Total		**1,558**		**45.84**	**The physical performance was below average**

Source: Authors' Compilation

On-going construction works for staff houses at Mbarara RRH

Challenges

- Funds were diverted from refurbishment of medicines stores with metallic racks to installation of wooden shelves in offices.
- A mischarge of Ug shs 8.7 million on the procurement of a double cabin and could not be verified.

Recommendations

- The MFPED should reprimand accounting officers that implement activities outside the approved work plan without seeking approvals.
- The Accountant General should penalize accounting officers that mischarge line items.

Vote 170: Mbale Regional Referral Hospital

The half year performance at 10% was below average, attributed to delayed initation of procurement and submission of specifications for medical equipment. The designs for the oxygen plan were approved by Mbale Municipal Council. Table 8.26 shows the physical performance for Mbale RRH by 31st December, 2016.

Table 8.26: Performance for Mbale RRH by 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Construction of Surgical Complex	1	4,550,000,000	0.1	9.55	An advance payment had been paid. The works were at foundation level and were of good quality
Rehabilitation of the OPD	1	428,714,257	0	0	The site was handed over but no works had started
Procurement of Medical Equipment	1	79,714,286	0	0	The contract was awarded to Gent Medical Stores to supply an autoclave and incinerator in January 2017
Total		**5,058,428,543**		**9.5**	**The physical performance was below average**

Source: Authors' Compilation

Challenge

- Delayed procurement mainly attributed to the late submission of specification for medical equipment and delayed replacement of the procurement officer.

Recommendation

- The Mbale RRH should initiate procurements in the early stages of the FY to enable timely implementation of planned outputs.

Vote 174: Mubende Regional Referral Hospital

The half year physical performance at 42% was below average. Works on the pediatric ward were behind schedule, and the contract had expired in March 2016 then extended to 9th March 2017. The contract for the first consultant was terminated due to less involvement of hospital administration in supervision of works. Table 8.27 shows physical performance of Mubende RRH by 31st December, 2016.

Table 8.27: Performance of Mubende RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs-million)	Cum. Achieved Quantity	Physical Performance	Remarks
Continuation of construction for the paediatric/mortuary building	100%	900	50%	42.52	The contract was awarded to M/s ACE Contractors Limited at a sum of Ug shs 7.4bn of which Ug shs 1.9bn was paid. The works were at walling level and behind schedule due to inadequate funds for materials. The works were supervised by M/S Envision Design Architects Ltd and quality was good.
Retention for Wall fence, solar project and renovation of old wards paid	100%	158	0	0	Retention was not paid for all contractors because most of the infrastructure was in the Defects Liability Period.
Total		**1,058**		**42.5**	**The physical performance was below average**

Source: Authors' Compilation

Challenges

- Mischarge of "Other structures" line item. The payments (Ug shs 18.2m) for the consultant of paediatric ward were charged from retention(Ug shs 50m) line item, yet the funds were released under another line item.
- Poor planning and budgeting for multi-year projects. The contract sum for construction of the maternity ward was Ug shs 7bn for three years, yet the annual budgets for the hospital over the last three FYs is not equivalent to Ug shs 7bn. The contractual obligations allow for interests accruing from unpaid certificates within 30days.

Recommendations

- The Accountant General should institute penalties to votes that mischarge.
- The MFPED-Desk Officer Health should critically scrutinize vote work plans so that funds are released to viable projects.

Vote 171: Soroti Regional Referral Hospital

The half year performance at 81.7% was very good. The staff houses were substantially complete and designs for the oxygen plan were approved by Soroti Municipal Council. Table 8.28 shows the physical performance for Soroti RRH by 31st December, 2016.

Table 8.28: Performance for Soroti RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Purchase of Furniture and beds for private wing	1	40,000,000	0	0	Procurement process was at the bidding stage
Payment for retention for remodelled private wing	1	10,000,000	0	0	Payments were not yet done by 31st December 2016
Completion of the staff houses	1	929,857,000	0.8	81.72	The works were substantially complete, pending fitting of sanitary appliances and wall robes. The expected completion date was March 2017.
Total		**979,857,000**		**81.7**	**The performance was very good**

Source: Authors' Compilation

Vote 172: Lira Regional Referral Hospital

The half year performance at 0% was poor, attributable to delayed initation of the procurement process. The designs for the oxygen plant had been approved by the municipal council. Table 8.29 shows the physical performance for Lira RRH by 31st December, 2016.

Table 8.29: Performance of Lira RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Purchase of motor vehicle and other transport equipment	1	250	0	0	Procurement was undertaken and awaiting payment for delivery of the vehichle and transport equipment to be made
Purchase of specialized Machinery and Equipment	1	520	0	0	Procurement process was at evaluation stage
Purchase of office and Residential Furniture	1	10	0	0	Procurement process was at the

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
					evaluation stage
Hospital Construction and Rehabilitation	1	80	0	0	Procurement process was at evaluation stage
Staff House Construction and Rehabilitation	1	200	0	0	The staff houses were constructed in FY 2015/16, and the funds were for payments of balances and retention.
Total		**1,060**		**0**	**The performance was poor**

Source: Authors' Compilation

Vote 175: Moroto Regional Referral Hospital

The half year physical performance at 15% was poor, attributed to delayed procurement process, and delayed guidance from the Solicitor General on the construction of staff houses. Table 8.30 shows the physical performance of Moroto RRH by 31st December, 2016.

Table 8.30: Performance of Moroto RRH by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (millions Ug shs)	Cum. Achieved Quantity	Physical Performance	Remark
Purchase of motor vehicle and other transport equipment	1	160	1	15.09	The procured Pick Up double cabbin was vehicle was delivered but no payment had been made by January 2017..
Purchase of specialized Machinery and Equipment	1	30	0	0	Procurement process was at bidding stage.
Purchase of office and Residential Furniture	1	20	0	0	Procurement process was at bidding stag
Hospital Construction and Rehabilitation	1	80	0	0	Procurement process was at bidding stage.
Staff House Construction and Rehabilitation	1	770	0	0	Procurement process was on-going and awaiting a response from the Solicitor General.
Total		**1,060**		**15.1**	**The physical performance was poor**

Source: Authors' Compilation

Challenges

- Low retention and attraction of staff due to absence of incentives for specialized and support health staffs like hard-to-reach allowances, which affects retention leading to high staff turnover.
- Delayed procurement process caused by delayed guidance from the Solicitor General for a new contractor to start the construction works for the staff houses.
- Delayed recruitment of health workers by the Health Service Commission and MoH has affected service delivery and wage bill consumption. The RRH was advised to head hunt for a Gynaecologist and Senior Anathesist Officer.

Recommendations

- The MoPS should redefine policies on hard-to-reach allowances to attract and retain staff.
- Moroto RRH should initiate the procurement process early enough in the financial year.

Vote 176: China-Uganda Friendship Referral Hospital (Naguru)

The half year physical performance at 20% was below average, attributable to delayed procurements, and design variations for the retaining wall. This RRH was responsible for the construction of oxygen plants at all the other RRHs and funds were transferred from the RRHs to their account to effect the activity. Table 8.22 shows the physical performance of China-Uganda Friendship Referral Hospital (Naguru) by 31st December, 2016.

Table 8.31: Performance of China-Uganda Friendship Referral Hospital (Naguru) by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget-Million(Ug shs)	Cum. Achieved Quantity	Physical Performance	Remarks
Completion of a drug store	1	200	0.9	17.02	The contract was awarded to M/s Omega Jap Enterprises at Ug shs 497.5million. Completed works included; plastering and roofing, installation of tiles was on-going and was of good quality. Works were expected to be completed by April 2017.
ICT software procured including Internet	5	39	1	0.75	Funds spent, however no software were procured by 31st December 2016. One laptop was procured for the director
Assorted specialised	100%	42	23	0.93	Seamstress labelling

Out put	Annual Planned Quantity or Target	Annual Output Budget-Million(Ug shs)	Cum. Achieved Quantity	Physical Performance	Remarks
equipment for engineering section, seamstress, pharmacy procured					equipment not yet procured, Dispensing trays, and broken taps, flash, flash valves, ceiling boards, bulbs, sockets were procured.
Office and residential furniture procured, fittings procurement	100%	31	0	0	No procurements had been done by 31st December, 2016
Retention fees for the staff house paid. Retaining wall construction supervised	100%	645	0	0	Retention for the staff house was not paid, project was still under Defects Liability Period. The progress of works for the retaining wall was affected by design variations which included Construction a channel from the retaining wall
Assorted medical equipment procured-oxygen plant	1	78	0	0	Construction of the oxygen plants was at diferent stages in the 13 RRHs sites. Procurement of the equipment had not started.
Assorted medical equipment procured-Machinery and equipment	100%	21	0	1.41	X-ray processor was procured, other pending medical equipment included radiology equipment, orthopedic equipment, examination couches etc.
Total		**1,057**		**20.1**	**Performance was below average**

Source: Authors' Compilation

Overall Health Sector Performance

The overall sector performance was poor at 37% as shown in Table 8.32. This was mainly caused by delayed procurements at most of the entities, poor quality control for construction works, low funds absorption, delayed site handover, blood shortages, and drug stock outs. It was noted that there was an improved ambulance services/referral services in the West Nile Region through a monthly provision of 100litres of fuel, newly constructed spacious maternity and out-patient (OPD) wards at General Hospitals and Health Centre IVs.

Table 8.32: Physical Performance of the Health Sector by 31st December, 2016

Vote	% Physical Performance
1. Uganda Health Systems Strengthening Project-UHSSP	
2. Italian Support to Health Sector Strategic Plan (HSSP)	
3. Uganda Blood Tranfusion Services	
4. District Infrastructure Support Project	6.2
5. Health Service Commission	16.9
6. Rehabilitation and Renovation of General Hospitals	18
7. Butabika Mental Hospital	25
8. Uganda Cancer Institute	26
9. Uganda Heart Institute	36
10. Support to Mulago Hospital Rehabilitation Project	45
11. Mulago National Referral Hospital	45.9
Average sector score	**37**

CHAPTER 9: INFORMATION AND COMMUNICATION TECHNOLOGY

9.1 Introduction

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.

Monitoring in the ICT sector covered the Ministry of ICT &National Guidance (MoICT&NG) and 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:

- Increase access to ICT infrastructure to facilitate exploitation of the development priorities.
- Enhance the usage and application of ICT services in business and service delivery.
- Increase job creation through ICT research and development.
- Increase the stock of ICT skilled and industrial ready workforce.
- Improve the information security system to be secure, reliable, resilient, and capable of responding to cyber security threats.
- Improve the legal and regulatory frameworks to respond to the industry needs.

9.1.2 Overall Sector Financial Performance

The ICT sector budget for the FY2016/17 is Ug shs 79.9 billion of which 12% (Ug shs 9.77billion) is for the MoICT&NG and 88% (Ug shs 70billion) for NITA-U (Table 9.1). The budget outturn by 31st December, 2016 was 37.8% (Ug shs 30.2 billion). This was due to poor performance of the external financing (0%) from both the World Bank and Exim Bank of China. At least Ug shs 23.7 billion (78.7%) of the released funds were absorbed during the period under review, with NITA-U recording the highest expenditure at Ug shs 19.9billion (81%) while MoICT&NG was at Ug shs 3.8 billion.

Table 9.1 Sector budget allocation and outturn by 31st December 2016 (Ug shs billion)

Institution	Approved budget	Budget Outturn	% Released	Expenditure	% Spent
MoICT	9.772	5.612	57.4	3.810	67.9
NITA-U	70.223	24.625	35.1	19.984	81.2
Total	79.995	30.237	37.8	23.794	78.7

Source: MoICT, NITA-U and IFMS, December 2016

9.1.3 Scope

The 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 include: 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 fiber 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 (MDA) sites to the NBI; deliver Internet to 35 additional entities, provide Wireless Internet (MYUG Wi-Fi) to 110 sites around Kampala and Entebbe; publish and gazette ICT regulations (Certification of Providers of IT Services and Products and Authentication of IT Training); 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.
- Lack of disaggregated financial information by outputs which affected the weighted scores.

9.2. National Information Technology Authority (NITA- U)

The agency's mission is to "*coordinate, promote and monitor the development of Information Technology (IT) in the context of social and economic development of Uganda"*. The vote has two development projects, that is- the National Transmission Backbone Infrastructure (NBI) co- funded by a loan from the Exim Bank of China and GoU, and the Regional Communication Infrastructure Programme (RCIP) funded by the World Bank.

The objectives of the agency are to:

- Establish a national backbone infrastructure (high bandwidth data connection) in major towns of Uganda.
- Connect all ministries in a single wide area network.
- Establish a government data centre.

The agency is organized into six directorates namely: Technical Services, e-government, Information Security, Regulation and Legal Services, Planning Research and Innovation, Headquarters and Finance and Administration.

9.2.1 Performance

Financial performance

The approved budget for NITA-U FY 2016/17 was Ug shs 70.223 billion of which, Ug shs 24.6 billion (31%) was received and Ug shs 19.9 billion spent (81% of received funds) by 31st December 2016. The below average 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.

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 Ministries, Departments and Agencies (MDAs) onto the e-Government Network. This is done to create an efficient government through simplifying procedures, bringing transparency, accountability and making timely information available to citizens.

The project is funded by a concession loan from the Exim Bank of China with counterpart funding from GoU. In 2006, a contract was signed between the Ministry of ICT and M/s Huawei Technologies Company Limited of the Peoples' Republic of China at a sum of US$106,590,305. The project commenced in July 2007 and was expected to be completed in July 2012. The project was divided into three phases and implementation was staggered in 27 months, however, the completion date was revised to 30th June, 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, (iii) Establish a government data centre, and iv) Establish district information centres.

Financial performance

The approved GoU budget for Project 1014, FY 2016/17 is Ug shs 1.624 billion, of which Ug shs 957.5million (50%) was released, and Ug shs 688.1 million (72%) spent. Information on the loan performance from the Exim Bank of China was not available for analysis.

Table 9.2: NBI Project Performance by 31st December, 2016

Programme: National Transmission Backbone (NBI)					
Out put	**Annual Planned Quantity or Target**	**Annual Ouput Budget (Ug shs)**	**Cum. Achieved Quantity**	**Physical performance Score (%)**	**Remark**
Phase III laying of cable fully completed. Seven hundred and fifty six kilometers (756Kms) cumulatively laid	536	478,619,783	536	25	Final 536km laid along Kyenjojo-Hoima-Masindi and Mbarara-Katuna routes. All 756Km completed
On-site training and tests in preparation for Network Operating Centre (NOC) handover to Soliton undertaken	4	478,619,780	2	24.9	Training on-going at all sites and NOC

Monitoring of the sites for Installation of the Environment Monitoring Systems for all the sites completed	1	478,619,780	0.85	25	Monitoring conducted
Engaged UNRA Hoima and the, District Leaders along Kyenjojo-Masindi route	3	478,619,780	3	25	Sensitisation conducted in Hoima, Kagadi ,Kyenjojo route
Total		**1,914,479,123**		**99.9**	**Very good performance**

Source: NITA-U

In spite of zero disbursements from the Exim bank, the overall physical performance was very good (99%). The planned 536Km fiber optic cables was laid and the three transmission sites in Mutukula, Masaka and Kabale were substantially completed pending final configurations. Both grid power and alternative power units (generator and fuel tanks) for the transmission sites were setup and tested at all sites and the CCTV cameras installed.

L-R: Completed NBI site in Kabale district and the Network Operation Centre in Kampala

9.2.3 Rural 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 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 period under review, 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 US$1.14 million (19%) was released and US$0.04 million (3.5%) spent. The GoU component budget is Ug shs 290million and the release performance was at zero (0%) by 31st December, 2016.

Physical progress

The overall physical progress for the project was estimated at 74% (Table 9.2) representing good performance. The achieved outputs included recruitment of: project accountant, project manager and procurement specialsts; establisnging a project office, undertaking procurement training, and automation of an accounting system. The pending convenant is funding of e-Procurement Operational Costs which was provisioned in the GoU budget for FY2017/18.

Table 9.3: Performance of Rural Communication Infrastructure Programme by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Project office setup and staff recruited (Project manager, Accountant, procurement Specialist, Social Scientists and Environmentalist)	5	58,000,000	3	12	Three staff recruited
Legal covenants for credit implemented	11	58,000,000	7	12.7	Seven covenants finalised
Operational manuals developed	2	58,000,000	1	10	One manual completed
Preliminary work plan developed	1	58,000,000	1	20	The five year work plan developed
Financing framework finalised and bank accounts USD&UGX) opened	1	58,000,000	1	20	Accounts were opened
Total		**290,000,000**		**74.7**	**Good performance**

Source: NITA-U

Implementation challenges

- Long delays in securing procurement approvals/no objection particularly from the World Bank.
- Non release of counterpart funding to meet the financing needs of the projects as per agreement.

9.2.4 NITA-U Recurrent Programmes

The approved recurrent budget for NITA-U programmes is Ug shs 46.9billion of which Ug shs 20billion (42.7%) was released by half year and Ug shs 19.2billion (96%) spent (Table 9.4). Disaggregated expenditures by recurrent outputs were not readily available to estimate actual physical performance. It was observed that the release performance was slightly below average owing to low performance of Non-Tax Revenue (NTR).

Table 9.4: Performance of the recurrent programme's Budget by 31st December, 2016 (Ug shs)

Programmes	Annual Budget	Cumulative receipts	Cumulative spent	% release	%spent
Headquarters	540,944,000	188,672,000	188,672,000	34.9	100
Technical services	25,780,930,000	12,414,534,554	12,375,978,000	48.2	99.7
Information Security	811,033,000	307,777,000	304,777,000	37.9	99
e-Government Services	3,401,398,000	711,351,009	697,028,000	20.9	98
Regulatory & Legal services	644,274,000	49,760,000	49,760,000	7.7	100
Planning, Research and development	960,910,000	227,113,000	227,113,000	23.6	100
Finance and Administration	14,831,960,000	6,161,843,417	5,453,590,000	41.5	88.5
Total	**46,971,449,000**	**20,061,050,980**	**19,296,918,000**	**42.7**	**96.2**

Source: NITA-U, IFMS

Physical performance

The recurrent programmes of NITA-U achieved an estimated 70% of the half year targets; this was generally associated to good releases from NTR to the Directorates of Technical Services, e-Government Services, Planning and Research Services and Information Security. Detailed performance is given by programme (Directorate) 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 officers and staff of the Authority in accordance with their terms and conditions.

Performance

100% completion of the development of the NITA-U IT Delivery Model: The IT Delivery Model development was in advanced stages. The inception report was approved, assessments conducted and a draft report prepared. Overall progress was estimated at 80%.

NITA-U brand promoted amongst the MDAs/LG & Public: NITA-U's co-branded with KCCA for the Kampala City Festival. The free WIFI service (MYUG) was launched and attracted positive publicity. The NITA-U supported Rotary Uganda in raising funds to build a center for youth and children among other branding activities.

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 provides guidance on the establishment of an infrastructure for information sharing by Government and related stakeholders.

Performance

Last mile connectivity: Fifty (50) out of eighty (80) additional MDA sites were connected to the NBI in Q1 and Q2 bringing the total number of sites connected to one hundred eighty three (183). The capacity of the NBI eastern wing was upgraded from 5GB to 20GB during the first half of the year.

Laying of seven hundred and fifty six kilometers (756Kms) of optic fiber cables was supervised and completed.

The remaining 50% of the Network Operations Centre (NOC) was substantially completed. On-going activities included final configurations.

Stakeholders along the Masindi-Hoima, Kagadi, Kyenjojo route (230Km) were sensitised on the backbone infrastructure.

Bulk Internet Bandwidth procured for government MDAs: The procurement for Internet bandwidth was initiated, ToRs developed and approved. The World Bank comments were received and incorporated into the bidding document which was then approved.

Two hundred (200) MDAs receiving Internet over the NBI: Internet was delivered to thirty five (35) MDA sites in Q1 and Q2. This brings the total number utilizing internet to One hundred twenty nine (129). Some of the sites include Uganda Wildlife Education Centre, Ministry of Lands, Housing and Urbun Development (MLHUD), Directorate of Public Prosecution (DPP) - Entebbe, DPP Mukono and National Medical Stores.

Forty (40) additional MDAs and Five (5) additional districts using the NBI for IFMS connectivity: Fourteen (14) additional sites were connected in Q1 and Q2 including National Drugs Authority and National Agricultural Research Organisation (NARO). This brings the total number of agencies utilizing IFMS over the NBI to fifty six (56), of which 6 are district local governments.

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 31st December, the wireless hotspots had increased to 106 sites.

Preparatory activities towards the establishment of Public Key Infrastructure (PKI) completed: These include PKI design, PKI business model, and development of technical specifications document for soliciting a Public-Private Partnership (PPP) partner.

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. 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 Public Key Infrastructure[35] (PKI) Compliance assessments were conducted in 7 MDAs as at end of FY 2015/16. The Electricity Regulatory Authority (ERA) and National Water and Sewerage Corporation were identified for follow up assessments to monitor implementation progress.

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.

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), MEMD and Office of the Prime Minister (OPM).

The information security alerts and advisories to National Computer Emergency Response Team (CERT) were provided. Draft information sharing threat intelligence initiative was developed.

A platform to enhance Incident Response Capabilities for Uganda established: The draft ToRs and specifications for the Web Information Security Auditing tool and equipment was put in place, a market survey was being conducted before initiating procurement in Q3.

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[35] 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.

Five (5) Global incident response partnerships enhanced to provide cross border collaboration and support during incident response: 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. Active social media education and awareness on digital safety and child online protection was maintained.

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 Local Governments. The directorate's mission is "Integrating Uganda to provide quality services to citizens, and to improve the national competitiveness through administration innovation, and to reform unnecessary processes based on interconnected government and safe society".

Performance

Bulk software licences: Two hundred ten (210) NITA-U users subscribed on the Master Business Services Agreement (MBSA) with Microsoft. The agency was involved in negotiating the same services for other entities.

Fifty (50) MDAs and LGs websites supported (Hosting, technical support, security, and administration): Web hosting services were provided to ten (10) additional agencies including the National Drug Authority (NDA) and Ministry of Works and Transport (MoWT), bringing the total number of MDA websites hosted and supported by NITA-U to seventy eight (78). Digital communication sensitization and training for administrative and political leadership and selected staff respectively was undertaken in five (5) districts of Jinja, Iganga, Budaka, Namutumba and Mbale.

Five (5) e-government services added onto the Government e-services web portal: Two (2) e-government services (Business Registration, and Student Entry into Uganda) were added onto the e-services portal.

Government Citizen Interaction Centre (GCIC) operationalized: GCIC Call Centre and Knowledge Management Module were completed. Two (2) telecommunication companies MTN and Airtel had extended services to the centre.

L-R: Outside and inside the Government Citizen's' Interaction Centre (GCIC) at the ICT building Parliamentary Avenue

Support establishment of the ICT Park: The negotiation report for the Transaction Advisor for a PPP was approved by the Contracts Committee. A due diligence report for the procurement of the Transaction Advisor was finalized pending drafting of the contract.

Supervision of the Business Process Outsourcing (BPO) Center: The BPO Operator at Statistics House was supported as per the Service Level agreements. Sixty nine (69) employment opportunities were created at the centre.

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 the following institutions among others;

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 (IGG) 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.

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: Sensitization sessions were conducted for over 10 entities were sensitised on the laws in Q1 and Q2, some of them include: Jinja DLG, Iganga DLG, Namutumba DLG, Budaka DLG, Mbale DLG and National Forestry Authority, Uganda Post Limited, Makerere University Business School, Uganda Law Society, Uganda Police Force.

Four (4) compliance assessments of MDAs and other regulated entities conducted: Compliance assessments under the Electronic Transactions Act, 2011 (ETA) were streamlined to be conducted within the Certification Project. The entities that had requested to be assessed under the ETA were included among those to undergo Certification in the Pre-launch phase. In addition, compliance assessments were undertaken at five (5) DLGs to assess their compliance with website requirements under the NITA-U (E-Government) Regulations, 2015.

Develop laws and regulations to achieve NITA-U's mandate: The preparation of the Principles for the IT Professionals Bill commenced and was underway.

National Databank and e-Government regulations disseminated: The draft was reviewed and the National Data Bank Regulations were submitted to the 1st Parliamentary Counsel and are pending clearance. Once cleared, the regulations will be submitted to the Minister of ICT&NG for approval.

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 & 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: A needs assessment was carried out and a draft report developed. The second draft of quality policy was developed.

Hold standards technical committee meetings to develop new standards and to review existing ones: The technical committee discussions yielded some draft standards. The working drafts were shared with stakeholders for input.

Two (2) MDAs supported in implementation of standards for harmonized delivery of e-government services: Requirements analysis was carried out and a report on the needs prepared. There was a delay in having the training materials endorsed.

Four (4) Promotion and awareness sessions on standards carried out to foster adoption: One stakeholder sensitization was carried out at the NDA with emphasis on compliance to IT standards and collaboration with NITA-U. The agency participated in the World Standards Day on 14th October, 2016.

Selection process completed for five hundred (500) MDAs to sign certification agreements: The list of IT service providers was developed and 531 invitations for registration for certification sent. A consultative meeting with IT Certification Service Provider (Comtel and Cyber-Q) from India was held in preparation for the IT Certification readiness launch. The IT Certification Engine functionality training and User Acceptance were held on 23rd November, 2016 at the Information Access Centre by M/s Cyber-Q.

Foundational activities for the implementation of NITA-U Strategic Plan for Statistics executed: Four (4) International IT Statistical Producers were identified and engagements held with the potential Global Statistics producers (IDC, Gartner and Buddecomm) who had been selected as the appropriate provider of IT strategic and statistical research in Uganda. The final NITA-U statistical abstract was finalised and submitted to Uganda Bureau of Statistics (UBOS) for endorsement.

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.

ICT Skills Training and Needs Assessment (STNA) developed: An ICT Skills Training and Needs Action Plan for government was conducted as part of the process to standardize IT Training in civil service. The agency prepared ToRs and Requests for Expression of Interest (REOIs) for a consultancy to conduct a STNA and submitted to the World Bank for no objection and developed a draft bid document for consultancy to conduct STNA. The e-Government curriculum guide was revised to include free and open source modules and prepared training for newly recruited public servants in partnership with the Civil Service College.

Three (3) training sessions conducted in partnership with Civil Service College and other partners: 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. Training material in e-Government and cyber security for training newly recruited public servants in partnership with Civil Service College were developed.

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.

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, however no significant progress was made on this front.

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.

Challenges

- Some MDAs have running contracts with Internet Service Providers (ISPs) which affects the NTR performance of NITA-U.
- 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 should cause 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.

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*''[36].

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 half year monitoring FY 2016/17 focused on the development component of the MoICT.

9.3.2 Strengthening Ministry of ICT

Background

The objective of the project is to conduct ICT related research by creating an enabling environment to deliver ICT services to internal and external clients. The project started in July 2007 with a completion date of 30th June, 2017.

The approved budget for the project FY 2016/17 is Ug shs 2.77 billion of which Ug shs 593 million (21%) was released and Ug shs 564 million (95%) spent. The overall budget outturn for the project was poor. Table 9.5 shows the overall project performance.

[36] MoICT 2015

Table 9.5: Strengthening MoICT Project Performance by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Policy, consultation, planning and monitoring services (ICT Strategy and Investment Plan disseminated, Quarterly ICT Sector joint monitoring undertaken)	5	621,000,000	3	22.39	Consultations held, one monitoring meeting at Uganda Institute of Information and Communication Technology (UICT) IPV6 Lab conducted. Joint monitoring not conducted due to inadequate releases
Ministry Support Services (10 staff trainings undertaken; Sensitisation on recent Legislations; Public relations for the Ministry managed; Projects monitoring undertaken and reports produced)	15	1,283,507,000	8	39.3	Public relations for the Ministry managed; 5 staff suported to undertake long and shortterm trainings; Training in planning, budgeting and monitoring of public sector programs was undertaken; Minor civil maintenance carried out
Motor vehicle purchased	2	400,000,000	0.85	0	Output pending due to inadequate release
ICT equipment procured	1	299,000,000	0	0	Output pending due to no release
Office and residential furniture purchased	1	168,896,000	0	0	oOtput pending due to no release
Total		**2,772,403,000**		**61%**	**Fair**

Source: IFMS & MoICT

The project physical performance against released funds by half year was rated as fair (61%). The low performance was due to inadequate receipt of funds under NTR and GoU. Three of the five outputs had not taken off due to inadequate releases.

Overall ICT Sector Performance

The overall sector performance was good estimated at 76%. The development projects -Rural Communication Infrastructure Programme, National Backbone Infrastructure (NBI) and Strengthening MoICT scored 74%, 99% and 61% respectively. The NBI project exceedingly achieved all half year targets in spite of limited disbursement from the Exim Bank of China.

The recurrent programmes of NITA-U achieved at least 70% of the half year targets, attributable to sizeable releases from NTR to the two Directorates of Technical Services and e-Government Services.

Performance in the sector was mainly hampered by; low ICT technical capacity within MDAs, insufficient counterpart funding to meet the financing needs of the RCIP projects, and long delays in procurement approvals/securing no objection from the World Bank.

Table 9.6: Physical Performance of the ICT Sector by 31st December 2016

Vote	% physical performance
1. National Transmission Backbone Infrastructure (NBI)	99.9
2. Rural Communication Infrastructure Programme	74
3. NITA-U Recurrent Programmes	70
4. Strengthening Ministry of ICT	61
Average sector score	**76**

CHAPTER 10: INDUSTRIALISATION

10.1 Introduction

The industrialization sub-sector is a component of tourism, trade and industry sector. The sub-sector operates through four votes namely; Vote 015 Ministry of Trade, Industry and Cooperatives (MoTIC); Vote 110 Uganda Industrial Research Institute (UIRI); Vote 154 Uganda National Bureau of Standards (UNBS) and Vote 008 Ministry of Finance, Planning and Economic Development (MFPED). The Uganda Investments Authority (UIA) and Uganda Development Corporation (UDC) are subventions under vote 008 and vote 015 respectively. The findings hereafter are generated from monitoring three of the four votes.

10.1.1 Scope

This chapter reviews progress of selected projects implemented by the Ministry of Finance Planning and Economic Development (MFPED), Ministry of Trade Industry and Cooperatives (MoTIC) and Uganda National Bureau of Standards (UNBS). 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), 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 tracked.

10.1.2 Limitations

Some information for donor funded projects especially financial information was not readily available for assessment.

10.1.3 Overall sector financial performance

The overall release performance to the sub-sector by 31st December, 2016 was below average (33%) against the revised budget (Ugshs 58 bilion) , however, expenditure was fair at 68% (Table 10.1). Release performance was generally poor except for Value Addition Tea project (92%) and USADF project (50%). Low releases were observed at PIBID (17%), Kiira Motors Corporation (23%) and UNBS (38%). Low expenditures under Value Addition Tea (1.5%) was explained by the requirement to install and test the delivered two tea processing lines in Kisoro and Kabale before payment of the certificate. Table 10.1 shows the overall financial performance of the industrialization sub-sector.

Table 10.1: Industrialization budget, release and expenditure performance by 31st December, 2016 (Ug shs)

Project	Revised budget	Release	Expenditure	% release	% Spent
PIBID	25,681,128,025	4,514,999,994	4,514,999,994	17.5	100
DIP	4,240,000,000	1,877,280,000	1,877,280,000	44.3	100
USADF	3,600,109,810	1,800,054,905	1,800,054,905	50	100
SFF	4,482,787,000	1,774,310,464	1,069,375,367	39.6	60.3
VAT	6,000,000,000	5,534,420,529	85,505,355	92.2	1.5
KMC	10,000,000,000	2,340,000,000	2,299,011,389	23.4	98.2
OVOP	488,264,345	205,434,471	196,261,569	42.1	95.5
UNBS	3,659,748,374	1,399,100,000	1,370,673,321	38.2	98.0
Total	**58,152,037,554**	**19,445,600,363**	**13,213,161,900**	**33.4**	**67.9**

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 semi-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.

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 target farmer groups and Small and Medium Enterprises (SMEs). The funds are transferred by USADF through grants made to individual selected projects, which are developed and approved in accordance with USADF criteria and methodologies and with the goals and objectives of the MoU.

Overall project objectives

- To promote the development of farmer cooperatives, producer associations, smallholder agricultural producers, small scale agri-business (SSAs) and SMEs in Uganda and increase their market competitiveness, with a particular focus on the development of underserved and marginalized community groups and enterprises.
- To increase the participation of small scale agricultural groups and SMEs in investment relationships with US and other trading partners.

Selection criteria for the grant

All projects presented to USADF for funding are initially scrutinized by the project coordination office for their ability to meet two major priorities:

i) Applications must originate from a community group or organization that represents its own development priorities, and includes the participation of the poor in setting project objectives.

ii) Applications must represent projects with maximum benefits to an underserved and marginalized group.

To qualify for selection, the organization must be 100% African-owned and managed, and legally registered. Due diligence and technical backstopping is provided by a local partner, the Uganda Development Trust (UDET).

Support under this project is extended under two grants; Enterprise Development Investment (EDI) where funding does not exceed US$100,000 per project over a period of two years. The purpose of this grant is to strengthen the capacities of the beneficiaries (managerial, technical and financial).

Beneficiaries who successfully implement the EDI grant are eligible for funding under the Enterprise Expansion Investment Fund (EEI). The Enterprise Expansion Investment Fund has a maximum funding of US$250,000 per project and it’s intended to enhance the business development of the beneficiaries in order to enhance their competitiveness. At the end of the grant, each project should be self-sustaining.

Performance

Selection of 10 beneficiary groups for support

For FY2016/17, a total of 10 groups were earmarked for support. These were; Aratarach Farmers’ Cooperative Society-Nebbi, Kweyo Growers Cooperative Society-Omoro, Semliki Cooperative Union-Bundibugyo, Bukanga Area Cooperative Enterprise (ACE)-Luuka, Amatura Produce Marketing Cooperative Society-Moyo, Aluga Cooperative Society-

Alebtong and Bunyangabu Beekeepers Cooperative Society-Kabarole, Kamushoko Mixed Farmers' Cooperative Society-Mbarara, Kayonza Tea Factory-Kanungu, and Katine Joint Farmers' Cooperative Society-Kumi. Monitoring focused on three groups (Semliki, Aratarach and Kweyo) in addition to three groups (Bugaya, Myanzi and Kiwemba) selected in the previous financial year whose activities were ongoing.

Table 10.2: Overall Performance of the USADF project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Equipment purchases	17	1,073,014,492	13	36.65	Equipment to be procured included milling machines, desk top computers and UPS; tractors. The procurement and delivery of equipment was undertaken in Myanzi, Kiwemba and Bugaya while technical support had been completed in Semliki. Procurement of suppliers and contractors was ongoing at Aratarach and Kweyo Cooperatives.
Crop Finance	6	328,000,000	4	11.20	With the exception of Kweyo Growers Cooperative and Aratarach Farmers' Cooperative, crop finance was extended to all the six groups monitored. This fund did not perform well in some cooperatives such as Bugaya due to harsh weather conditions that led to high rate of crop failure.
Input Fund	6	134,848,000	3	4.61	The cooperatives of Kiwemba, Semiliki, and Myanzi had established input shops where their farmers could obtain agricultural inputs at subsidized prices. In Aratarach, Bugaya and Kweyo, this activity had not yet been implemented.
Training	25	118,296,000	11	4.04	Kweyo Growers Cooperative had not received any training, although it had requisitioned for it. Various trainings had been conducted in all the other cooperatives and this activity was close to completion.

Technical Assistance	25	241,094,905	10	8.23	Activities such as; upgrade of financial systems, study tour and development of manuals, and certification such as fair trade certification were to be conducted in each group. These activities had been initiated in all the groups with the exception of Kweyo Cooperative Growers and Aratarach Cooperative.
Administrative Support	24	666,113,423	19	22.75	Support under this component had been provided to all beneficiaries
Infrastructure	4	366,661,573	2	12.52	Four out of the six groups monitored were designated to have storage facilities constructed. They were; Bugaya cooperative, Kweyo Cooperative, AratarachCoopearative and Kiwemba Cooperative. By half year, 2 cooperatives; Buyaga and Kiwemba had constructed these storage facilities.
Total		**2,561,366,820**		**100**	**Very good performance**

Source: Field Findings and USADF



L-R: Installed machinery at Kiwemba Farmer's Cooperative-Iganga, Milling facility under construction at Bugaya Area Cooperative in Buyende district, and machinery delivered at Myanzi

The half year performance of the project was very good (100%) with all targets for the period under review achieved and in some instances surpassed. This is attributed to the project being managed under USADF guidelines with an agency (UDET) to support implementers.

10.2.2 Presidential Initiative on Banana Industrial Development (PIBID)

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
- 5 incubatees inducted at the TBI Community
- 4Processing Units Established in Sheema District

Performance

The revised budget for the PIBID is Ug Shs25,681,128,025 of which, Ug Shs 16,651,128,028 is a supplementary. By half year, Ug Shs 4,514,999,994 (17%) was disbursed representing a poor release performance, however, all released funds were spent representing very good absorption of funds. The physical performance of the agency was poor (41%). Table 10.3 shows the project performance by 31st December, 2016.

Table 10.3: Overall performance of PIBID by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Tooke Centre Developed	1	5,142,296	10	0	No funds released to this output by end of half year.
Conference centre facility at the TBI operationalized	1	340,000,000	0	0	No funds released to this output by end of half year.
Completion of construction of Pilot Banana Processing plant 100%	1	2,196,500,000	1	41.05	New equipment was delivered and installed. It included; 2 boilers, 2 steam generators, 2 slicers and auto packaging machine installed for both retail and bulk packaging. The pilot plant is now able to operate fully. Any improvements made are

					to ensure cost efficient operations.
Quality Assurance and Research facilities 100% completed and operationalized	1	759,000,000	0	0	No funds allocated to this output by end of half year and the contract with the contractor (M/s Dott Services) had expired.
Phase 1 researchers residence completed	0	0	0	0	No funds allocated to this output by end of half year. Contract with contractor had expired.
Primary processing automated	1	2,050,000,000	0	0	No funds released to this output by end of half year.
4 processing units established in Sheema District	4	35,571,148	4	0	Outreach was conducted and four cooperatives were targeted in Sheema District. These included; Kashozi, Shuuku, Ntejeza and Bugongi. The cooperatives were at various levels of formation. It was noted that due to inadequate releases; PIBID had not fully strengthened the cooperatives
Total		**5,350,642,296**		**41**	**This is poor performance**

Source: Authors' Compilation and PIBID

L-R: Newly installed machinery at the TBI in Bushenyi; Members of Ntegyeza Bitooke Cooperative in a meeting; Bagged dry chips at Nyaruzinga, Bushenyi district

Challenges

- **Lack of an approved transition plan for commercialization of the PIBID project:** The pilot processing plant is set to be completed, however the Special Purpose Vehicle (business arm) to achieve commercialization is not yet approved.
- **Lack of linkages and synergies between PIBID and other stakeholders such as NARO, NAADS/OWC:** As a result, varieties that are most appropriate for commercial banana production are not popularized amongst farmers.
- **Lack of transport to conduct outreach programmes:** One of the objectives of the project is to mobilize farmers into cooperatives to enable rural communities to be active participants in the project, however the institution lacks vehicles/transport to conduct such outreach.

Recommendations

- The MFPED and PIBID should expedite the formation of the Banana Industrial Research and Development Centre (BIRDC) or institute alternative mechanisms to ensure commercialization of the project.
- The PIBID should engage with relevant stakeholders along the entire banana value chain.
- The PIBID management and MFPED should prioritize and budget for transport to facilitate the outreach and extension programmes.

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 from FY2008/09 to FY 2017/18. The project aims to create 22 serviced (water, electricity, roads) industrial parks across the country. Implementation started with the Kampala Industrial Parks in Namanve, Bweyogerere and Luzira, and later land was secured in Jinja, Kasese, Mbale, Mbarara, Moroto and Soroti.

Planned Outputs for FY 2016/17

- 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**
    - 30km roads maintained in KIBP Industrial Park
    - 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
- **Soroti Industrial and Business Park**
  - Stone pitched lined drain constructed along pineapple road(240m)
  - 6.3km of roads maintained

Financial performance

The approved budget for Development of Industrial Parks (DIP) project FY2016/17 is Ug Shs 4, 240,000,000 of which Ug Shs1,877,280,000 was disbursed (42%) by half year and all spent. It was noted that UIA implemented some activities during the course of the year with funding from NTR (Ug shs 4.8 billion) approved in the previous financial year.

Table 10.4: Performance of Development of Industrial Parks by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Installation of border markers and directional signage for Mbale, Bweyogerere and Luzira industrial parks	3	192,000,000	0	0	This activity was under procurement and therefore no physical works had started by half year.
Opening of 4km of roads at Kampala Industrial & Business Park to Bituminous standard	4	36,308,0792	0	0	Solicitation documents for bidders were prepared but not yet issued.
Master planning and Environmental Impact Assessment study for Mbale Industrial and Business park	1	153,296,352	0	0	UIA could not proceed with this activity because the compensation of squatters in the Mbale Industrial Park has not been fully completed. The supplementary funds for the compensation were disbursed to the wrong vote.
Extension of industrial Power Supply to selected sites in KIBP, Namanve for 2.25KM	2.25	273,296,325	0	0	Under procurement

3.7km roads maintained in Luzira Industrial Park	3.7	80,000,000	0	0	Under procurement
1.9km roads maintained in Bweyogerere Industrial Estate	1.9	67,780,380	0	0	Under procurement
Routine maintenance of 6.3kms roads at Soroti Industrial and Business Park	6.3	74,800,000	0	0	Activity under procurement and solicitation documents prepared.
1Km road maintained in Mbarara Small and Medium Entreprise (SME) Park	1	55,000,000	0	0	Output put onhold as GoU and Gatsby Trust were negotiating repossession of the park
17km roads maintained in KIBP Industrial Park	17	210,000,000	0	0	The procurement process was completed and documents submitted to the Solicitor's General office for approval.
Overhaul electrical system at Mbarara SME park	1	38,080,792	0	0	The procurement of a contractor had not started.
Renovate workspace at Mbarara SME park	1	56,080,792	0	0	The materials schedule was submitted for approval.
Set survey equipment purchased and functional	1	70,000,000	0	0	Under procurement. This activity was carried forward from last FY because the suppliers who responded to the bid did not meet the required specifications.
Renovate the KIBP office block, (Phase 1-electrical system, water supply system, burglar proofing)	1	76,824,815	1	0.8	The replacement of ceiling, paint and aluminum gebbels with solid block gebbels was completed. Over 95% of work was completed.
Design of KIBP North road (2.4 km)	1	384,891,220	1	4.3	Implemented using NTR. Design completed
Construction of North Road (2.4km)	2.4	4,586,778,079	1.5	51.5	Implemented using NTR. Progress estimated at 90% pending completion of side drains.
Opening of roads in KIBP South C Estate (10 km)	10	1,500,000,000	8	16.3	8km opened with funding from NTR.

Opening of roads in KIBP Freight Village (3.03km)	3.03	674,000,000	3	7.6	Implemented using NTR
Total		**8,855,909,547.00**		**80.5**	**This was good performance**

Source: Authors Compilation and UIA

Although the performance of the DIP was at 80% (good), some outputs which were implemented such as; design and construction of North roads, opening of roads in South C estate and opening of freight village were not in the workplan for FY2016/17. This affected the accuracy in performance assessment.

L-R: Renovated office block in KIBP and ongoing road works in North Estate, Mbale Industrial Park

Challenges

- Inadequate funding of development of industrial parks project.
- Poor planning leading to delays in completion of procurements.

Recommendations

- The MoFPED should prioritize finding to UIA to enable it realize its objective of establishing five industrial parks per year.
- The UIA should ensure timely preparation of procuremenys to enable smooth implementation of its activities.

10.3 Ministry of Trade, Industry and Cooperatives

The mandate of the Ministry of Trade, Industry and Cooperatives (MoTIC) is: "to formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialization, appropriate technology transfer, to generate wealth for poverty eradication and benefit the country socially and economically" (MoTIC, 2014).

In executing its mandate, the ministry supervises six agencies namely: Uganda Development Corporation (UDC), Uganda National Bureau of Standards (UNBS), Uganda Industrial

Research Institute (UIRI), Uganda Export Promotions Board (UEPB), Management Training and Advisory Centre (MTAC) and Uganda Warehouse Receipting System Authority (UWRSA).

The annual monitoring FY2016/17 focused on; One Village One Product (OVOP), Uganda National Bureau of Standards; Construction of UNBS Headquarters, and the Uganda Development Corporation projects of: Kiira Motors Corporation, 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, 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.

A. Kiira Motors Corporation

Background

Established in 2014, Kiira Motors Corporation (KMC) intends to set up the first automotive manufacturing plant in Uganda with start of production slated for 2018/19. KMC has evolved from an extra-curricular activity at Makerere University in 2007 into a mainstream Government program for automotive industry development.

Total vehicle import value of Uganda increased from US$ 89.7million 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). 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 Kiira Motors Corporation FY 2016/17 is Ug Shs 10 billion of which Ug Shs 2.340 billion (23%) was released and all spent by half year representing a poor release performance and very good absorption. The physical performance of the project was rated as fair at 65%. The major output achieved was the training of personnel in automotive manufacturing.

Table 10:5: Performance of the Kiira Motors Corporation by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
KMC plant designed. Boundary wall, gate facilities, Annex office and auxiliary services	1	485,000,000	0	0	The KMC land certificate was issued by the Jinja District Lands Office. The ToRs for the KMC site servicing plan, Design and construction of boundary wall, Annex office were pending.
KMC plant constructed. Boundary wall, Gate facilities, Annex office and auxiliary services	1	2,970,265,344	0	0	Implementation of activities was expected to start in Q3 and Q4.
Original equipment manufacturer (OEM) and Financing Partnership Engagements established	3	270,857,600	3	2.7	Developed technical specifications for market validation. The agency received a letter expressing interest from a prospective financier and signed a Non-Disclosure Agreement.
Publicity	4	1,209,411,227	4	12.9	KMC was awarded the Frost and Sullivan 2016 Best Practices for visionary Innovation Leadership in sustainable mobility. Participated in several events at the 22nd session of the Conference of Parties in Marrakech, Morocco. Held several stakeholder sensitization workshops. 10 articles and 2 documentaries published in print and electronic media.
Skills and Capacity Development	36	646,047,485	36	6.46	Supported 8 vehicle manufacturing internships, 9 Masters in Science, 10 professional education certifications. Nine interns were also trained under the KMC In-House Higher Education Institutions Internship program

Performance optimization of Kayoola Bus and Kiira EV SMACK conducted	2	118,651,125	2	1.19	Developed the 1.7 Kayoola Bus Model. Several systems such as; DC- DC converter, E compressor (Pneumatic system) and steering pump (hydraulic system). Developed the Kayoola Solar Bus Standard Operating Procedures and Risk Management plan for servicing and maintenance.
Purchase of furniture and equipment	1	318,830,000	1	3.19	Office equipment for Kiira Motors Offices acquired.
Administrative expenses	1	3,980,937,219	1	39.81	The corporation had incurred some outstanding obligations to service providers and suppliers, however these were to have first call on resources in 3rd quarter.
Total		**10,000,000,000**		**65**	**Fair performance**

Source: Authors' Compilation and UDC

It was observed that KMC had outstanding commitments by the end of Quarter 2 owing to inadequate releases. These included services supplied such as electrical equipment and shipping costs.

Challenges

- **Inadequate funding for** KMC to realize its objectives. In FY 2016/17, only Ug Shs 10 billion was provisioned against the infrastructure development requirements for car manufacturing worth US$33 million dollars over a period of three years**.**
- **Inappropriate tenure on KMC land:** It was allocated 100 acres in Jinja Industrial and Business Park, however the title indicates that the land is for agricultural use yet the corporation is into automotive manufacturing.

Recommendations

- The KMC should consider an alternative leaner financing models such as leasing facilities for vehicle manufacturing to attract prospective partners in the short to medium term to show case the possibilities of the concept as adequate financing for construction of a fully-fledged motor vehicle manufacturing plant is being sought.
- The Uganda Land Commission should review the land use of the land acquired by KMC.

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. The 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 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. The region therefore often 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 agricultural produce.
- To reduce post-harvest losses.
- Produce juice concentrates and pulp that exceed the local, regional and international market.

In 2012, the Government of Korea through its development arm; the Korean International Cooperation Agency (KOICA) provided a turnkey project for the construction of Soroti Fruit Factory with GoU responsible for provision of land (5 acres in Soroti Industrial Park), 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 the 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 end of February 2017 due to changes in designs and weather conditions at the project site. Table 10.6 shows the performance of the project.

Table 10.6: Performance of the Soroti Fruit Factory Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Solid waste disposal site (10 acres) fenced off.	10	79,906,042	10	1.88	Site was fully fenced off with chain link.
ICT infrastructure installed.	1	170,000,000	0	0	Not yet done

EIA for waste disposal site undertaken	1	42,485,104	1	0.97	The EIA for the waste disposal site was completed and submitted to National Environment Management Authority (NEMA) for approval in August 2017
Consultant hired to develop the strategic plan	1	30,840,000	0	0	Not yet done
Product development undertaken (development of formula)	1	27,935,139	0.5	0.66	A formula for the ready to drink juice especially oranges was developed. It will be tested to the public before it is applied to the factory.
Publicity activities for the project undertaken	1	27,935,139	0	0	Not yet done
Waste disposal facility for the factory established	1	250,000,000	0	0	Not yet done
Consultant hired for the construction of a waste disposal site	1	6,000,000	0	0	Not yet done
Tree census conducted in the Teso region	1	350,000,000	0	0	In preliminary stages. To be completed in Q4.
Inspection of machinery and equipment carried out	1	75,000,000	1	1.76	Completed
Monitoring and Evaluation of project activities conducted	1	80,000,000	1	1.88	Achieved for half year
Benchmarking studies and symposium undertaken	1	180,000,000	1	4.23	Achieved for half year
Market study undertaken	1	60,000,000	1	1.41	Achieved for half year
Technical staff trained in production	1	76,000,000	1	1.79	Completed
Task force meetings held	1	6,000,000	0	0	Ongoing periodically
Project administrative expenses	1	560,624,960	1	13.19	Staff and allowance costs paid

IT equipment procured for the personnel	1	305,500,000	0	0	Awaiting completion of civil works
Furniture and Fixtures procured for the plant	1	120,000,000	0	0	Awaiting completion of civil works
Factory launched	1	30,000,000	0	0	To be done after completion of factory
Water pumps and accessories for the water lines done	1	25,000,000	0	0	Not started
Consultant to recruit management staff for the factory hired	1	20,000,000	0	0	Under procurement
Operating the fruit factory	1	1,568,662,040	0	0	Pending completion
Factory insured	1	30,000,000	0	0	Pending handover
Offices partitioned	1	100,000,000	0	0	Awaiting completion
Landscaping outside of perimeter wall done	1	30,000,000	0	0	Not yet done
Total		**4,251,888,424**		**28**	**Poor performance**

Source: UDC

By 31st December 2016, overall construction of the fruit factory under KOICA was estimated at 95% compared to 75% in June 2016. Achievement of targets for the period under review was however at 28% as most of the outputs could not take off before installation of the factory equipment. Time progress was at over 100%. The delayed delivery of equipment led to postponement of completion date to February 2017.

A snug list for civil works had been compiled and the key snugs identified were being rectified. These included: repainting of internal walls, replacing of tiles and fitting of aluminum windows and doors.

Completed civil works at the Soroti Fruit Factory in Arapai, Soroti district

Challenge

- **Lack of a centralized waste treatment plant for Soroti Industrial Park:** Construction of the factory was due for completion, but the central effluent treatment plant for the park had not been constructed by the UIA due to inadequate funds.

Recommendation

- The MFPED and UIA should prioritize the construction of the waste treatment plant since the factory operations were expected to commence before the end of FY.

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. In FY2016/17, the project which was initially supposed to facilitate Kigezi Highland Tea was extended to provide tea processing lines to Mabaale Tea Estate and Kayonza Tea Factory. Performance of Value Addition Tea Project is shown in Table 10.7

Table 10.7: Performance of the Value Addition to Tea Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Machinery and equipment procured and installed at Kigezi Highland Tea factories	2	5,443,179,441	1	50	The equipment had been delivered at the two factories. Installation and subsequent operations were expected to begin by end of January 2017.
Auxiliary equipment procured and installed at Kigezi Highland Tea factories	8	85,000,000	0	0	The procurement process for the purchase of this equipment had been initiated.
Total		**5.443,179,441**		**50**	**Fair performance**

Source: Authors' Compilation and UDC

The overall project physical performance was estimated at 50% owing to delivery of equipment. The financial performance remained low (1.5%) as the supplier could only be paid after final installation and testing of equipment.

 

L-R: Completed factory at Kabale and equipment delivered awaiting installation in Kisoro districtFigure

Challenges

- **Lack of a project code for the Value Addition Tea project**: The project is irregularly housed under the Soroti Fruit Factory project and it was extended to include the tea factories of Kayonza and Mabaale, without the requisite project profile and code. This complicates the disaggreagation of fund disbursments
- Delayed implementation of project due to bureaucratic procedures in securing payments through the Ministry of trade to UDC and thereafter to the project and suppliers.
- **Lack of certified tea nursery beds:** Tea being a new crop in the area, farmers in the region were unable to secure tea seedlings/plantlets from approved suppliers. The quality of nurseries in the area was said to be below standards.

Recommendations

- The MFPED and UDC should acquire a project code for the Value Addition Tea project.
- The MAAIF and MoTIC should certify nursery bed operators in the tea industry in order to eliminate unscrupulous nursery operators.

Overall Challenge

- Lack of a strategic plan for UDC which hinders the agency's ability to mobilize funds from prospective funders.

Recommendation

- The UDC should expedite the development of its strategic plan in order to attract funding from prospective funders.

10.3.2 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.

Under the Strengthening of UNBS Project; the entity 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 development budget for UNBS for FY2016/17 was Ug shs 3,659,748,374 of which, Ug Shs 1,399,100,000 (38%) was released and Ug shs 1,370,673,321 (98%) spent representing a poor release and very good expenditure respectively. By half year, Phase 2 construction of laboratories had not commenced. This was because the disbursed funds had been largely used to clear outstanding arrears (unpaid certificates 5 and 6 as well payment of retention fees) accrued from phase IC of the project. The UNBS had completed the procurement of a supervising consultant for Phase 2 and was in the final preparatory stages of procuring a contractor. Table 10.8 shows the overall project performance by 31st December, 2016.

Table 10.8: Performance of the Project Strengthening of UNBS by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
Construction of food safety and testing laboratories	1	2,499,748,000	0	0	Available funds were used to clear pending certificates under phase IC. A supervising consultant for Phase 2 was procured.
Procurement of computers	100	300,000,000	50	8.20	50 computers were procured and distributed to staff.
Procurement of specialized equipment	1	100,000,000	1	2.73	Procurement of assorted laboratory equipment was on-going.
Procurement of Motor	2	570,000,000	0	0	The output received no funds for the first two

Vehicles					quarters.
Furniture and Fittings	1	190,000,000	1	5.19	Assorted office furniture was procured and distributed to some of the departments.
Total		**3,659,748,000**		**16**	**Poor performance**

Source: Authors Compilation and Field findings

Overall physical progress against annual target was at 16% representing poor performance. The organization had procured 50 computers and some offices had received furniture. Some of the laboratory equipment was delivered while more equipment would be procured once resources become available.

Challenge

- Inadequate releases during the first half of the FY affected implementation of phase 2 activities. The agency reported a shortfall of Ug shs 430 million for the half year.

10.3.3 One Village One Product

The One Village One Product (OVOP) is a community centered and demand driven local economic development approach initiated by Oita Prefecture in Japan in the 1970s. It was introduced in Uganda in 2008. Government sought to integrate the OVOP programme in the National Development Strategies to eradicate poverty. The OVOP concept had been designed as a community based approach through utilization of local resources to boost production, processing and marketing of products and services.

The OVOP programme aims at transforming the peasantry and subsistence productive system into monetary and modern economy, spurring commercial and agriculture and industrial production. It focusses on value addition, for accelerated social economic transformation. The OVOP program also compliments the National Trade Policy, trading out of poverty into wealth and prosperity.

Objectives of the Programme

The overall objective of the 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% by 2014.

- Develop human capital and entrepreneurial capacities amongst the participating communities.
- Strengthen partnerships and linkages between government, private sector and donor community.
- Create and strengthen market clusters for OVOP products.

Planned Semi annual Outputs for FY 2016/17

The planned outputs for the FY were delievery of agro processing equipment to various groups as shown below;

- Mikwano EV in Pallisa
- Eco Friendly Innovations in Wakiso
- Chicken Products in Wakiso
- Bubaale Innovations Platform in Kabale
- Value Addition Hub in Wakiso
- Bevron Investments in Kaliro
- Bwesumbu Coffee Growers Cooperative in Kasese

All groups were monitored with the exception of; Value Addition Hub, Bevron Investments and Bwesumbu Coffeee Growers Cooperative where equipment had not yet been delivered.

Performance

The approved budget for OVOP in FY2016/17 is Ug shs 488,264,345, of which Ug shs 205, 434,471 (42%) was released and Ug shs 196, 261,569 (96%) spent by 31st December, 2016. Physical performance was 65% by half year as shown in Table 10.9.

Table 10.9: Performance of OVOP as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remarks
15 model processing facilities established by June 2015	15	322,640,000	4	63	Equipment was delivered to the beneficiaries of; Mikwano EV, Eco Friendly Innovations, Chicken Products and Bubaale Innovations Platform. Value Addition Hub and Bevron Investments were yet to receive their equipment.
Product packaging, certification and establishing market linkages for 8 cooperatives	8	0	0	0	No product packaging and certificate interventions undertaken during this period.

Group skills development through training on value addition, business management and value addition	6	0	0	0	No training conducted during this period.
Needs assessment report for 48 cooperatives from 16 districts of western, Northern, Central and Eastern Uganda	48	5,813,900	19	0.68	19 enterprises were physically assessed in the districts of; Kiryandongo, Kyenjojo, Entebbe, Mbarara, Rubanda, Kabarole and Hoima.
Monitoring report on progress of supported OVOP beneficiaries	4	4,244,200	3	0.95	3 enterprises monitored in the districts of Kayunga, Kaliro and Iganga.
Minutes with resolutions of steering committee	1	1,083,000	0	0	To be conducted in March(Q3)
Total		**333,781,100**		**65**	**Fair performance**

Source: Author's Compilation and Field Findings

In the four groups monitored equipment was functional with the exception of Bubaale Innovation Platform in Kabale. The group was designated to receive a food grade maize mill and maize huller, however the equipment received was not of food grade quality and the huller motor could not run as per specifications. The maize mill delivered was also reported to have insufficient processing capacity. It could only process 200 Kgs per hour against the inscribed 600Kgs per hour.

L-R: Animal feed mill in Wakiso and Paper making equipment in Kira Municipality both provided under OVOP

L-R: Workers packaging herbal products at Mikwano EV Group and defective equipment delivered at Bubaale Innovations Platform in Kabale district

Challenge

- **Inadequate needs assessment:** The beneficiaries in Bubaale Innovations Platform reported that the delivered equipment did not meet the specifications in their proposal, as such; the project was not operational thus causing financial and time losses due to redundant machinery.

Recommendation

- The OVOP secretariat at the MoTIC should ensure that suppliers deliver the specified capacity of machinery/equipment to avoid losses to the beneficiaries.

Overall sector performance

The overall sub-sector performance was rated as fair at 56%. Some projects such as; Strengthening UNBS, PIBID and Soroti Fruit factory posted poor performance due to several reasons including delayed initiation of procurements, clearing outstanding arrears, limited funding to sign contracts among others. Very good performance was registered by USADF, and Development of Industrial Parks. Table 10.10 shows the overall average performance of the subsector by projects for the period under review.

Table 10:10: Overall performance of the sub-sector by 31st December, 2016

PROJECT	% Physical performance
United States African Development Fund	100
Development of Industrial Parks	80
Presidential Initiative on Banana Industrial Development	41
Soroti Fruit Factory	28
Kiira Motors Corporation	65
Value Addition to Tea	50
One Village One Product	65
Strengthening UNBS	16
TOTAL	**55.6**

Source: Authors' 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[37] of microfinance services are in the category of Tier I, two[38] are in Tier II and four[39] 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.

The Strategic Plan 2014-19 identified the following strategic objectives[40];

- To mobilize sufficient resources so as to effectively deliver rural financial development services
- To increase loan portfolio by 10% per annum
- To maintain portfolio at risk (P.A.R) past 365 days at 5%
- To identify and fill capacity building gaps of clients
- To develop at least one product for each client segment over the next five years

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[37] Centenary Bank and Equity Bank
[38] Post Bank and Opportunity Bank
[39] PRIDE, FINCA, Uganda Finance Trust and UGAFODE
[40] These formed the basis of assessment of the performance of the MSCL

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[41] across the country, with each office serving an average of 10 districts. The MSCL offers a number of products like; Agricultural loans, Environmental loans, Special interest group loans, Commercial loans and SME loans for trade, commerce and agriculture.

Scope

The semi-annual review focused on the performance of MSCL for the FY2016/17 against identified criteria from the strategic plan 2014-2019. The MSC headquarters and zonal offices of Arua, Hoima, Kabale, Kampala, Moroto and Soroti, districts were monitored. A total of fourteen SACCOs in every district served by the MSC zonal offices were sampled. 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, semi-annual MSC headquarters report as well as its strategic plan.

Findings

(a) MSC Headquarters

(b) Assessment of MSC source of funding

A total of Ug shs 56billion (70% of budget) was realized as funds for credit as at 31st December, 2016, of which Ug shs 29.938 billion (53% of the release) were funds from International Development Bank and Ug shs 26.062 billion (47% of the release) were reflows and interest income and opening balances brought forward . A summary of funding sources is shown in 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 for operations	12,832	12,318	95
GoU operations support funds	4,293	1,770	41
Rural Income Enhancement and Employment Project RIEEP operations funds - ADB	31,280	29,938	95
Reflows[42]	24,000	8,505	35

[41] 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.

Reflows/Interest	7,500	3,615	48
Other income			
Total Funds Available	**79,905**	**56,146**	**70**

Source: MSCL Headquarters

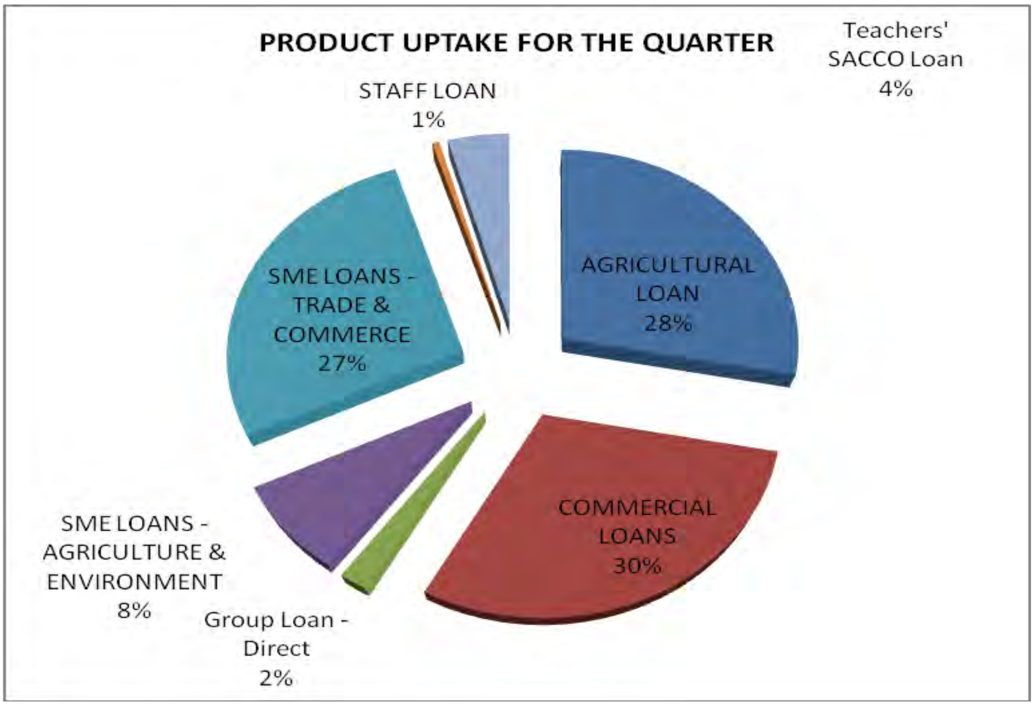
Interest rates

The MSC continued to offer the lowest interest rates to its clients ranging from 9% per annum for SACCOs- Agricultural loans, 13% to SMEs, 17% for commercial loans and 11% for teachers' SACCO. The current market rate ranges between 20% to 36% by commercial banks.

Credit Disbursement

Cumulatively, the MSC disbursed loans worth Ug shs 15.742billion representing 63% performance of the target performance of Ug shs 25billion. The Centre continued to make a deliberate effort to market all loan products to different client categories. As at 31st December, 2016, the company had an outstanding portfolio of Ug shs 62billion, of which the highest number of client segment reached was SACCOs. Overall, commercial loans towards SACCOs absorbed 30% of the total portfolio followed by agriculture loans constituting 28% as shown in Figure 11.1.

Figure 11.1: Disbursement by Loan Type FY 2016/17 by 31st December, 2016



Source: MSCL Headquarters

Zonal Disbursements

During the second quarter, the MSC disbursed 76 loans to 75 clients valued at Ug shs 8.3billion compared to the first quarter where only Ug shs 7.4billion was disbursed. Kampala zone with the biggest region had the highest value of loans (disbursed Ug shs 6.364 billion), although this was just 65.82% of the set target. The poorest performing zone was Soroti that achieved 38% of the target in the value of loans. This was attributed to low SACCO base in the region. Details of the performance per zone is shown in Table 11.2.

Table 11.2: Disbursements per Zone as at 31st December, 2016

Zone	Qtr 1, FY 2016/17		Qtr 2, FY 2016/17	
	No. of loans	Amt Disbursed	Number of loans	Amt Disbursed
Arua	1	251,177,000.00	2	300,000,000.00
Gulu/Lira	7	230,000,000.00	5	75,000,000.00
Head Office	20	432,000,000.00	3	42,000,000.00
Hoima	3	90,000,000.00	2	100,000,000.00
Jinja/Iganga	3	111,000,000.00	7	275,000,000.00
Kabale	9	1,852,000,000.00	4	425,000,000.00
Kabarole	5	265,000,000.00	16	845,000,000.00
Kampala	12	2,489,695,117.00	14	3,875,000,000.00
Masaka	4	480,000,000.00	2	170,000,000.00
Mbale	2	80,000,000.00	3	150,000,000.00
Mbarara	9	1,090,000,000.00	13	1,700,000,000.00
Moroto	1	50,000,000.00	3	325,000,000.00
Soroti	1	15,000,000.00	2	25,000,000.00
TOTAL	**77**	**7,435,872,117.00**	**76**	**8,307,000,000.00**

***Source**: MSCL Headquarters and Field Findings*

Growth in Portfolio

Portfolio[43] grew from Ug Shs 61.3billion to Ug Shs 62billion translating to 1.14% over the first two quarters of FY 2016-17. The zones performed differently as shown in table 11.3.

Table 11.3: Analysis of Loan Portfolio Movement as at September & December 2016

ZONE	16-Sep	16-Dec	Growth/Decline
Arua	1,872,386,371.06	1,965,465,530.35	93,079,159.29
Gulu	794,848,672.92	750,562,473.34	-44,286,199.58
Head Office	729,253,314.25	620,363,652.28	-108,889,661.97
Hoima	1,755,578,718.39	1,531,127,852.38	-224,450,866.01

[43] Portfolio refers to the funds loaned out to clients

ZONE	16-Sep	16-Dec	Growth/Decline
Jinja	1,075,966,584.81	1,106,094,519.96	30,127,935.15
Kabale	7,736,045,953.57	7,564,239,063.76	-171,806,889.81
Kabarole	10,949,818,200.02	9,771,764,794.12	-1,178,053,405.90
Kampala	18,880,451,524.73	21,117,090,257.54	2,236,638,732.81
Masaka	3,032,764,936.83	2,714,572,057.32	-318,192,879.51
Mbale	1,256,788,362.86	1,214,777,149.48	-42,011,213.38
Mbarara	11,344,220,133.91	11,759,168,392.70	414,948,258.79
Moroto	1,001,339,992.01	1,126,910,709.87	125,570,717.86
Soroti	898,398,350.84	805,572,638.22	-92,825,712.62
TOTAL	**61,327,861,116.20**	**62,047,709,091.32**	**719,847,975.12**

Source: MSCL Headquarters

Outstanding portfolio grew by Ug Shs 719.8million translating to 1.14%. Zones of Hoima, Kabarole, Masaka, Gulu, Kabale, Mbale, Head office and Soroti were not able to balance their collections with disbursements, hence reduction in their outstanding portfolio which explains the negative growth/decline. The decline is also attributed to low disbursements compared to collections. Low disbursements in the aforementioned zones is majorly attributed to delayed submission of documents by clients but also to the limited credit funds at MSC. A number of loans that had been targeted for disbursement had their values reduced or staggered in order to have the limited funds spread out to several clients.

Quality of Portfolio

Portfolio at Risk (PAR) as at 31st December 2016 declined. The target PAR is 10% and the overall PAR registered was 19%. This indicates a high risk of non-recovery of loaned funds.

The MSC achieved a repayment rate on time for loans issued of 56% by 31st December 2016, a decline from 72% achieved as at June 2016. This was due to low repayments from SACCOs on account of poor governance.

Table 11.4 shows the PAR as at 31st December 2016. Head Office improved the PAR from 15% in the last Quarter to 1.58% and Kampala Zone from 36% in the previous Quarter to 29.04%.

Table 11.4: Aged Portfolio at Risk (PAR) for the period ending 31st December, 2016

ZONES	PAR>1 Day	1-30 days	31 - 60 days	61 - 90 days	91 - 270 days	271 - 365 days	Over 365 days	Total Loan Portfolio with arrears
Arua	34.43%	9.81%	10.45%	0.00%	13.64%	0.00%	0.52%	34.43%
Gulu/Lira	26.02%	11.33%	3.36%	3.34%	7.37%	0.00%	0.62%	26.02%
Head Office	1.58%	0.70%	0.00%	0.00%	0.00%	0.00%	0.88%	1.58%
Hoima	22.13%	14.66%	0.00%	0.00%	7.47%	0.00%	0.00%	22.13%

Jinja /Iganga	14.67%	0.93%	0.00%	0.75%	12.70%	0.00%	0.28%	14.67%
Kabale	8.28%	2.58%	4.95%	0.00%	0.33%	0.21%	0.21%	8.28%
Kabarole	18.35%	1.32%	15.04%	1.55%	0.45%	0.00%	0.00%	18.35%
Kampala	29.04%	5.35%	0.22%	0.22%	3.67%	1.32%	18.26%	29.04%
Masaka	13.61%	4.42%	4.26%	0.00%	1.02%	0.00%	3.91%	13.61%
Mbale	14.32%	7.07%	0.00%	3.81%	2.43%	1.01%	0.00%	14.32%
Mbarara	5.68%	5.55%	0.00%	0.00%	0.00%	0.00%	0.14%	5.68%
Moroto	10.04%	9.30%	0.00%	0.36%	0.38%	0.00%	0.00%	10.04%
Soroti	69.19%	28.95%	9.88%	22.16%	2.38%	5.82%	0.00%	69.19%
Overall	**19.0%**	**13.9%**	**3.7%**	**0.7%**	**2.4%**	**0.6%**	**6.5%**	**19.0%**

Source: MSCL Headquarters and Field Findings

The rest of the zones experienced a decline in the quality of their portfolios. Soroti Zone registered the worst PAR of 69% from 59% in Quarter 1 due to default from one main client with 60% of the portfolio. The MSC achieved a repayment rate on time for loans issued of 56% as at 31st December 2016 a decline from 72%.

Growth in Clientele and Number of Loans

Under the Pillar, *Client Coverage and product Development*, there are 2 strategic objectives;

- Increase coverage of MSC services & products
- Enhance product development

Performance of "Increase coverage of MSC services and products"

As at 31st December 2016, 83*%* of the districts had at least one reference from 77% in Q1, FY 2016/17.

Of the 119 districts, 99 had at least one reference SACCO translating to 83% of the total number of districts with at least one reference SACCO. The performance in this area was above the semi-annual target of 75%.

Challenges

- Poor governance and management in several SACCOs which has resulted in misappropriation of funds, theft, collusion, and endemic fraud as observed in Nakapiripirit SACCO.
- Minimal support from DLGs as the District Commercial Officers tend to be disinterested in the microcredit funds work and in some instances are indebted to these SACCOs which undermines their ability to supervise them. This was observed in Hoima and Amuria districts.
- Under staffing at the zonal offices, as on average two staff provide support to clients in 10 districts. There has been a growth in clientele but the staffing levels have remained

the same over time. Soroti zonal office has a Credit Officer who doubles as the manager and covers 10 dstricts with just one support staff.

- Insufficient funds available to MSCL for onward credit to meet client demand.

Recommendations

- Bank of Uganda should spear head the creation of a credit reference bureau mechanism to support deeper risk analysis and sharing of information with other credit institutions for the loan applications submitted.
- The MSCL should intensify the Business Development Services offered 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 businesses profitably and sustainably.
- The MFPED should consider recapitalizing the MSCL to increase available credit funds.
- The MSCL should fill the vacant positions especially for a credit officer in the respective zonal offices to ensure adequate staffing levels to handle the tasks.

Zonal Offices Monitored

The MSC offers a number of products administered through its 12 zonal offices. For the semi-annual review the zonal offices of Arua, Hoima, Kampala and Soroti were monitored.

The products offered to clients include;

- **Agricultural loans:** Target institutions/enterprises supporting or engaged in primary agricultural production, agroprocessing 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%.

(a) Arua MSC Zonal Office

Arua MSC zonal office serves eight districts of Adjumani, Arua, Maracha, Koboko, Moyo, Nebbi, Yumbe, and Zombo. The zonal office disbursed Ug shs 551 million against a target of Ug shs1.017billion (50% performance). The portfolio at risk greater than 365 days was 34.43% against a target of 5%. This implies that most of the loan portfolio had outstanding debt arrears increasing the risk of bad debt. The cumulative repayment rate was 95% which was an improvement against the benchmark of 90.5%. The zonal office was able to have a reference[44] SACCO in 5 of the 7 districts (71%). The performance is summarised in Table 11.5.

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[44] The MSC has a target to develop and support a model SACCO for each District served.

Table 11.5: Arua MSC Zonal Office Performance as at 31st December, 2016

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	1.071 Billion	551million
2.	Cost Vs Income ratio	Costs < 1	1 to 1 (1:1)	0.9:1
3.	Repayment rate (on time)	95%	90%	56%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year		1,965,465,530
5.	P.A.R>365 days (Value in Ug shs Billion)	Not> 5% of total o/s loan portfolio	5%	34.43%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	17	8
7.	Existence of reference SACCO/ District	1/District	7of 7	5 of 7

Source: MSC Arua Zone

b) Hoima MSCL Zonal Office

Hoima zonal offices serves seven districts of Buliisa, Hoima, Kibaale,Kagadi,Kakumiro,Kiboga, Kiryandongo, Kyankwanzi and Masindi.

The Hoima MSC office disbursed Ug shs 190million which was a decline in the value of loans disbursed and just 9.5% of the target of Ug shs 2 billion. The value of outstanding loan portfolio at the end of December 2016 was Ug shs 1.5billion which was a decline from Ug shs1.755billion in July 2016. The portfolio at risk greater than 365 days was 22.18% against a target of 10%. This points to an increased risk of non-recovery of funds loaned to clients. The cumulative repayment rate achieved was 85% against a target of 95%. The zone was profitable a with a cost to income ratio of 0.45: 1 and at least had a reference SACCO in seven out of nine districts.

The performance of the zone was below the targets set, and performance is summarised in table 11.6.

Table 11.6: Hoima MSCL Zonal Office Performance as at 31st December, 2016

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	2 billion	190million
2.	Cost Vs Income ratio	Costs < 1	At least 1:1	1:45
3.	Repayment rate (on time)	95%	95%	85%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	1.755 billion	1.5billion
5.	Portfolio At Risk (P.A.R)>365 days	Not> 15% of total o/s	10%	22.18%

	(Value in Ug shs Billion)	loan portfolio		
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	Increasing	None
7.	Existence of reference SACCO/ District	1/District	9 of 9	7 of 9

Source: MSCL Hoima Zone

c) Kampala MSC Zonal Office

Kampala zonal office serves 12 districts; Buikwe, Butambala, Buvuma, Gombe, Luwero, Kampala, Kayunga, Mityana, Mukono, Mpigi, Nakasongola and Wakiso.

The zonal office disbursed Ug shs 6.364billion which was 100% performance of the target (Ug shs 6 billion). Portfolio at risk greater than 365 days was 29% which was below the target of 10% and points to an increasing risk of bad debts. The cumulative repayment rate was 19.25% which was below the annual target of 95% which further points to poor loan recovery from clients. Portfolio grew by 12% to Ug shs 2.2billion thus meeting the criteria of increasing portfolio. The Kampala zonal office is profitable with a cost to income ratio of 0.21.

The performance of the zonal office is shown in table 11.7.

Table 11.7: Kampala MSCL Zonal Office Performance by 31st December, 2016

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	6billion	6.3billions
2.	Cost Vs Income ratio	Costs < 1		
3.	Repayment rate (on time)	95%	95	19.25%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	18.88bilion	20.1billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	5%	18.6%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	8	13
7.	Existence of reference SACCO/ District	1/District	13 of 13	13 of 13

Source: MSCL Kampala Zone

d) Kabale MSC Zonal Office

Kabale MSC Zonal office serves the five districts of Kabale, Rukungiri, Rubanda, Kanungu and Kisoro.The office disbursed Ug shs 2.277billion (85%) of the target (Ug shs 2.6billion). Portfolio at risk greater than 365 days was 8.28% which was good against the target of 10%. It implies that the outstanding portfolio has minimal debt arrears. The cumulative repayment rate was 80% against the annual target of 95%. Portfolio declined by 2% to Ug shs 7.564 billion. The Kabale zonal office is profitable with a cost to income ratio of 0.32. The detailed performance of Kabale zonal office is shown in table 11.8.

Table 11.8:Kabale MSC Zonal Office Performance by 31st December, 2016

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	2.6 billion	2.2billion
2.	Cost Vs Income ratio	Costs < 1	0.45:1	0.32:1
3.	Repayment rate (on time)	95%	95%	80.4%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	7.040billion	7.5billion
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	10%	8.28%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	0	0%
7.	Existence of reference SACCO/ District	1/District	5	5

Source: MSC Kabale Zone

e) MorotoMSC Zonal Office

Moroto Zonal offices serves the districts of Amudat, Napak, Moroto, Kabong, Kotido, Abim and Nakapiripirit.

The zonal office disbursed Ug shs 375million which was 31% of the annual target of Ug shs 1.2 billion. Portfolio at risk greater than 365 days was 10% as per the target of 10%. The cumulative repayment rate was 91% which was below the annual target of 95%. Portfolio grew by 12% to Ug shs 1.126billion which meets the criteria of increasing portfolio. The Moroto zonal office cost to income ratio was 1:19 which was not efficient.

Detailed performance of the zonal office as at 31st December 2016 is shown in table11.9.

Table 11.9: Moroto MSC Zonal Office Performance by 31st December, 2016

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	1.2 billion	375 million
2.	Cost Vs Income ratio	Costs < 1	0.45:1	1:19
3.	Repayment rate (on time)	95%	95%	91%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year	950 million	805 million
5.	Portfolio At Risk (P.A.R)>365 days	Not> 15% of total o/s	10%	0%

	(Value in Ug shs Billion)	loan portfolio		
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	5%	20%
7.	Existence of reference SACCO/ District	1/District	7 of 7	4 of 7

Source: MSC Moroto Zone

f) Soroti MSC Zonal Office

The Soroti MSC office disbursed Ug shs 40million which was below the target of Ug shs 1.5 billion (2.67% performance). The value of outstanding loan portfolio by 31st December 2016 was Ug shs 805 million, a decline from Ug shs 898 million in July 2016. The portfolio at risk greater than 365 days was 7.88% against a target of 10%. The cumulative repayment rate achieved was 56% against a target of 95% pointing to inefficiencies in loan recovery. The zone was profitable (0.9:1) and at least had a reference SACCO in five out of seven districts.

The detailed performance of the zonal office as at 31st December 2016 is shown in table 11.10.

Table 11.10: Soroti MSC Zonal Office Performance as at 31stDecember, 2016

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	1.5 billion	40.million
2.	Cost Vs Income ratio	Costs < 1	1:1	0.9 : 1
3.	Repayment rate (on time)	95%	95%	56%
4.	Value of outstanding loan portfolio (Ug shs billion)	Increasing from prior year		
5.	Portfolio At Risk (P.A.R)>365 days (Value in Ug shs Billion)	Not> 15% of total o/s loan portfolio	10%	7.88%
6.	Percentage increase in no of clients taking follow on loans	Increasing from prior year	100%	50%
7.	Existence of reference SACCO/ District	1/District	7	5

Source: MSC Soroti Zone

11.3 Performance of SACCOs

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).

- Any support services received from the District Commercial officers (DCOs) of the respective LGs.

Findings

Fourteen SACCOs were monitored to assess the services received from the MSC and it was noted that; the average loan processing time by MSC was five months, 53% of SACCOs had not received any business development services-training from MSC, 30% of the SACCOs did not know about PROFIRA and services it renders; however 75% of SACCOs had their activities supervised by the District Commercial Officers (DCO) from their respective LGs.

METTU SACCO:-Moyo District

METTU SACCO is found in Moyo District and served by the Arua MSCL zonal office. The SACCO is duly registered with total membership of 4,465 as at 31st December, 2016.

The SACCO received credit funds from the MSCL of Ug shs 140 million which was duly paid back within the agreed time with no default. The SACCO applied for an additional Ug shs 200 million loan that is being processed. Training in product development, credit management and financial management was received from MSCL as well as periodic technical support.The MSC procured a motor cycle for the SACCO to mobilize recovery of funds. The SACCO had a good governance structure with a sound board of nine members-fully constituted.

AULOGO SACCO-Adjumani District

Aulogo SACCO is found in Adjumani District and is served by Arua MSCL zonal office. The SACCO was initiated by civil servants in 2005 and is duly registered with 2,922 members. It recently appointed new board members who have revamped it-Through increased loan recoveries and growth in loan portfolios.

The SACCO received a commercial loan of Ug shs 100million at an interest rate of 13% in August 2016. Other assets received from MSC included; a computer, a safe and motorcycle. The MSC supervises the SACCO periodically, writes reports and communicates its findings to the SACCO. The SACCO however claimed extreme pressure from the MSC for repayment. The loan process took 12 months before a response was received from MSC. The DCO is given reports but there has never been any feedback from his office, neither has the SACCO received any services from PROFIRA.

SOUTH-WESTERN SACCO-Kabale district

The SACCO is found in Kabale District. It was founded under South West umbrella of water and sanitation and was financed by Australians under the sanitation program in 2006. Southwestern is fully registered and constituted with 550 members as at 31st December 2016, of which 210 are male, 270 female, 52 institutions and 3 youth groups of 15 members each. The SACCO has a board of nine members who form the different subcommittees and it has three staff members.

It has accessed a number of loans from MSC, with the running loan being the fifth. It was an agricultural loan of Ug Shs 20 million received in July 2015. At the time of monitoring conducted in January 2017, there was a balance of Ug shs 7 million. Agreements for accessing another loan had been signed and they were awaiting feedback from MSC.

MSC has offered training in areas of; reporting, performance monitoring tool, loan tracking and aging. 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 book keeping.

KIDEFISE SACCO-Kanungu District

The SACCO started in 2003 as a town council SACCO and later developed into a district SACCO. It is duly registered with 3,975 members, has two branches and a number of outreach centers. The staff and board members are fully constituted.

It received an agricultural loan in three installments from the MSC. In 2008 Ug shs 50million, in May 2009-Ug shs 50million and the last installment of Ug shs 50million in June 2009. Loan repayment was completed in 2014. MSC offered supervision services to the SACCO, however no support from PROFIRA.

KEBISONI SACCO –Rukungiri District

The SACCO has 3,040 members, is duly registered and has a fully constituted nine member board. It previously received credit of Ug shs 170 million at an interest rate of 9% with a one month's grace period. Its loan application was processed in two months and feedback was always given by MSC. The SACCO received training from MSC on loan appraisal and risk management. PROFIRA has not supported the SACCO.

HEDA SACCO-Hoima District

Heda SACCO, located in Hoima district started as an NGO and it helped a lot in training of other weaker SACCOs and communities. It has 371 registered members (not all active).

The SACCO previously obtained credit of Ug shs 15 million at a rate of 13% and repaid with no default. It applied for a follow on loan of Ug shs 30million in September 2016 and had not obtained the loan four months later or any feedback from the MSC. Capacity building was conducted by the MSC in product development and innovation and a number of other areas. The SACCO has a functional board. PROFIRA visited to conduct a baseline survey in August 2014 and they have not heard from them since. The DCO is not available for supervision.

BULIISA RURAL ENTERPRISES –Buliisa District

The SACCO is located in Bulisa District and has 580 fully registered and active members. It has a functional board. The SACCO applied and received credit of Ug shs 20 million from MSC at an interest rate of 9% in 2010 and paid up without defaulting by 2012. It applied for Ug shs 20 million in 2013 but has never received feedback. The SACCO received training in financial management. The DCO participates in the SACCO AGMs and although receives reports from the SACCO he gives no feedback. PROFIRA took some SACCO reports in October 2016 but has not returned nor given feedback. The SACCO although small was organized.

RIDO SACCO-Kakumiro District

The SACCO, located in Kakumiro district was fully registered with 1,400 members mostly peasants whose source of income is agriculture. The SACCO is currently servicing a loan of Ug shs 40 million from the MSC at interest rate of 9%. The lead time for the loan was one month with proper feedback received from MSC. The DCO attends AGMs, assists in submitting reports to the Ministry of Trade, Industry and Cooperatives (MoTIC) and builds capacity of SACCO. The SACCO has a vibrant board with the required committees. The SACCO interfaced with PROFIRA and was availed with a reporting template.

KITGOGONG SACCO- Kotido District

Katgogong SACCO, located in Kotido district, is fully registered and constituted with 266 members. It has a functional board. Most of the clients are individuals and village saving groups, and DCO supervises its activities. The SACCO received credit of Ug shs 20 million from MSC in November 2015, and training on the evaluation of applications. Although PROFIRA, visited no services were given to the SACCO.

THUR SACCO-Abim District

Thur Rural Development Cooperative Savings and Credit Society Limited is located in Abim District. It was registered in 2004, has 366 individual members and a functional board. The DCO supervises its activities.

The SACCO received loans from the MSC, the recent being Ug shs 100 million at interest rate of 9%. MSC has not offered any capacity building services received. PROFIRA collected data about the SACCO in December 2016, but no services received as yet.

ASAMUK SACCO-Amuria District

The SACCO is located in Amuria district, duly registered with 956 members and a functional board. It currently has a loan of Ug shs 45 million obtained in June 2014 to be serviced over a period of four years at an interest rate of 9%. The DCO attends meetings and supervises the SACCO. PROFIRA conducted training for the SACCO in management accounting.

OLIYO SACCO-Serere District

Oliyo SACCO is located in Serere district and is fully registered with 1,015 members and a vibrant board. It is currently servicing a fourth loan of Ug shs 50million from the MSC. The loan processing time was long (five months) before it was granted and there was no feedback on the progress during that time. The SACCO has never defaulted on its earlier borrowings. The DCO supervises and supports the SACCO activities. PROFIRA conducted training for the SACCO on internal controls and book keeping.

NGORA SACCO-Ngora District

Ngora SACCO is located in Ngora district, duly registered with 1,181 members with a functional board.The SACCO obtained a loan of Ug shs 70million in August 2015 from MSC, although they noted that the loan requirements were not clearly communicated. The SACCO receives technical support from MSC on loan recovery. It also received training from PROFIRA and is supervised by the DCO.

ATUTUR SUB-COUNTY SACCO-Kumi District

ATUTUR SACCO is located in Kumi district and is registered with 492 members, a board plus staff members. The SACCO is currently servicing a loan of Ug shs 20million loan from MSC. Training in fnancial management was p0rovided by MSC, while PROFIRA trained on internal controls. The DCO supervises and gives technical advice to the SACCO. It was noted that the loan processing time is long.

Challenges

- Community members have a very low financial literacy rate leading to high default rates. This coupled with the law that is lenient to the defaulters has led to the SACCOs poor recovery rates performance.

- The SACCOs are currently charged Corporation Tax at 30% and taxes on dividends paid out to members who are shareholders, resulting in double taxation.
- The SACCOs are faced with insufficient loan funds for onward lending to members.
- Political utterances from leaders such as Resident District Commissioners undermine SACCO objectives. Members have at times taken funds as donations from government.

Conclusion

The MSC was able to provide business development services to 85% of the SACCOs monitored. 100% of the SACCOs receiving support from the MSC were found to have clear governance structures in place. The processing time for loan applications was averagely four months against a target of two months. This was on account of incomplete submissions by clients, delayed verifications by MSC and insufficient credit funds. 60% of the SACCOs had received training in governance practices and loan management from the PROFIRA. 60% of the SACCOs visited required credit funds, two (14%) of which had applied to MSC but had not received response.

Recommendations

- The PROFIRA should partner with MSC to effectively build capacity of SACCO members in managing loan funds especially on the importance of repayments.
- The Government should consider a lower tax rate for dividends from SACCOs that have paid corporation tax.
- The SACCOs should mobilize savings and improve upon their loan applications to enable access to credit from the MSC.
- MFPED-Financial Services Department should partner with Ministry of Local Government (MoLG) and Ministry of Trade Industry and Cooperatives (MATIC) in sesnsitizing Stakeholders including political leaders to appropriately communicate the objectives of the credit funds and importance of loan repayments.

CHAPTER 12: PUBLIC SECTOR MANAGEMENT

12.1 Introduction

12.1.1 Sector Objectives and Priorities

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 sector aims to:

a) Establish mechanisms that will promote coordinated and harmonized policy, planning, budgeting, monitoring and evaluation at National and Local Government levels.

b) Attract, recruit and retain a highly-skilled and professional workforce.

c) Develop management and operational structures for an efficient and effective decentralized service delivery system.

d) Implement East African integration through implementation of the East Africa Customs Union.

e) Establish the East African Common Market, a monetary union and ultimately the East African Federation.

Over the next five years, the sector will prioritize the following areas as avenues of contributing to the National Strategic Objectives and the National Vision 2040.

a) Review systems, structures, processes and procedures for effective coordination of service delivery.
b) Harmonize and reform policies, laws and regulations at the national and local government level to bring them in line with regional and international obligations.
c) Spearhead reforms and manage talent to create a well-motivated and competitive public service.
d) Coordinate information flow and resource allocation towards Government priorities.
e) Reduce the impact of natural disasters and emergencies.
f) Spear head comprehensive and integrated development planning at local and National Level.
g) Develop mechanisms for Local Government Financing.

Financing of these priorities is undertaken through nine votes:(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).These are responsible for spearheading and managing reforms in Government, managing talent as well as coordinating resources and information flow in the public sector.

12.1.2 Overall Sector Financial Performance

The approved budget for the eight votes (Excluding Local Governments) under the PSM sector for FY 2016/17 was Ug shs 498.24billion (exclusive; external financing, taxes and arrears[45]) except for MoLG of which Ug shs133.185 (26.7%) was released and 122.618 (92%) spent by 31st December, 2016. This was a poor release and good absorption.

Table 12.1: Financial Performance of PSM Sector as at 31st December, 2016 (billion excluding Arrears and Taxes)

Institution	Approved budget	Releases	Expenditures	% Budget released	% Release Spent
Office of the Prime Minister (OPM)	131.851	53.651	52.141	40.7%	97.2.%
Ministry of Public Service (MoPS)	29.803	10.241	9.211	34.4%	89.9%
Ministry of Local Government (MoLG)	235.744	8.847	5.246	3.8%	59.3%
Ministry of East African Community Affairs (MEACA)	29.202	23.447	22.611	80.3%	96.4%
National Planning Authority (NPA)	22.530	11.971	10.162	53.1%	84.9%
Kampala Capital City Authority (KCCA)	37.213	19.330	18.203	51.9%	94.2%
Public Service Commission (PSC)	6.714	3.318	2.835	49.4%	85.4%
Local Government Finance Commission (LGFC)	5.183	2.380	2.209	45.9%	92.8%
TOTAL	**498.24**	**133.185**	**122.618**	**26.7%**	**92%**

Source: MFPED, February 2017

12.1.3 Scope

The report presents semi-annual performance for selected PSM sector programmes in FY 2016/17. The monitoring work covered 14 projects/programmes from eight votes as shown in Table 12.2 below.

Table 12.2: PSM Projects/ Programmes visited

Vote	Project/Programme	Sampled institutions/ districts
Vote 003: Office of the Prime Minister	Project 0922: Humanitarian Assistance	Kampala, Buikwe,Bulambuli,Soroti, Masaka,Bushenyi, Isingiro
	Project 1078:Karamoja Integrated Development Programme (KIDP)	Moroto, Nakapiripit, Amudat, Abim

[45] MFPED 2016

	Project 0022: Support to Luwero-Rwenzori Development Programme	Buikwe, Luwero, Mukono,Kabarole, Mubende
	Project 0932: Post-war Recovery and Presidential Pledges	Office of the Pime Minister, Gulu, Soroti, Kole, Oyam, Bukedea
Vote 005: Ministry of Public Service	Project 1285: Support to Ministry of Public Service	Kampala.
	Public Service Reforms: Upgrading the Civil Service College; Public Performance Management; Management of the Public Service Payroll and Wage Bill; Demand for Service Delivery Accountability strengthened through Client Charters; Development and Dissemination of Policies, Standards and Procedures; Payments of Statutory Pensions, implementation of pension reforms.	MoPS, MoLG, Buikwe, , Moroto, Nakapiripit, Amudat, Abim, Soroti, ,Mukono,Masaka, Mubende, Buikwe, Luwero, Kayunga, Busia, Bugiri, Mayuge, Mbarara, Bushenyi, Kyegegwa ,Kabarole, Isingiro, Kole, and Oyam, the Civil Service Colledge in Jinja district.
Vote 011: Ministry of Local Government	Project 1292: Millennium Villages Project	Isingiro
	Project 1236: Community Agriculture Infrastructure Improvement Programme-(CAAIP111)	Busia, Bugiri, Mayuge, ,Kyegegwa,Kanungu, Kabale,Mbarara, Kabarole, Kole, Oyam, and Apac
	Project 1088: Urban Markets and Marketing Development of the Agricultural Project (UMMDAP)	Masaka (Nyendo), Wakiso (Busega)
	Project 1307: Support Ministry of Local Government	Ministry of Local Government and Kayunga
Vote 021: East African Community	Project 1005: Strengthening Ministry of EAC Affairs	Ministry of EAC Affairs
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
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: Authors' compilation

12.1.4 Limitations

- Lack of detailedquarterly departmental work plans, performance indicators and targets for some sector programmes.
- Inadeqaute information in instances where technical officers in the MDAs and LGs were absent.

12.2 Office of the Prime Minister - Vote 003

Four Government of Uganda (GoU) development projects were sampled. These included: Humanitarian Assistance; Karamoja Integrated Development Programme (KIDP); Post-war Recovery, and Presidential Pledges, and Support to Luwero Rwenzori Development Programme (LRDP).

12.2.1 Humanitarian Assistance (Project 0922)

Background

The project objective is to coordinate timely response to disasters and provide food and non-food relief to disaster victims.The project period is five years from 1st July 2015 to 30th June, 2010. The approved budget was Ug shs 3.626 billion of which Ug shs 0.545billion (15%) was released and Ug shs 0.566 billion(103%) spent by 31st December, 2016. The over expenditure was attributed to funds borrowed (Ug shs 64 million) from other projects to procure relief items for disaster victims. This was poor release and good absorption.

Performance

The physical performance was poor at 43.49% against 103% absorption. This was attributed to low releases coupled with lack of clear planned outputs and performance targets. The relief to disaster victims planned outputs were ambiguous, and partial achievements made. Table 12.3 shows the performance of the project.

Table12.3: Performance of Humanitarian Assistance Project as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Relief to disaster victims (maize, beans, tarpaulines and blankets)	1	2.288	0.02	34.039	Because of the budgetary constraints relief worth 9,680 bags of maize, 3,160 of beans and 1,390 tarpaulines and blankets were procured and distributed to famine victims in 20 affected districts.
Government Buildings and Administrative Infrastructure	7	0.917	0.04	3.662	The Namanve store was completed and operational. Out of Ug shs 36 million released, only Ug shs 4 million was spent on constructing a pit latrine on site. The following activities were not done: Fencing, approval for connection of water and electricity; completion of back filling; BoQs and designs for National Emergency Coordination and Operations Centre (NECOC); Eviction of encroachers and wall fencing of land

					in Kisugu for the Disaster Department; Ground prepared for future NECOC building.
Purchase of Motor Vehicles and other transport equipment	1	0.419	0.5	5.791	Out of the Ug shs 420 million, Ug shs 130 million was used to clear debts for two vehicles procured in FY2015/16; No new cars were procured by 31st December, 2016. the balance of funds were reallocated to procure relief to disaster victims.
Total		**3.624**			
Overall weighted physical performance score				**43.49%**	**Poor performance**

Source: IFMS data/MFPED

There was evidence of completion and operation of the Namanve stores meant for storage of agricultural supplies such as maize, rice, beans under the disaster programme as at 31st December, 2016. Quality of works on the stores was good.

L-R: One of the trucks procured by the project at Namanve stores; Rice, maize flour and beans in the store

Implementation Challenges

- The store is not large enough to store all relief items like the rice donated by the Chinese Government to Uganda.
- The land purchased in Bulambuli district for resettlement is idle and now prone to encroachment.
- Funds were not released for procurement of relief items for disaster victims across districts for Q1 and Q2.

Recommendations

- The OPM should mobilize funds to construct bigger stores to accommodate more relief items.
- The MFPED should release funds for construction of houses for resettlement

- The MFPED should implement the contingency provision of the PFMA 2015 Act which allows the transfer of 15% of contingency funds to a special account specifically for disasters managed by the OPM Accounting Officer.

12.2.2 Karamoja Integrated Development Programme (KIDP)- Project 1078

Background

Karamoja Integrated Development Programme (KIDP) objective is to contribute to human security and promote conditions for recovery and development in Karamoja. The project is implemented in Abim, Amudat, Moroto, Nakapiripirit, Kotido, Kaabong and Napak districts. The project period is 1st July 2015 to 30th June 2020.

It approved annual budget was Ug shs 16.041 billion, of which Ug shs 4.009 billion (25%) was released and Ug shs 3.896 billion spent (97%) by 31st December, 2016. This was a poor release and good absorption.

Performance

The physical performance was poor at 26.8% against 97% funds absorption.There was no evidence in the field of implementation of planned outputs. There was no evidence of procured oxen in Karamoja under Pacification and Development output. Project achievements were not inline with the planned outputs. Table 12.4 shows project performance as at 31st December, 2016.

Table 12.4: Performance of Karamoja Integrated Development Programme as at 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Coordination of the implementation of KIDP	8	1.184	2	3.915	Only two meetings were held. Other achievements were on non-core activities. The highest expenditure was on consultancy services and travel inland amounting to Ug shs 385.644 million.
Pacification and Development	9	11	0.18	6.797	Core activities included procuring animals and construction of valley tanks. Over Ug shs 322 million was spent on non-core activities such as allowances, workshops and seminars. Funds worth Ug shs 1.9 billion were spent on procuring agricultural supplies such as oxen, ox ploughs, iron sheets;

					however the oxen and goats were not seen during the monitoring in Karamoja.
Transfers to Government Units	1	0.700	1	4.364	Funds worth Ug shs 165,530,683 were remitted through prisons headquarters to Namalu Prisons to complete payments for the stores and purchase of seeds.
Government Buildings and Administrative Infrastructure	3	2.250	1	11.688	The funds released were meant to construct five cattle crushes in Abim district; however funds were reallocated to pay advance of Ug shs 831 million to M/s BMK for construction of Girls Dormitories in Moroto and six kitchens. Civil works for Moroto Girls dormitory were ongoing at 60% completion and works on the kitchens had not commenced. While civil works on girls dormitories in Nakapiripirit and Amudat districts were incomplete (60%) and activity had been rolled over from FY 2014/15.
Purchase of office and ICT equipment	1	0.05	0	0	Funds were not released hence activity not undertaken
Purchaseof Specialized Machinery and Equipment	1	0.145	0	0	Funds were not released hence activity not undertaken
Total		**16.041**			
Overall weighted physical performance score				**26.8%**	**Poor performance**

Source: IFMS data/MFPEDand field findings

In Moroto District, ongoing civil works were noted at Moroto High School girls' dormitories that were at wall plate level, while in Amudat District works were ongoing on the girls' dormitories at Karita Primary School; although these had been rolled over from FY2014/15. The prison stores in Namalu, Nakapiripirit district were completed and functional. Quality of civil works was good for all projects. In Abim district, beneficiary groups that were said to have received oxen and goats were met, however no animals were seen by the team.

Left: Workers loading sacks of sunflower seeds from the store onto a prison truck in Namalu Prison; Right: Girls' dormitory under construction at Moroto High School, Moroto District

Challenges

- The project has too many ambiguous planned outputs and lacks clear performance targets.
- Delayed payments to contractors. The contractor in Nakapiripit and Amudat districts for the construction of the girls dormitories at Lolachat and Karita primary schools where works were ongoing had not been paid by 31st December 2016 yet this output is rolled over from FY2014/15.
- The OPM project staff did not avail the team with detailed documentation regarding the project. Lists of beneficiary who got animals per district and contract details of contractors for Karamoja region were not availed to the team.
- Civil works contractors are overloaded with projects resulting in delayed completion. BMK was awarded most of the civil works in the Karamoja region and this partly explains why the contractor has delayed to construct kitchens at Moroto High School despite the advance payment.

Recommendations

- The OPM Permanent Secretary in consultation with planning unit should develop clear quarterly work plans and performance targets.
- The Auditor General should carry out a comprehensive audit of KIDP and investigate procurements including purchase of oxen, construction of girls' dormitories that commenced in FY2014/15 in Amudat and Nakapiripirit districts and are still ongoing coupled, with delayed payments.
- OPM Permanent Secretary should review and develop clear systems and procedures on payments of completed civil works for contractors in LGs under KIDP.
- The MFPED should reshuffle procurements staff deployed in the OPM for efficient and effective delivery of service.

12.2.3 Support to Luwero Rwenzori Development Programme (LRDP)-Project 0022

Background

The Support to Luwero Rwenzori Development Programme is implemented in 43 districts[46]in the sub-regions of Luwero and Rwenzori Triangle. The project seeks 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 01stJuly 2015 to 30th June 2020.

Its approved budget was Ug shs 3.489 billion of which Ug shs 0.766 billion(21%) was released and Ug shs0.758 billion (98%) spent by 31st December, 2016. This was a poor release and good funds absorption.

Performance

The physical performance was poor at 46.6% against 99% funds absorption. Activities implemented were not inline with the planned outputs. Funds for micro projects were sent to district accounts but not spent. Table 12.5 shows performance as at 31st December, 2016.

Table 12.5: Performance of Support to LRDP as at 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Coordination of implementation of LRDP	5	0.928	1	14.822	two out of four meetings and a bench marking visit were undertaken. Funds worth Ug shs 137 million was spent on non-core activities such as allowances,seminars and workshops, and salaries for contract staff salaries.
Pacification and Development	2	0.706	0.1	5.157	Much as Ug shs 112 million was spent, only Ug shs 81 million was disbursed to Buikwe, Mubende and Kasese districts for setting up of crop nurseries. The balance of Ug shs 31 million was unaccounted for.
Transfers to Government Units	1	0.800	0.25	22.923	Funds worth Ug shs 81 million were disbursed to 21 micro projects in Wakiso, Mubende, Butambala and Luwero districts

46 Bundibujo, Ntoroko, Kasese, Kabarole, Kyenjojo, Kyegegwa, Mityana, Mubende, Luwero, Nakasongola, Nakaseke, Kyankwanzi, Kiboga, Wakiso, Mukono, Kibaale, Butambala, Bukomansimbi, Gombe, Buvuma, Kalangala, Kayunga, Kiruhura, Kiryandongo, Mpigi, Kalungu, Lwengo, Masaka, Masindi, Rakai, Hoima, Bullisa, Insingiro, Ibanda, Lyantonde, Sembabule, Buikwe, Kamwenge, and Mbarara

					in December 2016, so were yet to be utilized.
Government Buildings and Administrative Infrastructure	3	0.475	0.3	0	Much as the Nalutuntu HC III in Mubende district was completed, MFPED had not released funds for payment of the contractor.
Purchase of Motor Vehicles and other transport equipment	1	0.130	1	3.725	A Tipper truck worth Ug shs 130 million was procured.
Purchase of Specialized Machinery and Equipment	3	0.450	0	0	Awaiting approval of the contract from the Solicitor General to procure a tractor.
Total		**3.489**			
Overall weighted physical performance score				**46.6%**	**Poor performance**

Source: IFMS data, field findings and OPM Quarter 2 progress reports

Under Pacification and Development, three crop nurseries were established in Buikwe, Mubende and Kasese districts. Organo Yield Group Coffee Nursery in Buikwe district received Ug shs 27million for establishing a coffee and cocoa nursery and it was operational. It had 10 members (two female and eight male). The nursery sits on half an acre in Ngogwe sub-county, Nangonge village. The civil works at Nalutuntu Health Centre III in Mubende district, were completed and were of fair quality.

L-R: Organo Yield Group Cocoa and Coffee Nursery in Buikwe district; Completed Maternity ward at Nalutuntu HC III in Mubende district

Challenges

- Implementation of civil works outside the work plan Nalutuntu HC III in Mubende district was not planned for in FY 2016/17 budget, yet there was evidence of ongoing civil works by 31st December 2016.

- There is no clear mechanism set by OPM to follow up funds sent to micro projects in DLGs to ensure their proper utlisation.

Recommendations

- The LGs should develop clear work plans and performance targets for funds remitted by OPM for micro projects.
- The OPM should set clear inspection guidelines and constant technical follow ups on the usage of funds to realize value for money.

12.2.4 Post-War Recovery and Presidential Pledges - Project 0932

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, Persons with Disabilities (PWDs) children, ex-combatants, elderly and other groups by supporting them out of poverty. It covers 55 districts and nine municipalities in the greater North covering eight sub-regions of West Nile, Acholi, Bunyoro, Lango, Teso, Karamoja, Elgon and Bukedi.

The approved budget for FY2016/17 was Ug shs 29.573billion of which Ug shs 10.357billion (35%) was released and Ug shs 10.215 billion (98%) spent by 31st December, 2016. This was a poor release and good funds absorption.

Performance

The physical performance was poor at 22.1% against 98% funds absorption. This was attributed to the achievements not being in line with the planned outputs, and reallocation of funds without authority from MFPED. Under the restocking output, Ug shs 7.8 billion was reallocated to pay debts of oxen purchased in FY2015/16. Table 12.6 shows the detailed performance of the project.

Table 12.6: Performance of Post War Recovery and Presidential Pledges Project as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Implementation of PRDP coordinated and monitored	4	2.823	3	4.774	The meetings were achieved as planned, however non-core activities included contract staff salaries where Ug shs 125 million were paid out; and over Ug shs 640 million was spent on allowances, rent, fuel, vehicle maintenance.

Pacification and Development	5	3.350	1	1.416	The only activity implemented was the publication of PRDP documentation. However, the highest expenditure was on agricultural supplies worth Ug shs 589 million. No agricultural supplies was seen during monitoring.
Restocking Programme	2	20	0.35	11.835	Funds worth Ug shs 7.8 billion meant for procuring 4650 oxen were reallocated without authority from MFPED to pay for oxen procured in in FY 2015/16.
Transfers to Government units	1	1.2	1	4.058	Funds worth Ug shs 560 million were transferred to Northern Uganda Youth Development Centre (NUYDC) to support the centre purchase materials for students at the vocational institute and pay salaries. This was confirmed by the NUYDC Acting Director.
Government Buildings and Administrative Infrastructure	25	2.2	0	0	Output was not achieved. Funds worth Ug shs 100 million were reallocated to address the disaster across the country.
Total		**29.573**			
Overall weighted physical performance score				**22.1%**	**Poor performance**

Source: IFMS data, Field Findings and OPM Quarter 2 Progress Reports

The Northern Uganda Youth Development Centre (NUYDC) is located in Omoro district. It is meant to build capacities of vulnerable youth to acquire employment skills in the job market; support youth to gain dignity and acceptable standard of living; and enhance reintegration of conflict-affected youth in their communities.

The centre has 367 enrolled trainees (28% females and 72% males) in various courses.

NUYDC administrative block in Omoro district

Challenges

- There are no clear quarterly departmental workplans and performance targets making it hard to assess performance.
- Reallocation of funds without authority from MFPED as required by the PFMA, 2015.

- Delayed recruitment of the NUYDC director. The current position holder has been acting for over one year and is overwhelmed with the work since she also serves as an administrator.

Recommendations

- The OPM Permanent Secretary in liason with planning unit should develop clear quarterly departmental work plans and performance targets.
- The OPM Permanent Secretary should in future seek authority for reallocation of funds from MFPED.as required by law.
- The OPM Human Resource Department should hasten the process of recruiting a director for the NUYDC.

12.3 Vote 005: Ministry of Public Service

Background

12.3.1 Public Service Programmes (Reforms)

The main objective of the Public Service Reform programme is "to support transformation of the Public Service so that it is affordable, efficient, accountable and responsive to the needs of the clients," and to support the Ministry of Public Service to ensure efficient and effective utilization of the human,resources. The reforms are spearheaded by the Ministry of Public Service.

Strategic Objectives are to: strengthen Human Capital Planning, Development and Management; To sustain efficiency and effectiveness of Public Service delivery structures, systems' and processes; and To enhance performance management and accountability of Public service delivery.

The approved budget for development and recurrent outputs for FY 2016/17 was Ug shs 16.581 billion of which Ug shs5.890 billion(35.5 %) was released and Ug shs 5.120 billion (86.9 %) spent by 31st December 2016. This was a poor release and good absorption.

Performance

The physical performance was poor at 48.8% against 86.9% funds absorption.This was attributed to lack of a strategic plan resulting in development of ambiguous planned outputs that are duplicated; and reallocation of funds. Detailed performance is shown in table 12.7.

Table 12.7: Performance of Ministry of Public Service as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Ministerial and Support Services	4	1.470	2	8.865	Office facilities, support services; procurement of computers and IT equipment were not implemented. Only monitoring visits by Top Management; and field visits to West

					Nile Sub Region led by the Minister of State, the field visit for Greater Masaka Sub Region led by the Minister of Public Service were undertaken.
Government Buildings and Administrative Infrastructure	1	3	1	18.092	Ug shs 0.577 million out of the Ug shs 3 billion was paid to the contractor of National Archives Records Centre (NARC) as part of the outstanding invoices.
Purchase of Office and ICT Equipment, including Software	1	0.993	0	0	There was a reallocation of funds for procuring mobile shelves. Ug shs 50 million was spent on procurement of 9 desktops and 2 laptop computers; fire Wall and Data storage facilities and payment for subscription for Internet services.
Purchase of Office and Residential Furniture and Fittings	1	0.587	0.5	3.540	Ug shs 7 million was paid for supply of a reception desk for Block B.
Upgrading of the Civil Service College Facility	29	2.599	7	12.155	Most of the funds were spent on salaries amounting to Ug shs 456 million. There were partial trainings of HR officers in the balanced score card; performance management of 165 staff; and 71 staff trained in change management and leadership; other outputs implemented were not planned for like travel abroad to bench mark best practices for a one stop service centre in Estonia which is under Management Structures that has its own budget.
MDAs and LGs Capacity Building	2	1.706	0	0	This output is duplicated under Human Resource Management and Human Resource Development. Funds were reallocated to draft policies which was not in line with planned output of disseminating gender Lens in LGs.
Public Service Performance management	2	0.317	0.03	0.190	A training in Balance Score Card was achieved yet this is a duplication of Civil Service College output that has its own budget. Rolling out of performance agreements to sub county chiefs was not done.

Management of the Public Service Payroll and Wage Bill	2	1.187	0.05	1.284	Payroll training of managers in 27 new votes was implemented.
IPPS Implementation Support	4	2.957	0.05	0.266	30 electronic document management system (EDMS) votes were supported. Rolling out of IPPS to 98 votes was not done yet it is a priority in LGs for implementation of salary reforms. However Ug shs 1.4 billion was spent on non-core activities.
Implementation of the Public Service Pension Reforms	2	0.697	0.05	0.389	Training in pension management was implemented; however most funds amounting to Ug shs 828 million were spent on emoluments and pension for general civil service which is a duplication of the Payment of Statutory Pensions output where funds amounting to Ug shs 488 million had already been spent.
Organizational Structures for MDAs developed and reviewed	3	0.855	1	4	The staffing structures both in LGs and MDAs were developed and approved by Cabinet.
Demand for Service Delivery Accountability Strengthened through Client Charters	2	0.208	0	0	There was no documented evidenced of technical support and guidance on development and implementation of client charters.
Total		**16.581**			
Overall weighted physical performance score				**48.8%**	**Poor performance**

Source: IFMS data/MFPED

The IPPS centres in DLGs monitored were slow in understanding and implementing Public Service reforms and need more capacity building. Some centres were non-functional because of thefts, for instance all the computers at Soroti DLG offices were stolen and were yet to be replaced; while Jinja and Mbale districts lacked adequate equipment, coupled with slow Internet resulting in frequent staff travels to Kampala which is costly.

The completed and commissioned NARC in Nakasero had insufficient mobile shelves hence some boxes with files are kept on the floor, inadequate staff who also lacked training in archives management.

Left: Boxes of records on floor due to inadequate mobile shelves at the NARC building; Right: Vandalized IPPS centre in Soroti district

Challenges

- The MoPs lacks a strategic plan to guide its operations; planned outputs are ambiguous with no performance targets and uncoordinated.
- The MoPS has not developed new job descriptions for all staff in MDAs and LGs despite approval of staffing structures by Cabinet.
- Reallocation of funds without authority from MFPED to implement activities not in line with planned outputs.
- Duplication of outputs. The output under MDAs and LGs Capacity Building is duplicated under Human Resource Management (HRM), Human Resource Development (HRD) and Civil Service College.
- The IPPS has not been rolled out to the remaining 98 votes in LGs thus affecting the timely payment of salaries under the decentralized salary and pension reforms.

Recommendations

- The MoPS should finalize the development of the strategic plan to guide its operations and avoid duplication of planned outputs.
- The MoPS through the Directorate of Management Services should develop job descriptions for the MDAs and LGs in line with the staffing structures approved by Cabinet.
- The MoPS should follow the right procedure of seeking permission from MFPED for reallocation of funds.
- The MFPED and MoPS should prioritize rolling of the IPPS to the remaining 98 votes in LGs and retooling the IPPS regional centres.

12.4 Ministry of Local Government (MoLG) - Vote 011

Introduction

The Vote's mission is to coordinate and support Local Governments in a bid to provide efficient and sustainable services, improve welfare of the people and eradicate poverty. It constitutes of the following projects: Markets and Agriculture Trade Improvement Project-MATIP (1088); Community Agriculture and Infrastructure Improvement Project CAIIP III (1236); Uganda Good Governance (1286); Millennium Villages Project II (1292); and Support to Ministry of Local Government (1307).

The CAIIP III; Urban Markets and Marketing Development of the Agricultural Project (UMMDAP); Support to MoLG and Millennium Villages Project II were sampled.

12.4.1 Community Agriculture Infrastructure Improvement Programme (CAIIP-III) - Project 1236

Background

The project start date was April 2012 and end date 31st December, 2016, although it was extended to 31st December, 2017. It is funded by African Development Bank (ADB) and Islamic Development Bank (IDB). The CAIIP III aims at enhancing commercialization of the agricultural sector through improvements in rural infrastructure and their management by well mobilized communities. The Specific Objectives are; To enhance farmers' access to markets, attract competitive prices of farmers produce and increased incomes through investments in rural infrastructures and their sustainable management by well mobilized communities.

The infrastructure implemented by the project includes community access roads (CARs), agro processing facilities (APFs) and rural electrification of the agro processing facilities to enable functionality. The project is implemented in 68 sub-counties in 31 districts in Western, Northern, Central and Eastern Uganda[47].

Performance

ADB and IDB loan performance

Table 12.8 shows cumulative expenditures as at 31st December, 2016. The highest expenditure was on the works category.

Table 12.8: ADB Budget and Expenditure from 1st July 2016 to 31st December, 2016 (Ug shs)

Category	Budget	Expenditure	% spent
Goods	8,263,329,453	4,424,903,087	34%
Works	45,421,248,691	30,141,686,997	66%
Services	1,899,117,448	-	-
Operating costs	1,766,000,000	54,903,000	43%
Total	**57,349,695,592**	**34,621,493,084**	**60%**

Source: MoLG, CAIIP III Progress Reports December 2016

The IDB loan expenditure of the project by 31st December 2016 is shown in table 12.9.

[47] 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.

Table12.9: IDB Loan Budget and Expenditure from 1st July - 31st December 2016 (Ugshs)

Category	Budget	Expenditure	% spent
Rural Infrastructure	10,599,824,226	4,758,461,699	45%
Studies and Supervision Consultancy	564,600,000	120,120,000	21%
Programme Management and Capacity Building Component	220,000,000	47,920,239	22%
Total	**11,384,424,226**	**4,926,501,938**	**43%**

Source: MoLG, CAIIP III Progress Reports December 2016

GoU Performance

Table 12.10: GoU Budget and Expenditure from 1st July 2016 to 31st December 2016

Category	Budget	Release	Expenditure	% spent	Remarks
Taxes - Civil Works	3,300,000,000	721,845,781	706,827,642	**21**	Poor release
Total	**3,300,000,000**	**721,845,781**	**706,827,642**	**97**	Good absorption

Source: MoLG, CAIIP III Progress Reports December 2016

Performance

The physical performance of the project was poor at 44% as shown in table 12.11.

Table 12.11: Physical Performance of CAIIP III as at 31st December 2016

Component	Planned output	Achieved	% achieved	Remarks
Rural Infrastructure Improvement component			**66.04**	**(average performance)**
Completion of CARs	2,827km	2,613km	92.14	Good performance. The rehabilitated 2,613km CARs have been handed over to LGs for use and maintenance under the ADB-IDB loan.
Completed APF constructions	79	66	83.54	Completed APFs but non-functional
Installations of machines	66	22	33.33	The coffee hullers, rice hullers, mazie mills and milk coolers in the North and Western regions were installed but not connected to the electricity grid. In the Eastern region, the machines were not installed yet were completed and handed over.
Grid extension to APFs	58	32	55.17	Most sites are supplied with transformers

sites				however; the one in Luweero LG was poorly installed.
Community Mobilization			**33%**	**(average performance)**
Gender, HIV/AIDS sensitization & mainstreaming	1	0	33	Sensitization on gender issues was low.
Undertake Monitoring and supervision of community mobilization activities	1	0	33	Activity not implemented.
Programme Facilitation			**33%**	**(performance)**
Carry out routine monitoring and support supervision	1	33	33	Low supervision by districts and project facilitation team to assess progress of works.
Overall weighted physical performance score			**44%**	**Poor physical performance**

Source: MoLG progress reports, February 2017

The CARs were completed in districts of Busia, Mayuge, Mbarara, Oyam and Kole but there was a lag in maintenance as vegetation had started growing by the road sides.

Works were incomplete as heaps of murram were observed along the Kagogo-Kagumba-Bundibugyo road at the swampy section in Kichwamba sub-county, Kabarole district; semi-permanent structures and rural growth centres have been set up along the rehabilitated Kanyegaramire–Mujunju-Nyarugoro Road in Kisomoro sub-county. Locals attested that the rehabilitated CARs had improved transport.

Rural growth centre along the rehabilitated Kanyegaramire– Mujunju-Nyarugoro Road in Kisomoro Sub-county, Kabarole District

The APFs in the monitored districts of Luwero, Kyegegwa, Kabarole, Mbarara, Busia, Bugiri, Mayuge, Kole and Oyam were complete although non-functional except for Bushenyi where works were at wallplate level.

Poor workmanship was observed on the APF in Luwero DLG where the building had developed cracks before use and communities were not happy with the works; the milk cooler in Kyegegwa district was installed, tested but non-functional. In Bushenyi district, the construction facilities for the three coffee hullers were incomplete; whereas in Busia, Mayuge, and Busia districts, the APFs were completed but no machinery installed; APFs have now become shades for goats and bats.

Completed but non-functional coffee huller facility in Kichwamba sub-county, Kabarole district; top right: Installed machinery for maize mill in Myene sub-county, Oyam district

Challenges

- Delays in installation and testing of machinery affects the functionality of APFs. The contract for installation of machines was awarded to only one Chinese contractor who is overloaded with work. The machines in Busia, Bugiri, Mayuge, and Kabarole districts had not been installed yet APF have been completed. In Luwero, Mbarara, Kole, Oyam and Apac districts the machinery was installed but not tested hence all facilities visited were non-functional.

- Delayed payments to contractors for various reasons including variance in figures on submitted completion certificates and measurement sheets from districts to the MoLG. For example, in Kanungu district, Pehan Construction Limited submitted an invoice dated 26/09/2016 No 0124 worth Ug shs 108,056,789 to MoLG and another worth Ug shs 100,645,406 for two different sites however by Janaury 2017, the contractor had not been paid.

Recommendations

- The MoLG should hasten installations and testing of machinery and grid power in APFs for functionality.
- The Permanent Secretary MoLG and DLGs should set timelines for clearance of payment of certificates.

12.4.2 Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP) - Project 1416

Background

The Government of Uganda secured funding from the African Development Bank (AfDB) and Arab Bank for Economic Development in Africa (BADEA) to finance the re-development and upgrading of urban markets. The project start date is 01st July 2016 and end date is 31st June 2021. The expected output was completion of construction of Nyendo and Busega markets.

Project Objectives: To enhance and develop the agricultural sector by: a) Providing an outlet for the agricultural product, b) Avail 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 incomes and hence reduction of poverty in rural areas as well as activating boarder trade between the local traders and from neighboring countries hence adding value to their products and facilitating exchange of trade.

BADEA loan performance

The BADEA loan cumulative performance both physical and financial is shown in table 12.12.

Table 12.12: Budget and actual expenditure from 1st July - 31st December 2016 (Ug shs)

Category	Budget	Expenditure	% Performance	Remarks
Civil works	19,251,140,446	6,319,513,366	33	Funds are ear marked for Civil works on markets
Consultancy services	435,016,400	160,650,000	37	Funds earmarked for supervision consultancy
Total	**19,686,156,846**	**6,480,163,366**	**33**	**Poor Absorption**

Source: MoLG coordination office December 2016

GoU Performance

Table 12.13 shows the overall performance of the UMMDAP as at 31st December 2016.

Table 12.13: Budget and Expenditure from 1st July – 31st December 2016 (Ug shs)

Category	Budget	Expenditure	% Performance
Taxes - Civil Works	2,777,973,688	828,515,442	100
Total	**2,777,973,688**	**828,515,442**	**100**

Source: MoLG Coordination Office December 2016

Financial performance of Nyendo Market was at 51.39%, while Busega Market Phase I was at 69.16%. A supplementary request of Ug shs 25 billion for Busega Market Phase II has been forwarded to the MFPED for consideration.

Performance

The physical performance was good at 82%. Nyendo Market was completed and commissioned on 2nd December, 2016 by His Excellency Yoweri Kaguta Museveni. Phase I of Busega Market was completed and handed over on 21st October, 2016. Quality of the civil works was good. Relocation of vendors back to Nyendo market as planned was not undertaken during Quarter 2.

Table 12.14 shows the performance of Nyendo and Busega Markets as at 31st December 2016.

Table 12.14: BADEA Performance as at 31st December 2016

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	Activity not undertaken	No funding provided for resettlement of vendors in Quarter 2
	Commission the re-constructed markets	Nyendo Market was commissioned by H.E Yoweri K. Museveni, the President of the Republic of Uganda on 2nd December 2016.	Output was 100% achieved. For Busega, the contractor completed Phase I and handed over to MoLG.
Programme Management and Coordination	Continue undertaking monitoring and supervision	Continue undertaking monitoring and supervision	Output was 95% achieved. This was done by engineers; inter-ministerial policy committee on routine basis.
Overall weighted physical performance score			**82 % Good performance**

Source: MoLG coordination offices, December 2016

Challenges

- Delayed payments to contractors for both markets. The contractor for Busega Market demands Ug shs 2,291,324,658 and US$ 890,989.41.
- Delayed payments of VAT amounting to Ug shs 2,827,339,314 for Busega Market. Only one out of the 11 certificates amounting to Ug shs 92,666,007 was paid on 19th October, 2016.

Recommendations

- The MoLG Permanent Secretary and project team should intervene and address the issue of delayed payments for completed civil works.
- The MFPED should address the problem of delayed payments of VAT that is attracting interest.

L-R: Vendors selling their goods outside the market; Completed Nyendo Market in Masaka Municipality; Super structure of Busega market

12.4.3 Millennium Villages Project II (MVP) - Project 1292

Background

The Millenniums Village Project (MVP) is a Government intervention that focuses on lifting rural communities out of absolute poverty. The MoLG signed a contract with Millennium Promise Alliance (MPA) to implement the project. The project period was from January 2014 to 31st December 2016.

The MVP II is implemented in Isingiro district following seven components provided in the project appraisal document and loan agreement. Funding comprises of Islamic Development Bank (IDB) and Government as shown in Table 12.15. A baseline assessment is being conducted by MVP II to generate data that is needed to design future implementation of similar interventions in the districts of Gomba, Nakaseke, Bukedea, Amuria and Oyam.

Table 12.15: Cumulative Financial Loan Performance of MVPII as at 31st December 2016

Component	Budget (US$)	Budget (US$) July – Dec 2016	Expenditure (US$) July – Dec 2016
Increased Agricultural production and Enhanced Nutrition	1,300,000	**141,900**	29,475
Business Development & Microfinance	1,460,000	**464,176**	3,504
Promoting Access, Retention and Quality of Education	1,170,000	**177,581**	14,011
Promoting Health Service Delivery Systems	2,170,000	**381,608**	125,715
Infrastructure Development and Innovation promotion	1,450,000	**471,982**	72,311
Water for Domestic Consumption and Production	1,360,000	**112,230**	139,133
Project Management and Technical Support	1,290,000	**250,523**	110,748
Contingence	1,190,000	**0**	0
Total	**11,390,000**	**2,000,000**	**494,897**

Source: MVPII Progress Report, August 2016

The approved budget of the MVP II GoU component was Ug shs 500 million, of which Ug shs 0.229 million (46%) was released and spent by 31st December, 2016. The GoU funds were meant for acquisition of other capital assets, however there was no evidence of funds spent in Isingiro district.

Performance

The physical performance of the loan component was fair (56.1%) against 25% funds absorption. Detailed performance is shown in table 12.16.

Table 12.16: Performance of MVPII donor component as at 31st December 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (US$)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Increased Agricultural production and enhanced nutrition	21	141,900	14	5.407	Achievements included production of reports; booklets and grain demonstration facilities set up. A total of 1,400 booklets were produced and distributed to over 200 lead farmers;
Business Development and Micro Finance	40	464,176	19	12.603	Sensitization and technical assistance was provided on saving culture and facilitated, formation and registration of cooperatives for SACCO members
Promoting universal access, retention and quality of education	19	177,581	15	8.014	Conducted professional development trainings and refresher courses for 400 teachers in Isingiro district.
Strengthening health service delivery Systems for improving access to basic health care	23	381,608	18	17.071	Trainings and sensitization campaigns were carried out; constructions of an OPD/Maternity ward at Rwentango HC II, Kihiihi HC II and Kikagate HC III were 95% complete; At Kabuyanda HC IV, construction of an attendants' shelter was completed and handed over for use.
Infrastructure development and Innovation	6	471,982	2.3	10.342	Completed the rehabilitation of Omukinange-Omukatooma-Kasharira-Rwakakwenda-Ruborogota road (25km) and Kasheshe-Bigasha road (13km); Redesigned the broadcasting system of Ruhiira Millennium voice radio.

Water for domestic consumption, production and sanitation	7	112,230	2.9	2.658	Activity included construction of water schemes but only Murema Pumped Piped Water Scheme was completed pending laying of distributions of pipes; Sanitation campaigns and trainings in Kabuyanda and Nyakitunda Sub counties were carried out.
Total		**1,749,477**			
Overall weighted physical performance score				**56.1%**	**Fair performance**

Source: MVP II progress reports, January 2017

At Rwekubo HC IV, the attendants' shelter was completed and operational, while works were ongoing on the theatre. Completed civil works at Kikagate HC III were of good quality. Works were ongoing at the Rwentango HC II, Kihiihi HC II OutPatient Department (OPD) and maternity blocks, and Rugaaga HC IV general ward.


L-R: New Kikagate HC III OPD in Kikagate sub-county; Ongoing construction works on the walkway at Rwekubo HC IV in Isingiro Town Council, Isingiro district

At Murema Water Scheme source protection fencing of the catchment source was 50% complete; the source tank was at 90% with 100m3 capacity. Works for laying of the 5km distribution pipeline were ongoing. Quality of works was good.


L-R: Protected water catchment at Murema water source; Community members excavating water trenches and laying pipes for the water source at Kashumba sub-county, in Isingiro district

Challenges

- The GoU component has no work plans against funds released and this makes it difficult to ensure accountability and performance.
- The project lacks an M&E framework in determining the impact of trainings conducted in Isingiro district.

Recommendations

- The MoLG Permanent Secretary with the internal auditor should carry out a comprehensive audit on usage of GoU funding.
- The MoLG should establish an M&E framework to determine impact of trainings conducted under the donor component.

12.4.4 Support to Ministry of Local Government (MoLG) - Project 1307

Background

The mission of MoLG is to coordinate and support LGs in a bid to provide efficient and sustainable services, improve the welfare of the people and eradicate poverty. The Strategic Objectives are; to promote democratic governance transparency and accountability in Local Governments; ensure Local Governments deliver quality services; ensure adherence to statutory requirements in Local Governments; build capacity of Local Government Councils; facilitate realization of governmentpoverty reduction initiatives.

Project Objectives: 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; (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;

The approved budget for FY2016/17 is Ug shs 5.024 billion, of which Ug shs 1.340 billion(26%) was released and Ug shs 0.690 billion (51%) spent as at 31st December 2016. This was a poor release and fair absorption.

Performance

Physical performance was poor at 39% against 51% funds absorption. This was attributed to reallocation of funds from payment for 111 vehicles of LCV Chairpersons in DLGs to procure vehicles for the Finance and Administration undersecretary and staff in MoLG. Table 12.17 shows the performance of the project by 31st December, 2016.

Table 12.17: Performance of Support to MoLG as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Government Buildings and Administrative Infrastructure	4	1.8	2.4	21.494	Funds worth Ug shs 200 million were remitted to Kayunga for completion of the council hall.
Purchase of Motor Vehicles and Other Transport Equipment	1	2.374	0.35	16.541	Instead of paying for vehicles for LC V Chairpersons, Ug shs 209 million was remitted to Nissan Motor Care for a station wagon Nissan Pathfinder for the US F&A; deposit of ug shs 102 million for 3 Ford double cabin pickups was paid to Cooper Motors; and a final payment for 4 station wagons and one mini bus at ug shs 91,364,800 million to Toyota (U) Limited was done.
Purchase of Office and ICT Equipment, including Software	3	0.05	3	0.995	Funds worth Ug shs 4,985,500 were paid for a computer, printer, a UPS and accessories from Drencher Consult Ltd; Genius Computer Solutions was paid Ug shs 4,970,200 for a computer, desktop UPS, software and printer; Mughecom Technologies Ltd was paid Ug shs 7,870,600 for supply of telephone sets; Haptech International Ltd was paid Ug shs 31,000,000 for electronic data processing equipment for the Minister and Minister of States' offices.
Purchase of specialized machinery and equipment	45	0.7	0	0	Output included purchase of solar which was not done, however Ug shs 2.1 million was for advertisements.
Purchase of Office and Residential Furniture and Fittings	1	0.1	0	0	Funds worth Ug shs 36 million were spent on cabinets; vertical blinds accessories; replacement of door locks, purchase of a water dispenser; furniture and office equipment; secretarial chairs. Items procured were not seen.
Total		**5.024**			
Overall weighted physical performance score				**39%**	**Poor performance**

Source: IFMS Data/MFPED

The Kayunga district Council Hall was under construction, with pending works included painting and landscaping.

Front view of the Council Hall at Kayunga District Headquarters

Challenge

- MoLG lacks a strategic plan to guide its operations.

Recommendation

- The MoLG should develop a strategic plan to guide its operations.

12.5 Kampala Capital City Authority (KCCA) - Vote 122

The 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 Local Government Management Service Delivery Programme (LGMSD) - Project 0115

Background

The Local Government Management Service Delivery Programme (LGMSD) is a continuation of the first and second Local Government Development Program. It seeks to support the implementation of the decentralization policy and enable Local Governments 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 1st July, 2015 to 30th June, 2020.

The approved budget for FY2016/17 is Ug shs1.547billion of which Ug shs1.196 billion(77%) was released and Ug shs 0.863 billion (72%) spent by 31st December, 2016. This was a good release and absorption performance.

Performance

The physical performance was poor at 44% against 94% of funds spent. Despite both release and absorption being good; a few trainings were conducted, while other activities implemented were not in line with the planned outputs. Table 12.18 shows the overall performance of LGMSD as at 31st December 2016.

Table 12.18: Performance of LGMSD as at 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs billion)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
Human Resource Development and Organizational Restructuring	2	1.056	0.9	36.602	28 out of 39 targeted trainings were undertaken, however most funds were reallocated to civil works amounting to Ug shs 400 million for the Client Care Shade, which was not in line with the output.
Policy, Planning and Legal Services	3	0.328	0.6	6	Planned activities included Establishing Kampala Development Corporation (KDC); Finalizing project proposals and set up activities for KDC which were not done. Funds amounting to Ug shs 62 million was spent on hiring venues and chairs and consultancy services (Ug shs 12 million) which were non-core activities.
Purchase of Office and ICT Equipment, including Software	1	0.163	0.06	1.214	Despite the expenditure of Ug shs 64 million on procuring six special chairs for front desk officers for the Physical Planning Client Care Reception, 83 banquet chairs and 15 office wall fans, no items were seen on ground.
Total		**1.547**			
Overall weighted physical performance score				**44%**	**Poor performance**

Source: IFMS data

A client care shed was constructed at the KCCA headquatres. It will provide space for the clients of the KCCA Physical Planning and Land Department, however this was not in line with the planned output of Human Resource Development and Organizational Restructuring.

Left: Constructed client care shade at KCCA main offices in Kampala

Implementation Challenges

- Lack of a clear comprehensive needs assessment, capacity building, and M&E framework to determine the impact of trainings.
- Reallocation of funds to implement unplanned activities. Funds for training under the Human Resource Development output were reallocated to civil works.
- Duplication of planned outputs and budgets. Legal services output is duplicated under the Human Resource Development Project.

Recommendations

- The KCCA through its Human Resource Department should develop a training needs assessment report, capacity building plan and M&E framework in order to determine the return on investment in training.
- The KCCA should seek permission from MFPED for reallocationof funds to implement non-planned for outputs.
- The KCCA should avoid duplication of planned outputs. Legal services should be under the legal services programme and not under Human Resource Development.

12.6 Ministry of East African Community Affairs (MEACA) - Vote 021

Background

The strategic objective of MEACA is to: Provide strategic leadership, guidance and support for EAC integration; ensure mainstreaming of EAC issues in NDP II, sectoral plans and budgets; ensure key EAC institutions & organs meet needs of Uganda & other artner states; Enhance awareness and increase active participation of public, private sector, Civil Society Organizations (CSOs) & other stakeholders in EAC integration; Ensure timely, effective implementation of EAC decisions, policies, and programmes; and build MEACA's capacity to effectively coordinate the EAC agenda in Uganda and the linkage to NDP II is steering Uganda's Regional Integration Agenda.

The approved budget for FY2016/17 is Ug shs1.708 billion of which Ug shs 0.810 billion(47%) was released and Ug shs 0.586 billion (72%) spent by 31st December 2016. This was a good release and funds absorption.

Performance

The physical performance was poor at 45.2% against 94% funds absorption. The institution has no strategic plan to guide its operations. Table 12.19 shows the overall performance of MEACA as at 31st December 2016.

Table 12.19: Performance of MEACA as at 31st December, 2016

Out put	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	7.658	A sub-committee meeting on harmonization of laws was conducted and seven laws were amended.
Compliance with implementation of EAC decisions and directives Monitored and Evaluated	2	0.097	0.80	4.122	A field visit to Katuna One Stop Border Post was conducted.
Strategic leadership, Guidance and Support for EAC regional Integration strengthened	5	0.849	0.81	14.651	Most of the funds were spent on travel abroad (Ug shs 66 million) and field visits (Ug shs 11 million) and consultancy services (Ug shs 11 million).
Statistical Coordination and Management	1	0.035	0.8	2.048	Meeting for engagement with UBOS on development of a framework for statistical management was held.
Purchase of Motor Vehicles and Other Transport Equipment	4	0.433	1.01	16.763	Payments worth Ug shs 170 million were spent on ***one*** out **of four** motor vehicles procured and delivered in Quarter 1.
Purchase of office and ICT Equipment	36	0.075	0	0	Still in Procurement process.
Purchase of office and residential furniture	54	0.078	0	0	Still in Procurement process.
Total		**1.708**			
Overall weighted physical performance score				**45.2%**	**Poor performance**

Source: IFMS Data/MFPED

Challenge

- The MEACA lacks a strategic plan hence lacking clear performance targets related to the planned outputs.

Recommendation

- The MEACA should develop a strategic plan to guide the ministry in their operations.

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.

The approved budget was Ug shs 22.530 billion, of which Ug shs 11.971 billion (53%) was released and Ug shs 11.341 billion (94%) spent by 31st December, 2016. This was a good release and funds absorption.

Performance

The physical performance was rated poor at 34.7% against 94% funds absorption. The NPA has no quarterly departmental workplans and performance targets. Most achievements are in draft form and rolled over from previous FYs yet funds are released every year. Some of these include the National Human Resource Planning Framework and African Peer Review Meetings (APRM) reports. Overall performance of the NPA as at 31st December, 2016 is shown in table 12.20.

Table 12.20: Performance of National Planning Authority by 31st December, 2016 (Ugshs)

Out put	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	1.02	15.111	Much as the human resource framework has been developed it has been in draft form since FY 2014/15 yet funding is being released against this output every year. Funds worth Ug shs 348 million were spent on non-core activities which included trainings, travel abroad and inland, workshops and seminars, consultancy services where most of the funds were spent.
Functional Think Tank	4	5.584	1.02	13.497	The National Development Report is still in draft form. Ug shs1.192 billion has been spent for Q1 and Q2 on workshops, printing, consultancy

					services, and travel abroad and inland.
Strengthening Planning capacity at National and LG Levels	3	0.271	0.9	0.528	The capacity building project document for strengthening planning capacities in MDAs and LGs is still in draft form since FY 2014/15.
Coordination of Global, Regional and Cross-Sectoral national Initiatives	2	2.683	0	0	No report was availed to the team regards APRM Country Self-Assessment Report which includes issues of gender and equity. Most funds were spent on travel abroad (Ug shs 400 million); workshops and seminars (Ug shs 284 million); consultancy (Ug shs 247 million); and printing (Ug shs 226 million)
Finance and Administrative Support Services	1	7.949	0	0	There were no clear planned outputs. The highest expenditure was on salaries (Ug shs 1.2 billion); allowances (Ug shs 241 million); welfare and entertainment (Ug shs 233 million); training (Ug shs 140 million); travel abroad and inland (Ug shs 250 million); and fuel (Ug shs 300 million).
Government Buildings and Administrative Infrastructure	1	1	0.9	4.438	Ug shs 384 million was spent on Engineering and Design Studies and Plans for capital works for NPA offices.
Purchase of Motor Vehicles and Other Transport Equipment	2	0.498	1	1.106	Funds worth Ug shs 311 million were spent on procurement of a Station Wagon Mistubishi Pajero 2015.
Total		**22.530**			
Overall weighted physical performance score				**34.7%**	**Poor performance**

Source: IFMS/MFPEDand field findings

Challenges

- The NPA achievements are ever in draft form and rolled over to subsequent FYs. Some of these include the National Human Resource Development and Planning Framework, APRM draft reports and the National Building Capacity Building Plans.
- The NPA lacks clear departmental workplans and performance target despite having a strategic plan.
- The planners in MDAs and LGs lack capacity to develop strategic plans.

Recommendations

- The NPA should expedite the finalization of planned outputs currently in draft form.
- The NPA should develop clear departmental quarterly workplans in line with the planned outputs.
- The NPA should tender technical advice and spearhead the development of strategic plans in LGs and MDAs.

12.8 Public Service Commission - Vote 146

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.

The approved budget for FY2016/17 is Ug shs2.558 billion, of which Ug shs1.243 billion(48%) was released and Ug shs 1.055 billion(84%) spent which was a good release and absorption performance.

Performance

The performance was fair at 51.4% against 84% funds absorption. A total of 25 out of 20 District Service Commission (DSCs) with critical capacity gaps were identified, monitored and technical guidance provided. The performance of the project by 31st December, 2016 is presented in table 12.21.

Table 12.21: Performance of Public Service Commission as at 31st December 2016

Output	Annual Planned Quantity or Target	Annual Ouput Budget (Ug shs billions)	Cum. Achieved Quantity	Weighted physical performance (%)	Remarks
DSC Capacity Building	4	0.461	1	8.468	Inducted 61 DSC members and secretaries from 12 DSCs.
Recruitment Services	3	0.690	1	18.884	473 out of 4,000 appointments were concluded.
Selection Systems Development	2	0.621	0.5	11.786	32 Competence Selection Tests were developed and 32 were administered for MDAs and LGs. However due to budget cuts training module and developing of guidelines for competency profiling for Human Resource Managers was not done.

DSC Monitored and Technical Assistance provided	2	0.502	0.45	7.943	Much as the critical gaps were identified and appeals handled in the 25 monitored districts, the decisions had not been communicated to the districts.
Government Buildings and Administrative Infrastructure	1	0.020	0.17	0.266	Funds worth Ug shs 9 million were spent on minor repairs on the Deputy Secretary's office and Commissioner's office.
Purchase of Office and ICT Equipment, including Software	6	0.128	0.25	0.699	Funds worth Ug shs 38 million were spent on procurement of 12 computers and 10 CPU batteries. The computers, to be used for online recruitment were still in the PSC stores by January 2017. Antivirus linceses and Nita-U payment were pending.
Purchase of Office and Residential Furniture and Fittings (assorted furniture)	1	0.133	0.1	3.382	Funds worth Ug shs 13 million were used to procure a sofa set, and filing cabinet Procured furniture Sofa Set, Filing for Secretary's office.
Total		**2.558**			
Overall weighted physical performance score				**51.4%**	**Fair performance**

Source: IFMS data/MFPEDand field findings

Challenges

- Increased scope of work amidst a meager budget. Despite the increase in the number of LGs over the years, the budget for training and monitoring of DSCs has not been revised.

- Unpaid gratuity and other arrears. The PSC submitted a gratuity budget of Ug shs 332 million but the MFPED only approved Ug shs 200 million. There is a shortfall of Ug shs 132 million.

Procured computers in the store at PSC headquarters

Recommendations

- The MFPED should revise the PSC budget upwards following the creation of new districts.

- The PSC should make a follow up with MFPED on payment of gratuity arrears.

12.9 Local Government Finance Commission (LGFC) - Vote 147

Background

The Local Government Finance Commission (LGFC) was established under Article 194 (1) of the Constitution of the Republic of Uganda. Its 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.

The approved budget for FY2016/17 is Ug shs 4.888 billion, of which Ug shs 2.231billion (45.6%) was released and Ug shs 2.068 billion (92.6%) spent by 31st December, 2016. This was a good release and funds absorption.

Performance

The physical performance was poor at 44.2% against 92.6% of funds spent. The development budget had zero absorption capacity due to the lengthy procurement process. Detailed performance is shown in table 12.22.

Table 12.22: Performance of Local Government Finance Commission as at 31st December, 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	1	2.363	The analysis of local governments was ongoing.
Enhancement of LG Revenue Mobilisation and Generation	3	0.644	1.1	9.852	A total of 8 out of 30 LGs were trained on establishing local revenue databases which was ongoing and 8 out of 10 LGs with support in collection of property rates.
Equitable Distribution of Grants to LGs	4	0.624	0.5	3.077	Planned outputs included negotiations and budget committee meetings that did not take place. Most funds were paid to a consultant (Ug shs 63 million on design of the Fiscal Decentralization Architecture (FDA) had not been concluded under the Third Financial Management and Accountability Programme (FINMAP III).
Institutional Capacity Maintenance and Enhancement	4	2.817	1	28.941	Six districts were monitored to track implementation of local revenue data bases, the other three were non-core activities.

Purchase of Motor Vehicles and Other Transport Equipment	3	0.505	0	0	No funds released under this output.
Purchase of Office and ICT Equipment, including Software	6	0.0665	0	0	No funds released under this output .
Total		**4.888**			
Overall weighted physical performance score				**44.2%**	**Poor performance**

Source: IFMS data/MFPEDand field findings

Challenge

- The LGFC lacks clear departmental quarterly work plans and performance targets, although it has a strategic plan.

Recommendation

- The LGFC should set clear work plans and performance targets in line with its strategic plan and NDP II.

Overall sector performance

The overall PSM sector performance was rated poor (below 50%). The release was also poor at 26.7% of the annual budget, although resource absorption was good at 92%.

Table 12:23: Overall Performance of the PSM Sector by 31st December, 2016

Project	% Physical Performance
1. Humanitarian Assistance Project	43.49
2. Karamoja Intergrated Development Programme (KIDP)	26.8
3. Support to Luwero Rwenzori Development Programme	46.6
4. Post War Recovery and Presidential Pledges	22.1
5. Ministry of Public Service	48.8
6.Community Agriculture Infrastructure Improvement Programme (CAIIP III)	44
7.Urban Markets and Marketing Development of the Agricultural Products Project (UMMDAP)	82
8.Millennium Village Project (MVP II) Donor component	56.1
Millennium Village Project (MVP GoU)	0
9. Support to Ministry of Local Government	39

10.Local Government Management Service Delivery Programme (LGSMD)	44
11. Ministry of East African Community Affairs (MEACA)	45.2
12. National Planning Authority (NPA)	34.7
13. Public Service Commission (PSC)	51.4
14. Local Government Finance Commission (LGFC)	44.2
TOTAL	**628.39**
Average percentage	**45**

Source: Authors' Compilation

CHAPTER 13: ROADS

13.1Introduction

"Roads'' is one of the three sub-sectors[48] 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[49].

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 to: (i) develop an adequate, reliable and efficient multi modal transport network in the country; (ii) improve the human resource and institutional capacity of the Transport sector to efficiently executes the planned interventions; (iii) 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 FY 2015/16 to Ug shs 3,491.16 billion[50].This was to be utilised by

[48]The three sub-sectors under the Ministry of Works and Transport are: 1. Transport Services; 2. Roads; and 3. Construction Standards and Quality Assurance

[49] Ministerial Policy Statement for Ministry of Works and Transport for FY 2016/17

[50]Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

four votes viz: Vote 016-MoWT, Ug shs 403.634 billion (11.6%); Vote 113-UNRA, Ug shs 2,634.119 billion (75.5%); Vote 118-URF, Ug shs 417.84 billion (12%); and Vote 500- Local Governments Ug shs 35.566 billion (1%).

Table 13.1 shows the financial performance by the end of December 2016 of the three votes monitored in the semi-annual performance of the roads sub-sector. This was a good release (37% of the annual budget) and very good absorption (88.9%) performance.

Table 13.1: Overall Financial Performance of the Votes by 31st December, 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	209.501	208.30	51.9	51.6	99.4
113	UNRA	2,634.119	905.73	767.40	34.4	29.1	84.7
118	URF	417.840	163.214	160.54	39.1	38.4	98.4
Total[51]		**3,455.593**	**1,278.445**	**1,136.246**	**37.0**	**32.9**	**88.9**

Source: UNRA, URF and MoWT Q4 Performance Reports for FY 2015/16, IFMS

The UNRA release performance was the poorest because the donor component of Ug shs 1,268.906billion (48.2% of the UNRA approved budget) had a release of Ug shs 131.297billion (10.3% of donor budget). This was attributed to a number of projects that were at procurement and project preparation stage, for instance Rukungiri-Ishasha and Mbale-Bubulo (both under African Development Bank (AfDB)),The Kampala Flyover Project (Japan International Cooperation Agency (JICA)), Muyembe-Nakapiripirit (Islamic Development Bank (IDB)), Rwenkunye-Apac-Lira-Acholibur (IDB), Kibuye-Busega-Mpigi (China/AfDB), Kapchorwa-Suam(IDB), and Kyenjojo-Kabwoya under World Bank suspension. For all these projects, no payments were made by 31st December, 2016.

13.1.3 Scope

The projects/programmes monitored for the semi-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 first half of the FY. Two (2) projects were monitored under MoWT - National Roads Construction/Rehabilitation Programme under UNRA (13 road and 8 bridge projects) and two programmes under URF. Under URF the District Urban and Community Access Roads (13 districts) and National Roads Maintenance at UNRA stations (7 stations) programmes were monitored as shown in table 13.2.

[51] Figures exclude Ministry of Local Government

TABLE 13.2: Project/programmes Monitored for FY 2015/16

Implementing Institution	Project/programme and location
Ministry of Works and Transport – Vote 016	Urban Roads Resealing Project- Bwanda Convent, Kapchorwa TC, National Leadership Institute (NALI) – Kyankwanzi **Major Bridges:** Ongoing Construction projects: Saaka Phase II, Okokor (Kumi), Kabuhuna (Kibaale), Kabuceera (Mitooma), Rushaaya (Mitooma), Mahoma (Kabarole), Orom (Kitgum), Rwamabaale (Kyankwanzi); Construction of 14 Bridges in North and North Eastern Uganda funded by IDB (Olyanai, Abalang, Alipa, Ajeliek, Ojanai, Opot, Aakol, Airogo (Kumi); Balla, Enget, Agali and Abalang 3 (Lira); Kochi and Nyawa (Moyo)
Uganda National Roads Authority – Vote 113	**Upgrading – 7 Projects** • Kyenjojo – Kabwoya (100 km) • Bulima – Kabwoya (66 km) • Kampala-Entebbe Express Highway Project (51km) • Mubende – Kakumiro – Kagadi road (107km) • Kampala Northern Bypass (17km) • Kanoni – Sembabule – Villa Maria (110km) • Koboko and Maracha Town Roads (6.9km) **Rehabilitation – 6 Projects** • Jinja/Kamuli Town Roads (22km) • Mvara – Ediofe Cathedral road in Arua Municipality (10.1km) • Kyenjojo – Fort Portal (50km) • Rehabilitation of Namunsi-Sironko-Muyembe/Kapchorwa (65km) • Rehabilitation of Nakalama-Tirinyi-Mbale road (102km) • Mbarara Bypass (41km) **Bridges** • Cido Bridge (15m) on Nebbi – Goli road • New Nile Bridge • Leresi Bridge (Butaleja) on Butaleja – Leresi – Budaka road • Apak Bridge in Lira • Nyalit (15m) and Seretyo Bridges on Kapchorwa-Suam road • Design and Build of Manafa Bridge on Tororo-Mbale road • Kabaale Bridge (linking Kyankwanzi to Ngoma in Nakaseke)
Uganda Road Fund – Vote 118	District, Urban and Community Access Roads (DUCAR) Maintenance Programme – 14 Districts Amolatar, Buliisa, Bududa, Bukedea ,Kabale, Kaliro, Kalungu, Kibaale, Kyenjojo, Pader, Sembabule, Soroti, Nakaseke, Maracha National Roads Maintenance Programme - 7 UNRA stations Arua, Lira, Jinja, Fort Portal, Masindi, Luweero and Masaka

Source: Author's Compilation

13.1.4 Limitations

- Lack of ready Q2 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 andtransport infrastructure and services for socio-economicdevelopment ofUganda*."[52]

The approved budget for FY 2016/17 is Ug shs 403.634 billion having decreased by 56.5% from Ug shs 928.024 billion in the FY 2015/16. The overall release and expenditure performance of the Vote by 31st December 2016 was at 51.9% and 99.4% respectively. The donor support to development which forms 28.9% of the approved budget had no release as shown in Table 13.3.

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 31st December, 2016

		Approved Budget (Ug shs billion)	Release (Ug shs billion)	Spent (Ug shs billion)	% Budget released	% Budget Spent	% Release Spent
Recurrent	Wage	9.013	4.506	4.358	50.0	48.4	96.7
	Non-wage	36.044	12.451	11.615	34.5	32.2	93.3
Development	GoU	241.713	192.229	192.066	79.5	79.5	99.9
	Donor	116.550	0.000	0.000	0.0	0.0	0.0
Total GoU		**286.770**	**209.187**	**208.039**	**72.9**	**72.5**	**99.5**
Total GoU + Ext Fin. (MTEF)		**403.319**	**209.187**	**208.039**	**51.9**	**51.6**	**99.5**
Arrears		0.315	0.315	0.265	100.0	84.1	84.1
Grand Total		**403.634**	**209.501**	**208.304**	**51.9**	**51.6**	**99.4**

Source: MoWT, Q2 Performance Report for FY 2016/17

[52] Ministerial Policy Statement for Ministry of Works and Transport for FY 2014/15

Semi-Annual monitoring for the FY 2016/17 covered two development projects namely: Urban Roads Resealing and Construction of Selected Bridges under the Vote Function: District, Urban and Community Access Roads.

13.1.4 Performance

i) Urban Roads Re-sealing

Background

Urban roads deteriorated dramatically during the 1970s and early 1980s, largely due to lack of maintenance. This arose due to the dwindling resources and poor management in the urban authorities. Since 1987, concerted efforts have been made to rehabilitate and repair some of the major roads and streets within Kampala City. During phase I, which ended in 1989, 41km of butimen roads were rehabilitated in Kampala financed by European Union (EU) and Kampala City Council (KCC).

In 1991, the Japanese Government extended a grant of USD 2.4 million to the GoU in form of construction plant and equipment spares for rehabilitation of urban roads. Consequently, the JICA II Urban Roads Resealing Project was constituted and charged with the implementation of the dilapidated roads in the urban centres of Uganda. The GoU through the annual budget provisions of the Ministry provided operational funds.

Four urban councils were selected each financial year, one from each region of the country, that is, North, East, West and Central. Each benefitting urban council was required to counter fund the operations with at least Ug shs 50 million from their local revenue. A total of 164 km was rehabilitated in 54 urban centres while using the Force Account implementation strategy in the second phase.

The third phase of the project started on 30th June, 2011 and is expected to end on 30th June 2021. The MoWT is the implementing agency represented on site by the Urban Roads Resealing Unit. The Unit Manager is the works supervisor and is assisted by a team comprising of a Civil Engineer, Mechanical Engineer, Site Clerk, Surveyor and Quality Control Teams.

In August 2012, the Urban Roads Resealing Programme was allocated part of the new equipment purchased by the GoU under the Chinese Exim Bank loan of USD 100 Million. Under this new method of project operation which started in the FY2013/14, no co-funding was to be requested from the urban councils as had earlier been the practice of contributing Ug shs 50 million. The role of urban councils is now limited to selection of the roads to be constructed and monitoring the works progress. All the project inputs like construction materials, fuel, etc. are procured centrally by the MoWT.

The project objectives are to: Create a better working environment by reducing mud and dust in urban areas; Reduce vehicle operating costs and transport charges; Improve traffic movement and circulation within urban areas; and attract investment in urban areas to boost the economy. The project is funded by the GoU.

In the FY 2016/17, the Urban Roads Construction and Rehabilitation component had an approved annual budget of Ug shs 2.58 billion from the GoU, of which 1.53 billion (59.4%) was released and 100% expended by the end of December 2016. This was a good financial performance. Planned activities for the FY 2016/17 are: Tarmacking of Bwanda Convent roads (1km) in Kalungu district, National Leadership Institute (NALI) roads (0.8km) in

Kyankwanzi and Kapchorwa Towin Council roads (1km); and stone pitching of drainage channels along Bwanda Convent roads (6,200 m^2) in Kalungu district and along NALI Estate roads (2,400 m^2) in Kyankwanzi.

The project achieved an overall physical progress of 26.15%. The semi-annual annual performance of the Urban Roads Resealing Unit in the FY 2016/17 is presented in Table 13.4.

Table 13.4: Performance of the Urban Roads Resealing Unit Project by 31st December, 2016

Intervention	Annual Target	Cumulative Quantity Achieved	Physical Performance Score	Remarks
Bwanda Convent roads tarmacked.	1 km	0 km	0%	No funds released for this activity. Planned for execution in Q3 &Q4.
Kapchorwa TC road tarmacked (second seal only) on Moi Road Note: Activity spilled over from Q4 last FY 2015-16	0.8 km	0.8 km	100%	Works completed in December 2016. Road Length = 0.8km and Road Width = 0.7m. Release was 100.4% and expenditure was at 90.4%.
Kapchorwa TC Road tarmacked on Chebrot Road	1.0 km	0 km	0%	No funds released for this activity. Planned for execution in Q3 and Q4.
NALI (Kyankwanzi) urban roads under phase 3 tarmacked.	0.8 km	1 km .	100%	Works completed in December 2016. Road Length = 1km and Road Width = 0.7m. Release was 54.2% and expenditure was at 100%. However materials supplied not yet cleared.
Lining of stone pitched drainage channels along Bwanda Covent roads in Kalungu DLG.	6,200 m^2 of stone pitching	0 m^2	0%	Procurement of materials for the drainage works was ongoing. Release was 27.3% and expenditure was at 3.3%.
Lining of drainage channels along NALI Estate roads in Kyankwanzi	2,400 m^2 of stone pitching	1,025 m^2	42.7%	Release was 31.3% and expenditure was at 93.9%.
Overall weighted physical progress			**26.15%**	**Fair Physical Performance**

Source: Author's Compilation

Implementation challenges

- Frequent breakdown of the bitumen distributor, a key equipment in the sealing works which slows down the implementation and also negatively affects the quality of works.

- Delays arising from the procurement of materials which is done centrally at the MoWT headquarters.
- Budgets cuts in addition to the mode of release of funds where by the unit has to first accumulate funds in order to carry out substantial works.

Completed second seal works on Moi Road in Kapchorwa Town Council

Stone pitched lined drain of Moi Road in Kapchorwa Town Council

Recommendations

- The MoWT should procure a new bitumen distributor truck; and stronger graders and vibro rollers to improve on the quality of works.
- Substantial funds should be committed and released at ago by MoWT to this project in order to effectively complete activities implemented by this project.

ii) Construction of Selected Bridges

The GoU represented by MoWT is undertaking the construction of selected bridges in various parts of the country to solve bottle necks on the district and community access roads. The 5-year programme started on 1st July, 2011 and its completion date is 30th June, 2016. The total planned expenditure of the programme is Ug shs 60 billion.

The project objectives are:Construction of selected bridges and swamp crossings on district and community access roads; improving connectivity among isolated communities; reducing travel times and cost of transportation; and upgrade and reconstruction of old bridges to improve their load carrying capabilities to meet the current gross weight of traffic.

Planned activities in the FY2016/17 are: completion of ongoing construction projects (Saaka Phase II, Okokor (Kumi), Kabuhuna (Kibaale), Kabuceera (Mitooma), Rushaaya (Mitooma), Mahoma (Kabarole), Orom (Kitgum), Rwamabaale (Kyankwanzi); and the construction of 14 Bridges in North and North Eastern Uganda funded by IDB (Olyanai, Abalang, Alipa, Ajeliek, Ojanai, Opot, Aakol, Airogo (Kumi); Balla, Enget, Agali and Abalang 3 (Lira); Kochi and Nyawa (Moyo).

The bridges component in the FY 2016/17 had an approved annual budget of Ug shs 4.6 billion from the GoU, of which Ug shs 2.89 billion (62.8%) was released and 100% expended by the end of the December 2016.This was a good financial performance.

The semi-annual performance of the activities under the construction of selected bridges project is as shown in table 13.5.

Table 13.5: Semi-Annual Performance of the Project - Construction of Selected Bridges

Project Name	Annual Target Physical progress (%)	Cum. Achieved Physical progress (%)	Physical Performance Score (%)	Remark
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	100	100	100	The project with a contract sum of Ug shs 7,173,486,300 had attained an overall physical progress of 100%. The contractor was requested to install the guard rails on Enget Bridge under a new item on contract. The financial progress of the project was at 89%.
Lot 2 Nyawa Bridge in Moyo Kochi Bridge in Yumbe along Yumbe – Moyo Road.	100	70	70	Nyawa bridge (15m double span - 30m length) was complete with the approach roads and ready for use but not open to the public. Two abutments and one pier were completed on Kochi 2 bridge (18m double span - 36m length) with backfilling and preparation of the steel decking assembly area ongoing. The project had suffered a major setback when the consultant left site for about 8 months due to expiry of their contract and non-payment. The project, with a contract sum of Ug shs 7,129,593,700 had a financial progress of 55%. The overall physical process of Lot 2 was 70%.
Lot 3 Alipa Bridge in Soroti – 490m, Aakol Bridge in Bukedea – 640m, Airogo Bridge in Bukedea – 560m Abalang Bridge in Bukedea – 1,600m, Olyanai Bridge in Soroti - 1,550m	100	85	85	The lot with a contract sum of Ug shs 9,486,599,000 had attained a physical progress of about 85%. The contractor was committed to completing the works on time on condition that pending payments are expedited. Works in all sites were in the final stages. The project has attained a financial progress of 88%
Saaka Swamp Crossing linking Kaliro and Pallisa district	100	90	90	The project is a swamp crossing of 3.5km with a contract sum of Ug shs 4.77 billion. The overall physical progress was 90% against 100%. The embankment filling works for the 3.5km were complete. Ongoing activities included: protection of embankment slopes at 97%, culvert installation at 65%, and laying of the wearing course at 75%. Financial

Project Name	Annual Target Physical progress (%)	Cum. Achieved Physical progress (%)	Physical Performance Score (%)	Remark
				progress was at 86%. The project was not completed as planned due to inadequate or irregular releases. This resulted in maintaining idle staff and equipment at the site.
Construction of Rushaaya Bridge in Mitooma District	100	100	100	The contract for construction of the bridge executed by M/s Marvel Contractors & Road Maintenance Ltd at a contract sum of Ug shs 1,047,843,776. The bridge was completed in FY 2015/16 and opened to traffic. However payment for works had not been finalised. The contractor has received payments amounting to Ug shs 626,362,933 (about 60%) against the contract value of Ug shs 1,047,843,776. The quality of works was good except for the embankment on the approach roads which had not been well protected and was being washed away by runoff water. The MoWT was asked to contact the contractor to rectify the defects.
Overall weighted physical progress			**89%**	**Good Physical Performance**

Source: MoWT Monthly Progress Report for Small Bridges Project in North and North Eastern Uganda-January 2017, MoWT Monthly Progress Report for the Construction of Saaka Swamp Crossing – December 2016, Authors' Compilation

Observation

Activities under the Construction of Selected Bridges project have been implemented for more than three (3) years. For example, the Saaka Swamp Crossing works started in 2013; Eastern and Nothern Uganda bridges for Lot 1, 2 and 3 started in 2013 and 2014. This is an indicator of poor contract management.

In addition, there are no clear annual budgets, physical targets and expenditure details attached to each of the individual components/bridges in the periods of interest. This makes performance assessment of the activities in this component challenging.

Implementation Challenges

- Irregular/inadequate release of funds resulting in delayed payments.
- Delayed funding to meet the cost of 15% Withholding Tax (WHT) for consultancy services and the 10% GoU component for civil works from the MoWT.

- Frequent breakdown and sharing of equipment amongst the different force account units affects progress of works.

Recommendations

- The MoWT should budget for and prioritize the payment of 15% WHT for consultancy services contract and 10% GoU component for civil works contracts for successful implementation of the project.
- The MoWT should equip the Regional Mechanical Workshops to enable them respond promptly to force account unit equipment break downs.
- The MoWT should allocate each unit basic equipment for road construction works to minimize borrowing.

Overall MoWT Conclusion

The overall performance of the roads sub-sector component in the MoWT was fair at 57.7%. This was mainly attributed to irregular and inadequate release of funds resulting in delays in paying service providers. It was however observed under the selected bridges project that: bridge construction projects have been implemented for more than three (3) years; and the annual targets with the respective budgets are not clearly stated.

Recommendations

1) The MoWT should prioritize the completion of the ongoing contracts before signing new ones to avoid claims which might escalate contract sums.
2) The MoWT should clearly state the targets, budget allocation and expenditure details for the activities in the respective outputs to ease performance assessment.
3) The Office of the Auditor General should carry out an audit on the Construction of Selected Bridges project in order to ascertain: why activities under this project take over three (3) years to be completed; and the expenditure on the individual activities/contracts over time.

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*[53]".The national roads network was estimated at 10,000 km by June 2009 however, this has grown since to about 22,000 km.

The UNRA executes its mandate under two programmes and these are; National Road Construction/Rehabilitation (NRC) and National Road Maintenance which started in July 2008 with the establishment of the UNRA. National Road Construction/Rehabilitation

[53]UNRA's magazine Issue No.33, January 2015

Programme is funded by both the GoU and other development partners and it mainly caters for only paved roads. The entire development budget of UNRA is allocated to this programme.

National Road Maintenance Programme mandate is carried out by 22 UNRA stations across the country. The stations undertake maintenance works on all national unpaved roads and minor repairs on paved national roads. The works under the programme are financed by the GoU through Vote 118-Uganda Road Fund (URF). Details of the findings are presented under URF.

Overall financial performance of UNRA- Vote 113

The approved annual budget for the vote is Ug shs 2,634.119 billion, of which 34.4 % was released and 84.7% was expended by 31st December 2016. This was a fair financial performance. The absorption of funds was mainly affected by delayed submission of payment certificates and slow progress of works for some contractors.

The poor performance of donor funding is mainly attributed to the many projects that were at procurement and project preparation stage, for instance 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). For all these projects, no payments were made by 31st December 2016.

Table 13.6 summarizes cumulative releases and expenditures by 31st December 2016.

Table 13.6: Overview of the UNRA Expenditure (billions)

Item	Approved budget	Release	Expenditure	% of budget released	% of release spent
Recurrent (GoU)	100.892	50.360	36.801	49.9	73.1
Development (GoU)	1,264.321	724.074	599.305	57.3	82.8
External financing	1,268.906	131.297	131.297	10.3	100.0
Total GoU + Ext. Financing	**2,634.119**	**1,408.886**	**796.402**	**34.4**	**84.7**

Source: Quarter 2 -UNRA report FY2016/17

National Road Construction/Rehabilitation Programme (NRC)

The annual planned outputs under the programme in FY 2016/17 on national roads were: upgrading of 400km of gravel roads to bitumen standard; and reconstruction of 250km of old paved roads.

The semi-annual performance of the programme was monitored under the following categories: 6 projects under upgrading, 6 projects under rehabilitation, and 10 projects under the bridges category. Details of the performance of the projects are presented in Table 13.7.

Table 13.7: Performance of the National Roads Construction/Rehabilitation Programme for half year FY 2016/17

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
Capacity Improvement of the Kampala Northern Bypass (17km)	30	21	70	The contract price was revised from EUR 67,394,566.56 to EUR129,360,880.19 cater for bridges and interchanges at Sentema and Hoima road junctions and redesigning of the drainage structures along the Lubigi swampy section. The contractor had submitted 19 IPCs amounting to EUR 24, 68,247.94 and 16 IPC amounting to EUR 21,756,734.14 had been paid. Financial performance was at 16.8% of the revised contract sum.
Kyenjojo – Kabwoya (100km),	35	6.3	18	The contract sum is Ug shs 214,563,989,426. The contractor had submitted two IPCs amounting to Ug shs 5,780,020,626.00 but had not been paid. The cumulative physical progress was 6.3% against a planned of 10.88%. Full compensation had been done for the first 30km. The project has been affected by change in management on the contractor's side who was not competent enough and under mobilisation. Only 70% of key equipment had been mobilised.
Kigumba Bulima-Masindi-Hoima-Kabwoya road (Bulima – kabwoya (66km),	35	31.90	91.14	The project is funded by African Development Fund, Department of International Development and GoU in the proportions of 77.45%, 11.65% and 10.90% respectively. The contract sum is Ug Shs 141,942,840,327. The contractor had submitted seven (7) IPCs amounting to Ug Shs 49,756,852,657 inclusive of advance and had received Ug Shs 49,802,291795 (35% of the contract sum). The cumulative physical progress was at 32.9% against a planned of 36.32%. Following the approval of the design report the contract sum is likely to increase to Ug Shs 168,288,469,695 (18.5% increment)
Design and Build of Mubende–Kakumiro–Kagadi Road (107km)	20	8.0	40	The contract commenced in February 2016 for a period of 3 years at a contract sum of Ug Shs 484,887,427,588. Financial progress was at 8.42% against a plan of 23.4%. The design was 65% complete, while physical progress was

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
				estimated at 8% with only bush clearing and rock fills being done. The contractor had however mobilised about 80% of the required equipment. Delays in acquisition of the RoW due to land compensation issues was the major challenge affecting performance.
Kyenjojo – Fort Portal (50km)	30	5	16.67	The contract sum is Ug Shs 71,435,766,901. The contractor had submitted one IPC amouting to Ug Shs 1,311,909,840 (1.8%) against a planned 8.2% and had not been paid. Cumulative physical progress was behind schedule by 21%. The physical progress was at 5% against a plan of 26%. The drainage rock fill and earthworks quantities are likely to double on this project because there was no design at the time of tendering as UNRA used a strip map to scope the project.
Kanoni - Sembabule -Villa Maria road (110km)	30	19.24	64.13	The contractor had submitted 15 IPCs amounting to Ug shs 50,167,122,716, and Ug shs 30,634,919,286 was paid. Cumulative financial performance was at 52.29% against 84.91%. The cumulative physical progress was at 49.24% achieved against 82.77%. The total number of PAPs is 4,684 with a monetary value of Ug shs 23, 548,598,078. A total of 2,237 PAPs had been compensated amounting to a value of Ug Shs 8,564,314,361 (75.17%).
Construction of the new Mbarara Bypass(13.875km) and reconstruction of existing Mbarara – Ntungamo section(26.6km)	40	54.41	100	The project was ahead of schedule with cumulative physical progress of 84.41% against a plan of 81.80%. Financial performance was 84.72% against a plan of 82.55%. The contract has however attracted interest amounting to EUR 62,810.96 due to delays in payment of IPCs 1-13. The contractor has claimed additional interest for delayed payment amounting to EUR 66,361.79 on IPCs 14-20.
Kampala – Entebbe Express way with a spur to Munyonyo	30	19.91	66.37	91.9% of the PAPs within the RoW had been paid. The owner of a quarry between km6+00 to Km 7+00 denied access to the contractor, so

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
(51km)				UNRA realigned the road to avoid the stone quarry. Cumulative physical progress was 74.91% against a planned 90.05%. Thus the project was behind schedule. The contractor submitted 16 IPCs and payment up to IPC 15 amounting to USD 397,079,116.27 had been effected. The consultant had submitted 51 invoices amounting to USD 5,778,721.76 and 48 invoices amounting to USD 5,294,822.30 had been paid.
Rehabiliation of Namunsi-Sironko-Muyembe/Kapchorwa (65km)	45	26.99	59.98	Financial performance was at 21.63% against a planned of 76.67%. All the three IPCs were paid amounting to Ug shs 10,849,090,227. The cumulative physical progress was at 40.9% Vs 76.67%.
Rehabiliation of Nakalma-Tirinyi-Mbale (102km)	30	10.06	33.53	The original contract price was Ug shs 73,363,489,275 but due to an increase in the works, introduction of VAT and omission of some items in the BoQs, the new price estimate is Ug shs 145,117,258,704 (97% increment). The project has been repackaged into two phases of Ug shs 86,120,256,426 (Mbale-Tirinyi) and Ug shs 58,997,002,278 (Tirinyi-Mbale) due to the substantial increase in scope. Financial performance was estimated at 9.34% against a planned of 71.56% One IPC (Ug Shs 3,213,670,980) out of the three IPCs (Ug shs 3,640,463,655) was paid.
Jinja/Kamuli Town Roads	30	6.1	20.33	The project with a contract price of Ug shs 40,918,848,344.54 has a total of 22.3km (12km in Kamuli and 10.3 km in Jinja). The contractor claimed advance payment (20% of contract price) but he has not been paid since August 2016. The cumulative physical progress was behind schedule by 7.9%. This was mainly attributed to delayed approval of quarry operations by National Environment Management Authority (NEMA) to start major pavement work
Koboko and Maracha Town Council Roads (7.892 km)	5	5	100	The works were completed and the contract was in DLP. The roads were in a good condition, however defects of bleeding along Abudallah Road and dumping of gabbage on Ali-kenyi was observed. Stone dust was being

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
				used to control the bleeding and a pile was to be left with the TC to continue with the practice. The financial performance was at 26.6% against a planned 100%. The contractor had submitted a claim of Ug shs 1,003,279,868.58 due to delayed payments.
New Nile Bridge at Jinja	20	8.82	44.1	Overall physical progress was 28.28% against a planned of 66.7%.This was due to unforeseen ground conditions during the feasibility study and some works which were underestimated by the contractor. Abutments 1 and 2 were at 98% completion; while Pylon No.1 was at 27% and Pylon 2 was at 55%; the Box girder was at 5%. The contractor was yet to work on the relocation works of the mains water pipeline with National Water and Sewerage Corporation (NWSC).The relocation of electrical works on the Jinja side was complete and Njeru side under discussion; for telecommunication, the contractor was working on the access culvert for the fibre optic cable relocation. Financial performance was at 36.1%. 86 PAPs were valued and 63 had been paid.
Kabaale Bridge in Kyankwanzi District	40	23	57.5	The bridge connects Kyankwanzi district to Ngoma in Nakaseke district across river Mayanja. The contract sum is Ug shs 14,579,023,789. The contactor had submitted 5 IPCs amounting to Ug shs 8,847,549,839 and partial payment of Ug shs 3,860,836,415 was done. The cumulative progress by 31st December 2016 was estimated at 83% against a planned of 86%. The main bridge was complete and open to traffic. Restoration of the water way was also complete. Overall the half year targets were achieved although the project was slightly behind schedule. The project also had 25 PAPs valued at Ug shs 243,735,895 and 17 PAPs amounting to Ug shs 55,969,875 were paid by 31st December 2016. The overall financial performance was at 71.58% against a planned 78.9%. The project scope has been revised to have 600m of paved bridge approaches on either side. This change will however not increase the cost of the project. The bridge is open to traffic.

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
Leresi Bridge on Butaleja-Leresi-Budaka road	30	47	100.00	The overall physical progress was at 98% against 100%. Major works had been completed and planting of grass on the embankments was ongoing. The scope of works which involved the construction of 3 cell and 2 cell box culverts and installation of multiple pipe culverts on the 3km flood plain on River Manafa and Namatala was completed pending only signage. Three (3) IPCs (Ug shs 4,351,459,035) out of four (Ug shs 5,011,952,991) were paid. The project is supervised in-house by UNRA. The value allocated for compensation was Ug shs 50,000,000. A total of 38 people were compensated to the tune of Ug shs 11,352,219. The project, with a contract sum of Ug shs 6,896,949,945 had a financial progress of 73% against 97.5%.
Nyaliti Bridge on Kapchorwa-Suam Road	30	5	16.67	The overall physical progress was 45% vs 87%.This was due to a delay in compensation of PAPS and poor performance of the contractor. Completed activities were site establishment, construction of footings, abutments, parapet walls and wing walls. During the site visit in February 2017, there were no activities ongoing.
Seretiyo on Muyembe road	30	2	6.67	The overall physical progress was 15% against 87%. The poor performance was due to poor ground conditions that prompted an investigation and revision of foundation design and poor mobilisation of the contractor. Completed activities were site establishment. Installation of steel reinforcements for footing was on-going. The project, with a contract sum of Ug shs 6,746,114,196 for both Nyalit and Seretiyo bridges had a financial progress of 19.68% against 70%.
Apak Bridge	25	15	60	The overall physical progress was 90% against 100%. All structures were completed. Works were ongoing on approach roads, embankment protection works and ancillaries. Installation of guard rails and river training activities were yet to commence. All four IPCs submitted by contractor amounting to Ug shs 2,596,672,428

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
				had been paid. Challenges faced were: inadequate mobilization by the contractor, financial constraints on the contractor's side, poor workmanship leading to the need for correction of defects thereby leading to delays, inadequate quantities on some items in the BoQs. These were all likely to lead to cost and time overruns. The project with a contract sum of Ug shs 4,262,486,479 had a financial progress of 60.9% against 95%.
Cido Bridge in Nebbi District	30	14	46.67	The overall physical progress was 40% vs 90%. Concrete works for the bridge structures were complete. Only two IPCs amounting to Ug shs 711,509,288 had been paid. Challenges faced by the project were: delays in land acquisition for RoW for the Erussi approach because Nebbi district has no approved valuation rates that the Chief Government Valuer (CGV) can use; inadequate mobilisation by the contractor; financial constraints on the contractor's side; and poor workmanship leading to correction of defects thereby leading to delays. The project with a contract sum of Ug shs 3,113,011,000 had a financial progress of 22.9% against 90%.
Manafwa Bridge on Tororo-Mbale Road	66.67	35	52.50	The overall physical progress was at 60.1% against 60%. Completed works were footings, abutment, wing walls and fabrication of bridge girders. Ongoing works were backfilling, and river protection gabion works. Three IPCs (Ug shs 2,125,060,274) had been paid out of four IPCs (Ug shs 3,196,223,717) submitted. The delay in delivery of bridge girders from the United Kingdom was likely to cost the project more time. Challenges encountered were: delayed approval of final designs and flooding of River Manafwa between August and October 2016. The project, with a contract sum of Ug shs 9,765,193,103 had a financial progress of 21.8% against 32.7%.
Aswa bridge on the border of Lira and Pader district along	66.67	37.25	55.86	The overall physical progress was at 62% against 75%. Completed works were two piers, two abutments, and 12 out of the 15 precast

Project Name	Annual Target physical progress (%)	Cum. Achieved physical progress (%)	Physical performance Score (%)	Remark
Lira – Acholibur Road				girders. Works were ongoing on the approach road from Puranga as well as works for casting the remaining girders. All the two IPCs (Ug shs 2,631,572,485) submitted had been paid. The land acquisition process for the RoW of the approach road works arising from the change in alignment was ongoing with the valuation report awaiting the CGV's approval. This activity was likely to cause time overruns. The project with a contract sum of Ug shs 11,120,985,891.23 had a financial progress of 23.66% against. 65%.
Total	**Weighted physical performance of the NRC is 74.5%**			**A good physical performance**

Source: Q2- FY 2016/17 UNRA Progress Report and Field Findings

Overall assessment

The half year physical performance of the National Roads Construction and Rehabilitation program was good at 74.5%.

Key observations

- Cost overruns are expected on Bulima–Kabwoya, Kyenjojo–Fortportal, Kampala Northern Bypass, Kanoni–Sembabule–Villa Maria due to increase in quantities in rock fill and drainage works, change in road alignment and earthworks.
- With exception of Mbarara Bypass which was ahead of schedule by 2.61%, all the projects monitored under this program were behind schedule by 31st December 2016 planned targets. The extremes were Kyenjojo–Fortportal and Mubende–Kakumiro–Kagadi roads.
- The management and full control of most of the Chinese companies is based in china. The project managers on ground do not have full control of the resources and decision making, they always have to seek authorization from China to undertake most key decisions. This has delayed work on most of the Chinese implemented projects.
- The percentage of Ugandans employed in key positions on Chinese managed projects is still low. It was observed that Ugandans are only employed as casual laborers. Additionally, few females (8%-18%) are employed on the projects, and many are administrative and traffic control staff.
- Some projects like Kanoni-Ssembabule-Villa Maria have issues of borrow pits that are not protected (well fenced), compensation issues, poor workmanship on some drainage system and absence of sanitation facilities on sites.
- The existing Lubigi channel along the Northern Bypass is inadequate to mitigate the flooding within the Bwaise catchment area. This channel is clogged downstream and

needs to be widened if the road is to serve its life. If the channel is not widened downstream flooding will occur upstream and damage the road.

A newly constructed clogged box culvert supposed to discharge water into Lubigi channel, Northern Bypass

Stagnant water downstream the Lubigi Channel at the Hoima Road junction section

A trial asphalt section along Namunsi-Kapchorwa Road

Blocked newly constructed drainage channel in Mbale town along Nakalama-Tirinyi-Mbale Road

Finished deck for Kabaale bridge, Kyankwanzi district

Construction of Pylon 2 of the New Nile Bridge in Njeru town

Implementation challenges

The slow implementation of projects was mainly due to;

Delays in access and possession of some sites especially on Mubende-Kakumiro-Kagadi road, Bulima-Kabwoya Road where the contractors were prevented from working on certain sections due to non-payment of compensation although possession for the section was given. Works on Kampla–Entebbe Expressway and Kyenjojo–Kabwoya roads were affected by a number of encumbrances like land disputes, death of landlords, and absentee land owners. In such cases, the contractor was forced to skip sections until the right owners are established. This challenge was experienced on other projects such as Bulima–Kabwoya, Kyenjojo–Kabwoya, Kanoni-Sembabule–Villa Maria, and Kampala Northern Bypass.

- Delays in relocation of utilities. There were difficulties in obtaining the priced BoQs and scope of works from utility agencies (UMEME, NWSC and the LGs) for relocation of these utilities. This was experienced on Bulima–Kabwoya, Kyenjojo–Kabwoya, Mubende–Kakumiro–Kagadi, and Kampala Northern Bypass.
- Insufficient and inadequate designs especially for rehabilitation projects which led to substantial change in scope of works thus calling for additional resources. Nakalama-Tirinyi-Mbale road (102km) has a variation of 97.8% after the design review. Other projects with a similar challenge are: Namunisi-Sironko-Muyembe-Kapchorwa (65km), and Kyenjojo-Fort Portal (50km).
- Poor equipment mobilization by the contractors has slowed progress of works. It was noted that some contractors had not mobilized all the equipment on site despite receiving advance payment. This was observed along the Kyenjojo-Kagadi-Kabwoya road project with inadequate equipment for earthworks (heavy duty roller and the 260 horse power), Mbarara bypass where the progress of asphalt work was affected by absence of a double drum roller, and mobilization of inappropriate road marking machine that affected the road marking works on NCR road.
- Delays in payments to contractors have also resulted in slow progress of works and this will lead to escalation of the projects cost in form of government paying claims (interest). Nearly about 70% of the certified payments were paid later than the due date or not yet paid on the following projects: Mbarara Bypass and reconstruction of Mbarara– Ntungamo, and Kyenjojo–Kabwoya road.
- Late release of funds leading to slow payments to the PAPs.

Conclusion

The overall the performance of the NRC/R programme was rated good at 74.5%. The performance of the program was majorly affected by delayed acquisition of the RoW on upgrading projects, poor mobilization of contractors and inadequate designs tendered for construction.

Recommendations

i) 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.

ii) The GoU/UNRA should introduce a penalty clause in contracts 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 staggerred payment of advances based on the level of mobilization. This will be a form of accountability for advances paid previously.

iii) The UNRA should step up monitoring of the level of contractors' equipment mobilization and the extent to which the equipment on site meets the project requirements.

iv) The GoU/UNRA should ensure timely settlement of the contractors' payments in order for them to meet their contractual mandates with less constraints from cash flows.

A completed section of the Kampala – Entebbe Expressway awaiting road marking

Power lines within the road prism yet to be relocated along the Kabwoya-Kyenjojo road

Swamp filling on one of the Kamuli town roads

A completed section of Ali-Keny Road in Koboko town

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 135 Designated Agencies (DAs), comprising of 111 districts, two authorities (KCCA and UNRA) and 22 municipalities. The DAs and sub-agencies collectively look after a total of 78,000 km of public roads, made up of 21,000 km of national roads under UNRA management; 1,100 kms of KCCA roads; 22,500 km of district roads; 4,000 km of urban roads under town councils; 3,400 km of urban roads under municipal councils; and 30,000 km of Community Access Roads (CARs) managed by sub-counties.

The Designated Agencies employed a mix of Force Account and contracting to deliver planned works. There was a shift of policy emphasis towards use of force account by MoWT on the District, Urban and Community Access Road (DUCAR) network with effect from 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 LG or DA.

This Vote has two programmes namely: the DUCAR Maintenance Programme and National Roads Maintenance Programme (NRMP). These two programmes were monitored for the semi-annual performance in the FY 2016/17.

Financial performance

The Vote has an approved budget of Ug shs 417.84 billion, of which Ug shs 163.21 billion (39.1%) was released and Ug shs 160.54 billion (98.4%) spent by the end of December 2016. The expenditure was excellent since URF transferred 96.7% of the release to UNRA and LGs. Table 3.12 shows the performance of the Vote by the end of December 2016.

TABLE 13.8: Financial Performance of URF in FY 2016/17 by 31st December 2016 (Ug shs billions)

Description	Budget	Release	Spent	% Budget Release	% Budget Spent	% Release Spent
National Road Maintenance -UNRA	267.92	102.72	102.72	38.3%	38.3%	100.0%
DUCAR	138.86	55.31	54.26	39.8%	39.1%	98.1%
URF Secretariat	11.06	5.18	3.56	46.8%	32.2%	68.7%
Total	**417.84**	**163.21**	**160.54**	**39.1%**	**38.4%**	**98.4%**

Source: URF Q2 FY2016/17 Performance Report

I. District, Urban and Community Access Roads

District, Urban and Community Access Roads (DUCAR) 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 the 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.

For FY 2016/17, the program has an approved budget of Ug shs 138.86 billion (33.2%) of approved URF budget), of which Ug shs 55.31 billion (39.8%) was released by 31st December 2016 and transferred to the designated agencies as seen in Table 13.8.

For the FY 2016/17, planned outputs of the DUCAR program are:

1) **District Roads:** routine maintenance (manual) of 25,528 km; Routine maintenance (mechanized) of 5,000 km; Periodic maintenance of 1,000 km; Routine maintenance of 10 bridges; and Installation of 5,500 pieces of culverts.
2) **Urban Roads:** Routine maintenance (manual) of 1,200 km; Routine maintenance (mechanized) of 206 km; Periodic maintenance of 50km; Routine maintenance of 6 bridges, and Installation of 100 pieces of culverts.
3) **Community Access Roads:** Routine maintenance (manual) of 5,832 km; Routine maintenance of 14 bridges; and Installation of 1,050 pieces of culverts.

For the semi-annual performance of the program in the FY 2016/17, 14 districts of: Amolatar, Buliisa, Bududa, Bukedea, Kabale, Kaliiro, Kalungu, Kibaale, Kyenjojo, Maracha, Nakaseke, Pader, Sembabuule, and Soroti, were sampled and monitored. The findings are presented below.

a. Amolatar

The district has a network of 343.87 km[54] which are all unpaved. The approved annual budget for the district roads in FY 2016/17 is Ug shs 595,736,166 of which Ug shs 225,922,944 (37.9%) was released by 31st December, 2016. Absorption of funds was very good at 100%.

The physical performance was estimated at 37.4%; thus the district did not achieve the semi-annual targets. Table 13.9 shows the performance of the district roads maintenance program by the end of December 2016.

Table 13.9: Performance of Amolatar District Roads Maintenance by 31st December, 2016

Output	Annual Target	Achieved Target (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	284.4	284	8	Two cycles out of four were executed.
Routine Mechanised Maintenance	21.2	4	22	Half year target was not achieved. Procurement was not yet finalized to start works especially in town councils
Periodic maintenance	7.6	1	7.4	
Overall weighted physical performance was 37.4%				**Poor performance**

Source: Amolotar DLG Annual Work plan and Quarterly progress reports FY2016/17and Author's compilation

Absorption of funds (100%) was not commensurate to the physical performance (36.7%) because payment of arrears amounting to Ug shs 58.459 million (25.89% of total FY 2016/17 release) for fuel, machinery and repair of equipment incurred in the previous FY2015/16 had been prioritized with part of the Q1 and Q2 FY 2016/17 release. This was arising from the

[54] Inclusive of town councils and sub counties where applicable

budget shortfalls in FY 2015/16 that amounted to Ug shs 102 million, of which Ug shs 58 million has been settled.

Additionally, the district also received funding from the Rural Transformation Initiative (RTI) of Ug shs 341,334,816 (66.7% of its annual budget) of which Ug shs 65,847,384 (19.29%) was expended by the end of December 2016. This is meant for low cost sealing of the road leading to the district headquarters. By 31st December 2016, only the design component had been completed. This was due to the late release of funds (Q2 RTI funds were received in November 2016) and the small amounts of releases which had to be accumulated in order to secure sufficient funds to start works.

b. Bududa district

The district has a network of 646.26 km which is all unpaved. Of these, 145.6 km (22.5%) are gravel and 500.66 km (75%) are earth. The district's approved annual budget for roads in FY 2016/17 is Ug shs 453,356,000, of which Ug shs 176,470,902 (38.9%) was released by 31st December, 2016. Absorption of funds was very good at 92.8%.

The semi-annual achievement of the targets was estimated at 85%; which was a very good performance. This was mainly attributed to the fairly maintained road equipment, experienced equipment operator and the fact that the roads are in a mountainous terrain that can easily be worked on during the dry season. However, there was poor performance in routine manual maintenance works due to delayed recruitment of road gangs. The performance of the district roads maintenance program is summarized in table 13.10.

Table 13.10: Performance of Bududa District Roads Maintenance by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	163.76	163.76	34.9	Only one out of four cycles was executed
Routine Mechanised Maintenance	57.93	51.85	26.3	The target was over achieved and the roads were in a fairly motorable condition.
Periodic Maintenance	2	0	0	Not executed
Installation of Culverts (No)	72	24	6.7	Fair performance
Construction of timber decked vehicle bridges	3	1	6.9	Fair performance
Bottle necks on CARs foot bridges	29	26.00	10.2	Very Good performance
Overall weighted physical performance was 85.0%				**Very Good Performance**

Source: Bududa DLG Annual Work plan and Quarterly progress reports FY2016/17and Author's compilation

There was over performance in the routine mechanized maintenance category because the district took advantage of the dry weather since works stall during the rainy season especially in the mountainous terrain.

Observations

- Bududa-Busano road had sharp horizontal and deep vertical curves that impede movement of traffic along the route. The community had also blocked a culvert at about 2km from Bududa.
- Namaistu-Bunamwaki road has a challenge of rock outcrops especially at the beginning of the road.
- Shanzou-Nalufutu road has loose (plastic soils) that impede safe movements especially during the rainy season as it becomes too muddy.

c. Buliisa

The district has a road network of 283km inclusive of town council and sub-county roads. The annual approved budget for Buliisa district roads maintenance, for FY 2016/17 is Ug shs 426, 401, 638 of which Ug shs 290,869,370 was planned to be expended at the district and the balance in the sub-counties and town councils.

By 31st December, 2016,Ug shs 157,762,912 (37%) was released and Ug Shs 142,292,226 (90%) was spent. This was a good release, although it fell short of the expected 50% and excellent resource absorption for the half year performance. Table 13.11 shows a summary of the physical performance of the district.

Table 13.11: Performance of Buliisa District Roads Maintenance by 31st December 2016

Out put	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanized Maintenance	20	0	0	Inadequate funds were available for this output.
Routine Manual Maintenance	263	229	51.56	Good half year performance
Overall weighted performance was 51.6%				**Fair performance**

Source: Buliisa DLG Annual Work plan and Quarterly Progress Reports FY2016/17, and Authors' compilation

Overall the district's performance was fair. It achieved 51.6% of the half year targets. The district only implemented routine manual maintenance works on some roads. The failure to achieve the targets was attributed to inadequate funds that were released, so the routine mechanized maintenance works which were meant to be implemented by half year were deferred to third quarter. These activities had not commenced because the district was awaiting quarter three release to accumulate the required funds.

The district is destined to benefit from the Albertine Region Sustainable Development Project (ARSDP) funded by the World Bank to rehabilitate 17 district roads some of which

(Ndandamine-Bukongoro-Ngwendo (10.7km) and Kisiaru–Kagorwa (9.3km) are in the district work plan for FY 2016/17.

Therefore the funds for maintenance of the two roads were reallocated to Boama-Walikuba-Kamagongolo-Sonsio (10.7km), Walukuba–Main (1.8km) and Nyamukuta–Main (1.8km) roads. Works on these roads were awaiting release of quarter three funds to commence.

d. Kabale

The district has a network of 1129.4km roads inclusive of town council and sub-county roads, of which 600.5km are unpaved gravel and 528.9km are earth. The annual budget of the district roads for the FY 2016/17 was Ug shs 1,074,262,480 ,of which Ug shs 449,532,316 (41.8%) was released by the end of December 2016. The district expended Ug shs 401,150,791(89.2% of the release) on road works. This was a good release for the half year performance although it fell short of the expected 50%. Table 13.12 shows a summary of the physical performance of the district.

Table 13.12: Performance of Kabale District Roads Maintenance by 31st December, 2016

Out put	Annual Target (km/No)	Cum. Achieved Quantity (km/No)	Weighted Physical Performance (%)	Remark
Periodic Maintenance	4	2	29.83	Tarmacking of town council roads was not done due to inadequate funds released
Routine Mechanised Maintenance	230.9	143	36.42	Good half year performance
Routine Manual Maintenance	502.3	0	0	Target not achieved due to inadequate funds
Culverts	42	30	2.34	Good half year performance
Emergency	17	17	5.27	Works carried out on Kabimbiri-Kamusiza road
Overall weighted performance was 73.9%				**Good performance**

Source: Kabale DLG Annual Workplan and Quarterly progress reports FY2016/17

Overall the district's performance was good with 73.9% of the half year targets met. Its semi-annual targets were not achieved because some of the planned outputs were deferred to the third quarter on account of inadequate funds released. Routine manual maintenance activities and tarmacking of town council roads were not executed during the first half of the year due to inadequate funds. The district experienced a budget short fall of about Ug shs 229,329,574 to enable it fund all the half year activities.

The following; Bukinda–Kahondo–Maziba (26km), Kitumba–Habuhasha (6km) and Bukinda – Highland tarmac roads were sampled for inspection and it was noted that for all the roads, planned works had been executed save for Bukinda– Highland road where tarmacking was pending.

The routine manual maintenance catergory did not perform well due to an inadequate budget as most of the roads require deep excavations and rock extraction. The district also requires specialized equipment such as bull dozers and excavators to carry out such works. Additionally the recruited road gangs for routine manual maintenance works prefer farming to working on the roads due to the low remuneration.

Stabilsed gravel base for Bukinda-Highland tarmac road awaiting surfacing

Rocky section requiring a bulldozer along Bukinda-Kahindo-Masiba Road

e. Kalungu

The district has a network of 746.85km which are all unpaved. The annual budget of the district roads maintenance programe in FY 2016/17 is Ug shs 435,672,630, of which Ug shs 302,831,236 (69.5%) was released and Ug shs 202,184,270 (66.8%) spent by the end of December 2016. The district also received an emergency release of Ug shs 60,000,000 during the half year period for three (3)[55] roads which had been destroyed by heavy rains. All was funds had been expended. This was an excellent release since more than half of the funds were received by half year. The district achieved 82% of the half year targets as shown in Table 13.13. Failure to achieve the targets was due to late releases and frequent break down of equipment.

It was noted that some of the activities under routine mechanized maintenance such as installation of culverts, gravelling and drainage improvements which had been planned were not executed. On most of the roads only light or medium grading was done.

Table 13.13: Performance of Kalungu District Roads Maintenance by 31st December, 2016

Output	Annual Target (km/No.)	Cum. Achieved Quantity (km/No.)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance	84	33.4	69.28	Half year target not achieved
Routine Manual Maintenance	472	222	12.7	Output was less prioritized due to budget shortfalls
Culverts	128	0	0	No culverts were installed

[55] Bulakati Section on Lukaya-Lusango road; Kalangala-Bulingo road; and Munkoko-Kikongolo road

Overall weighted performance was 82%	**Good performance**

Source: Kalungu DLG Annual Work plan; Quarterly Progress Reports FY 2016/17, and Author's compilation

Despite the relatively good performance, the district still has challenges with the implementation of force account guidelines especially in regard to recruitment and payment of wages to casual labourers and head men.

A well graded Degeya-Nuo Kabale Town Board Road

Bush covering part Bulingo-Kalangala landing site road due to lack of routine manual maintenance

f. Kaliro district

The district has a network of 347.74 km, of which 1.5 km(0.43%) is paved, 172.2 km (49.5%) is gravel and 174.04 km (50.07%) are earth roads. For the FY 2016/17, the district roads maintenance program has an approved annual budget of Ug shs 630,444,000 of which Ug shs 217,498,815 (34.5%) was released by 31st December, 2016. Absorption of funds was very good at 100%.

The physical performance of the district was rated as good at 71.02%, however, the district did not execute any routine manual maintenance works hence. The physical performance was commensurate to the absorbed funds**.** The performance of the district is summarized in table 13.14.

Table 13.14: Performance of Kaliro District Roads Maintenance by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance Score (%)	Remark
Routine Manual Maintenance	206.4	0	0	Did not take off due to budget cuts
Routine Mechanised Maintenance	60	22	71.02	Target was not achieved due to budget shortfalls
Overall weighted physical progress was 71.02%				**Fair physical performance**

Source: Kaliro DLG Annual Work plan; Quarterly progress reports FY 2016/17 and Author's compilation

Observations

- Buyodi swamp: an Armco culvert (provided by MoWT) of diameter 900mm had been installed, however it was insufficient to cater for the existing runoff.
- Naigombwa-Kasokwe-Namugongo-Natwana (17km) was fairly motorable, however rock outcrops especially on Natwana side pose a threat to vehicle tyres and certainly discomfort.
- Namukooge-Bulumba-Bumanya (19km): The road was earmarked for rehabilitation for the last three years but funding from URF has not been realized, therefore a short term intervention of heavy grading and gravelling was carried out and the road was fairly motorable. It was noted that the road is narrow (about 6m) and water was scouring its shoulders because no offshoots were provided.

g. Kapchorwa district

The district has a network of 462.55 km which is all unpaved. Of these, 192.45 km (41.6%) is gravel and 270.01km (58.4%) are earth roads. The district roads maintenance program has an annual budget of Ug shs310,369,450 of which Ug shs 129,576,777 (41.7%) was released by 31st December 2016. Absorption of funds was good at 70.2%.

The physical performance was poor at 41.3% as summarized in Table 13.15. The district did not achieve its half year targets. This was mainly attributed to:

- The weak nature of road equipment that does not favour the terrain as it often breaks down yet the mechanical imprest provided is not adequate.
- The bureaucracy in acquiring fuel (at times three weeks or more) to execute works.

The performance was commensurate to the absorbed funds.

Table 13.15: Performance of Kapchorwa District Roads Maintenance by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	158	158	41.3	Two out of four cycles were executed
Routine Mechanised Maintenance	90	0	0	Works were not carried out due to road equipment breakdown
Periodic Maintenance	6.5	0	0	
Overall weighted performance was 41.3%				**Poor performance**

Source: Kapchorwa DLG Annual Work plan; Quarterly progress reports FY 2016/17 and Author's compilation

h. Kibaale

The approved annual budget for the road maintenance programme FY2016/17 was Ug shs 340,190,000, of which Ug shs 135,722,854 (40%) was released and Ug shs 112,193,256 (82.7%) expended by 31st December, 2016. Table 13.16 shows a summary of the physical performance of the district by 31st December, 2016.

Table 13.16: Performance of Kibaale District Road Maintenance by 31st December 2016

Out put	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance	20	0	0	Half year targets were not achieved due to inadequate funds received
Routine Manual Maintenance	218	182	77.4	
Weighted performance was 77.4%				**Good performance**

Source: Kibaale District Annual Workplan, Quarterly Progress reports FY2016/17 and Author Compilation

Overall the district's performance was good at 77.4% although it did not achieve the semi-annual targets, due to inadequate funds (40%) released. No culvert procurement and mechanized maintenance works were executed for the half year period. Some works commenced in quarter three and were ongoing at the time of monitoring. It was observed however that for Rusandira-Rwensambya-Muntabu-Kitoma, where the district planned grading works, only gravelling would be required to make the road passable during the rainy season.

Grading works ongoing along RusandaraRwensambya-Muntabu-Kitoma

Kyakatwanga-Kakwaku-Kisenge road under routine manual maintenance

i. Kyenjojo

The district has a road network of 1,769km, of which are 19.4% are gravel/u paved and 80.6% are earth roads. For the FY2016/17, the district roads maintenance programe has an approved budget of Ug shs 1,180,903,769, of which Ug shs 450,538,460 (38.2%) was released and Ug shs 412,242,600 (91.5%) expended by half year. The budget performance fell short of the expected 50% release. The expended funds were used to execute periodic and routine manual maintenance activities. The physical performance of the district under each of the outputs is summarised in Table 13.17.

Table 13.17: Performance of Kyenjojo District Roads Maintenance by 31st December, 2016

Out put	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Periodic Maintenance	195.9	62.4	55.15	Ug shs 251,305,300 was released for this output. Target not met due to inadequate release.
Routine Manual Maintenance	601.4	278	31.32	Half year target met
Overall weighted physical performance was 86.5%				**Good performance**

Source: Kyenjojo DLG Annual Work plan; Quarterly progress reports FY 2016/17 and Author's compilation

The overall physical performance was rated as good at 86.5% of the half year targets considering that only 38.2% of the annual budget was released. The performance was affected by late release of funds and incomplete road unit, so the district hires some of the equipment. Additionally, the district budget is inadequate compared to the road network with the current budget only addressing 25% of the roads sub-sector priorities.

Butiti–Ruhoko–Nyantugo (27km), Kijwiga-Ikoba-Kijugo (11.4km), and Kyenjojo–Rweitenja road (7km) were inspected to verify the reported activities. It was observed that grading, gravelling and installation of culverts were implemented on these roads. The installed culverts had not yet received the end structures. Some road sections along Kijwiga–Ikona–Kijugo were outgrown with bush cover due to inadequate routine manual maintenance.

Gravelled section of Butiti-Ruhoko road

Part of Kijwiga-Ikoba-Kijugo road with high vegetation cover

j. Maracha district

The district has a road network of 410.85 km which is all unpaved. Of these, 47.6 km (11.6%) are gravel and 363.25 km (88.4%) are earth. The district's annual budget for FY2016/17 is Ug shs 666,207,000, of which Ug shs 237,775,937(35.7%) was released by 31st December 2016. Absorption of funds was very good at 100%.

The physical performance of the district was fair at 26.7%; thus the district did not achieve its semi-annual targets. The performance of the district is summarized in Table 13.18.

Table 13.18: Performance of Maracha District Roads Maintenance by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remarks
Routine Manual Maintenance	246	246	53.3	Target was achieved. The two cycles were carried out
Routine Mechanised Maintenance	44.7	0	0	The works were not carried because of budget shortfalls
Periodic Maintenance	4.5	0	0	
Overall weighted performance was 53.3%				**Fair Performance**

Source: Maracha DLG Annual Workplan; Quarterly Progress Reports FY 2016/17 and Author's compilation

Part of the FY2016/17 funds were used to clear debts carried forward due to inadequate releases in the FY 2015/16. Additionally, the district also received funding form PRDP of Ug shs 68,397,840 (66.2% of the annual budget) of which Ug shs 29,974,586 (43.8%) was expended by the end of December 2016. This is meant for bridges works which were still at contract award level.

k. Nakaseke district

The district has a total road network of 1,435km inclusive of town council and sub-county roads, of which 32.1% are unpaved and 67.9% are earth roads. The FY2016/17 annual approved budget is Ug shs 1,001,710,250, of which Ug shs 383,886,541(38.3%) was released, and Ug shs 180,081,115 (46.9%) expended. This represents a good financial release and a poor expenditure performance. The funds were expended on road maintenance activities. Table 13.19 shows the physical performance of the district by 31st December, 2016.

The overall physical performance was poor with only 31% of the half year targets achieved. Spot gravelling was done along Lwesindizi–Kinoni–Biduku road (24.8km) and routine mechanized maintenance done on Kalyabulo road in Ngoma, Nakaseke–Kiziba (1.5km); Nakaseke–Kitanswa (2.4km) roads in Nakaseke and Serugo Road (0.4km), SDA-Kambugu (1.4km), Kalina road (0.3km), Sseddunga road (0.2 km) and Kikondo-Nsaka-Lule (2.4 km) in Semuto town councils.

Table 13.19: Performance of Nakaseke District Roads Maintenance by 31st December, 2016

Out put	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Periodic maintenance	42.9	5.20	7.93	Only 61% of the funds for this output were released
Routine mechanised maintenance	46.8	4.40	5.01	21.8% of the annual budget for this output was released
Routine manual maintenance	461.3	26.80	5.63	35.8% of annual budget for this output was released. Road gangs only worked in December due to lack of appointment letters
Culverts	381	28.00	12.39	7.8% of the annual budget for this output was released
Overall weighted performance was 31%				**Poor performance due to inadequate funds.**

Source: Nakaseke DLG Annual Work plan; Quarterly Progress Reports FY 2016/17 and Author's Compilation

The poor performance by the district was attributed to inadequate funds both for road maintenance and mechanical imprest. Overall the district suffered an estimated budget shortfall for road maintenance works of about Ug shs 116,968,584 for the half year period.

It was observed that the district is faced with a challenge of recruitment of road gangs within the town council on account of unclear guidelines. The town councils would prefer to recruit these personnel directly other than through the District Service Commission so as to reduce on the bureaucracy.

l. Pader district

The district has a road network of 1,159.41 km, of which 3.4(0.4%) is paved, 324.52 km (28%) is gravelled and 831.49 km (71.70%) is earth.The district's annual budget is Ug shs755,131,627 of which Ug shs 382,092,282 (50.6%) was released by 31st December, 2016. Absorption of funds was good at 77.9%.

The physical performance of the district was fair at 25.8%; thus the district did not achieve its semi-annual targets. The absorption of funds was commensurate to the physical performance summarized in Table 13.20.

Additionally, the district also received funding form PRDP of Ug shs 68,397,840 (66.2% of the annual budget) of which Ug shs 29,974,586 (43.8%) was expended by 31st December, 2016. This is meant for bridge works which were still at contract award level.

Table 13.20: Performance of Pader District Roads Maintenance by 31st December, 2016

Output	Annual Target	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	593.1	440.8	25.84	One cycle was executed
Routine Mechanised Maintenance	101	0	0	Works were not carried out due to delays in procurement of inputs like gravel and fuel and breakdown of the grader for the entire first half of FY 2016/17
Periodic Maintenance	36.3	0	0	
Culvert Installation	4	0	0	
Overall weighted performance was at 25.84% of the semi-annual targets				**Poor Performance**

Source: Pader DLG Annual Work plan; Quarterly Progress Reports FY 2016/17 and Author's compilation

m. Sembabuule district

No information was obtained from the district because the district engineer was under interdiction and the office of the works and transport could not be accessed due to the ongoing investigation by the Inspector of Government and the Police.

n. Soroti district

The district has a raod network of 456.2 km which is all unpaved. Of these, 231.3 km (50.7%) are gravel and 224.9 km (49.3%) are earth. The district's annual budget is Ug shs 587,476,798, of which Ug shs 236,906,749 (40.3%) was released by 31st December, 2016. Absorption of funds was fair at 50.7%.

The physical performance of the district was poor at 29.7%. There were delays in implementation of works in Q1 were due to political interference that called for audit investigations for the previous FY works. The performance of the district is summarized in Table 13.21.

Table 13.21: Performance of Soroti District Roads Maintenance by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity(km)	Weighted Physical Performance (%)	Remark
Routine Manual Maintenance	168	168	12.88	One cycle out of four was executed due to delayed recruitment of road gangs.
Routine Mechanised Maintenance	22.3	0	0	Works were not carried out due to delayed procurement.
Periodic maintenance	25.7	6	16.84	Works started late along Atirir-Orungo (14.7km) border and were ongoing.
Bridges	5	0	0	Works were not carried out due to delayed procurement.
Overall weighted physical progress was 29.7% of the semi-annual targets				**Poor performance**

Source: Soroti DLG Annual Work plan; Quarterly Progress Reports FY 2016/17, and Author's compilation

The performance was not commensurate to funds absorption, however the funds were claimed to have been secured for the materials under procurement.

Emerging issues under Force Account implementation of DUCAR Programme

- The breakdown of outputs as well as budgets into equal values per quarter forces districts to wait for funds to accumulate before they can commence implementation of works on some roads.
- Districts have continued to receive less funds than what is in their workplans and therefore are forced to prioritize.
- Low pay of Ug shs 100,000 per 2km per month for the road gangs coupled with unrealistic maintenance work load. The work load should either reduce to 1km per month or increase the pay by 100%.
- The guidelines for recruitment of road gangs in town councils is not clear leading to delays in recruitment. 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.

Overall Performance of the DUCAR Programme

Overall, the LGs did not achieve the planned outputs under this programme. The extent of achievement of the planned outputs was estimated at 57.5% hence a fair physical performance. The underperformance was majorly caused by shortage in financial resources as only about 40% of the required funding was released for the implementation of the planned activities. Absorption of funds was good at 81.5% on average. A summary of the DUCAR performance for the districts monitored is illustrated in Table 13.22.

Challenges affecting the DUCAR Programme

- Dilapidated and expanded road network that requires rehabilitation instead of routine maintenance.
- Lack of full sets of road equipment at LGs. All the districts did not have complete road units. Districts with rocky and mountainous terrain like Kabale, Bududa, and Kapchorwa require specialized equipment (bulldozers and heavy graders) to carry out works on their roads.
- Budget cuts as on average LGs had a budget shortfall of about 7.5% and so could not achieve all the targets.
- Low remuneration for equipment operators and road gangs at LGs has resulted into high turnovers and affected performance of the routine maintenance activities.
- The manual maintenance interventions in the district were hampered by delayed procurement.
- Scarcity of road materials like gravel for maintenance works.
- Poor land tenure system where locals block opened drainages that they assume are on their land and they ought to be paid for the channels.

Recommendations

- The GoU should expedite the procurement process of the new equipment to LGs. The MoWT should ensure that the equipment procured is suitable for heavy grading works. Special consideration should be given to districts in rocky and high terrain areas whose maintenance works involve deep cuts. These should be provided with bulldozers and heavy duty graders.
- The MoWT should set up an equipment operators training school.
- The URF and MoWT should review the remuneration to the road gangs so as to motivate them work. A proposal of Ug shs 150,000 – 200,000 per km of road maintained would be adequate.
- The MoWT should carry out research on low cost sealing options to enable their promotion especially within the urban councils.

Table 13.22: Summary of the DUCAR Program for the Districts Monitored

S/N	District Name	Budget (Ug shs)	% Release	% Expenditure	Physical Performance (%)	Remark
1	Amolatar	595,736,166	37.9	100	37.4	The overall performance was rated poor and was not commensurate to the absorbed funds. The district did not achieve its semi-annual targets due to the late receipt of funds.
2	Bududa	453,356,000	38.9	92.8	85	Overall performance was good. There was over performance in the routine mechanized maintenance category because the district took advantage of the dry weather since works stall during the rainy season.
3	Buliisa	426,401,638	37	90.2	51.6	Fair physical performance. The district only implemented routine manual maintenance works on some roads. Funds absorption was not commensurate to the executed works.
4	Kabale	1,074,262,480	42	89.2	75.2	Good performance, although the semi-annual targets were not achieved due to inadequate funds released. Funds absorption was commensurate to the executed works.
5	Kaliro	630,444,000	34.5	100	71	Performance was good at 71.02% of the semi-annual targets. The absorbed funds were commensurate to the physical performance.

S/N	District Name	Budget (Ug shs)	% Release	% Expenditure	Physical Performance (%)	Remark
6	Kalungu	435,672,630	69.5	66.8	82.0	Good physical performance due to an excellent release at half year, however, the physical performance was not commensurate to the funds absorbed.
7	Kapchorwa	310,369,450	42	70.2	41.3	Physical performance was poor. The district did not achieve its semi-annual targets due tofrequent equipment breakdown. The absorbed funds were not commensurate to the physical performance.
8	Kibaale	340,190,000	40	82.7	77.4	Physical performance was good, although the absorbed funds were not commensurate to the physical performance.
9	*Kyenjojo*	*1,180,903,769*	*38*	*91*	*86.5*	*The physical performance was good. The funds absorbed were commensurate to the executed works*
10	Maracha	666,207,000	36	100	53.3	The district had fair performance, however, it did not achieve its semi-annual targets due to budget cuts. Part of the FY2016/17 funds were used to clear debts that were carried forward due to inadequate releases in the FY 2015/16.
11	Nakaseke	1,001,710,250	38	47	30.8	The district had poor performance which was attributed to inadequate funds for road maintenance. The funds absorbed were commensurate to the executed works.
12	Pader	755,131,627	51	78	25.8	The district had poor performance. It did not achieve its semi-annual targets due to delays in procurement of inputs like gravel and fuel, and breakdown of the grader for the entire first half of FY 2016/17. The funds absorbed were used for the routine manual maintenance works.

S/N	District Name	Budget (Ug shs)	% Release	% Expenditure	Physical Performance (%)	Remark
13	Soroti	587,476,798	40	51	29.7	The district had poor performance due to delayed procurement. The funds absorbed were commensurate to the executed works. Part of the funds expended were commited for materials.
	TOTAL		**41.9**	**81.5**	**57.5**	***Fair Performance***

Source:Author'sCompilation

1. National Roads Maintenance Program

The programme involves several activities of maintenance of 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 their stations. It aims at improving and maintaining interconnectivity of the national road network across the country by reducing the rate of deterioration, lowering vehicle operating costs and travel time as well as ensuring safety of road users and ferry services.

The UNRA stations are responsible for directly executing Force Account activities which involve routine manual (labour based contracts) and routine mechanised maintenance. In addition, they undertake supervision services for periodic and term maintenance which are usually contracted out and managed at the headquarters.

Overall Financial Performance of the National Roads Maintenance Program

This program is funded by URF but implemented by UNRA stations. For FY2016/17, the program has an approved budget of Ug shs 267.92 billion (64.1% of URF budget), of which Ug shs 102.72 billion (38.3%) was released and Ug shs 82.15 billion (80%) spent by the end of December, 2016. Absorption of the funds was affected by: delays in procurements for materials, spares, plus other mechanical parts (tyres,etc); late release of funds by URF; and lack of full sets of road equipment by stations thereby hindering progress of Force Account activities.

For the half year FY2016/17 annual performance, seven (7) UNRA stations (Arua, Fort Portal, Jinja, Lira, Luweero, Masaka, Masindi) were monitored.

Overall Physical Performance of the National Roads Maintenance Program

The overall physical performance of the force account component of the National Roads Maintenance Programme (NRMP) was poor having achieved only 58% of the half year target. Although there has been a marked increase in the budgetary allocation to UNRA over the recent years, 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 FY2016/17 is Ug shs 596 billion to enable ably implementation of maintenance of road activities, ferry operations, and road safety activities. This leaves a funding gap of Ug shs 301.08 billion (112% of approved FY 2016/17 budget). Table 13.23 shows a summary of the performance of UNRA stations.

Table 13:23: Performance of the National Roads Maintenance Programme by 31st December, 2016

Station	% budget released	% release spent	% Weighted physical performance	Remark
Arua	67.29	58.49	77.8	Target not achieved due to insufficient staff numbers for the scheduled activities at the station, delayed release of quarterly funds, delayed procurement of the road works contract (Labour Based Contracts -LBC), only 50% of Q1 was achieved.
Fortportal	31.05	78.7	58.2	A number of activities were partly implemented on different roads but the poor performance was attributed to heavy rains during the period of September to December 2016; changes in the scope of works, under mobilisation by the contractors, lack of sound equipment and inadequate capacity of the contractors.
Jinja	38.85	52.5	83.7	Station achieved most of the targets
Lira	58.05	58.05	57.2	Works were partly executed on different outputs, some works were ongoing and some activities were not yet implemented by 31st December, 2016. The performance was constrained by late release of funds, delayed processing and approval of Form 5 at the headquarters, failure to quickly access local materials and delayed procurement of LBC.
Luweero	24.7	56.5	56.2	The physical progress of individual projects ranged between 2-90% with grading being the only activity implemented on the roads. The half year targets not met due to; inadequate and dilapidated equipment associated with frequent breakdowns and delays in procurements since even micro procurements are handled at the headquarters.
Masaka	------	47.3	46.5	Only grading works were carried out. Gravelling and installation of drainage structures were not carried out. This was attributed to: delays in receipt of funds, inadequate equipment and delay in finalisation of procurement of service providers for other inputs such as gravel.
Masindi	------	62.65	31.9	On all the planned roads, only grading was executed. Activities not implemented were attributed to delayed procurement and inadequate tippers to ferry gravel to the required destinations.

i. Arua

Arua UNRA station road network comprises of 903km, of which 215km are paved and 698km are unpaved. The road network is in the following districts: Arua, Nebbi, Zombo, Maracha and Koboko.

a. Implementation by Force Account

The station received Ug shs 1,802,720,850 (67.29% of its annual budget) for force account activities, of which Ug shs 1,054,475,853 (58.49%) was spent by 31st December, 2016. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.24.

Table 13.24: Performance of Force Account in Arua UNRA Station by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	23	18.82	3.9	Semi-annual target was achieved
Routine Mechanised Maintenance (unpaved)	459	216.54	49.051	Works on two out of planned eight roads were not executed and other works spilled over to Q3, i.e, Aduku-Nambieso were ongoing in January
Routine Manual Maintenance (paved)	215	100	13.161	Two cycles @184.9km were executed. The road sides are well maintained.
Routine Manual Maintenance (unpaved)	707.8	235	17.628	Two cycles @685km were executed. The road sides are well maintained.
Weighted physical performance was 83.7%				**Good performance**

Source: Arua Station Quarterly progress reports FY 2016/17 and Author's compilation

The overall physical performance of the force account programme in the station was estimated at 83.7% of the half year targets which is a good performance. The station did not achieve all the targets due to:

- Insufficient staff numbers to handle the scheduled activities.
- Delayed release of quarterly funds.
- Delayed procurement of the road works contract (LBC), only 50% of Q1 was achieved.

Keri-Lima (16km), and Wandi–Yumbe (7.0km) roads were sampled for inspection and the observation was that the former had a very flat terrain which makes it unfavourable for offshoots, while the latter was fairly motorable but the surface was deteriorating.

b. Implementation by Contracts

The station had three (3) term maintenance contracts in FY2016/17. The contracts were at different levels of performance by the end of December 2016 as shown in table 13.25.

Table 13.25: Performance of Maintenance Contracts at Arua UNRA Station

Output	Annual Target (%)	Cum. Achieved Target (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Wandi-Rhino camp (51km) roads, and Koboko-Lodonga-Yumbe (36km) road	66.67	65	97.5	The 4th cycle works were on progress. On-going works were bush clearing, grading and culvert installation.
Term Maintenance of Panyamur-Erusi-Goli-Paidha (61km), Paidha-Anyavu (65km), and Anyavu-Vurra roads	63.88	48	75.1	The works were behind schedule despite the improved mobilisation of equipment by December 2016
Term Maintenance of Owaffa-Kubala-Omugo (4.1km) roads	100	30	30	The contract expired on 2nd December 2016 when physical progress is 30%. The contractor was denied an extension for no justifiable reason. The works were under 100 days of liquidated damages which was due on 13th March, 2017.
Weighted physical progress was 77.8%				**Good Performance**

Source: Arua UNRA and Author's Compilation

The overall performance of the contracts was good estimated at 77.83%, although all contracts were behind schedule, which was partly due to poor mobilisation by the contractors and inclement weather.

ii. Fort Portal

FortPortal UNRA station road network comprises of 1000.7km, of which 262.5km are paved and 738.2km are unpaved. The road network is found in the following districts: Bundibugyo, Kabarole, Kamwenge, Kibaale, Kyegegwa, Kyenjojo and Ntoroko.

The station's FY2016/17 budget for roads maintenance works is Ug shs 4,604,007,000. It received Ug shs 1,429,401,108 for force account activities, of which Ug shs 1,125,989,490 (78.7%) was spent by 31stDecember, 2016.

i) Implementation by Force Account

The station planned to implement routine and manual maintenance activities on both paved and unpaved roads. Physical performance of this programme by 31st December 2016 is presented in Table 13.26.

Table: 13.26: Performance of the Force Account Programme at Fort Portal Station by 31st December, 2016

Out put	Semi-annual targets (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	193.10	34	2.44	Activities under here were not prioritised
Routine Mechanised Maintenance (unpaved)	389	129.5	13.02	Gravelling not done
Routine Manual Maintenance (paved)	263	263	13	Target achieved
Routine Manual Maintenance (unpaved)	736.2	643	29.71	Activities were prioritized. 87.3% of the targets were achieved
Overall Weighted physical performance was 58.2%				**Poor performance**

Source: Fort Portal UNRA station Quarterly work plans and Progress reports FY2016/17

The overall performance was poor as 58.2% of the half year planned targets were archived. This was attributed to the frequent breakdown of equipment due to old age and delays in finalisation of procurement. Most of the maintenance works such as gravelling and installations of culverts was on-going during the third quarter.

ii) Implementation by Contracts

The station has two periodic, one term maintenance and one equipment hire facilitation equipment contracts. Table 13.27 summarises the performance of the contracts as at 31st December, 2016.

Table 13.27: Performance of Contracts at Fort Portal UNRA Station as at 31st December, 2016

Contract	Contract sum (Ug shs)	Cum. work Target by end of Q2	Cum. Achieved	Weighted Physical Performance (%)	Remark
Periodic Maintenance of Kasisi - Kabata _ Kyanga Road (30km) by M/s Pekesa Enterprises Ltd	1,276,901,600	100% of physical progress achieved	75% of physical works	2.11	Gravelling of the road was ongoing although the contract was behind schedule. The contractor asked for time extension of 45 days which was granted. The contractor submitted IPC 1 amounting to Ug shs 427,000,000 but had not been paid.

Contract	Contract sum (Ug shs)	Cum. work Target by end of Q2	Cum. Achieved	Weighted Physical Performance (%)	Remark
Periodic maintenance of Nyakigumba - Katebwa (7km) and Ntandikikyo - Bundibugyo (22km) by Kuka Uganda Ltd	1,500,747,600	40 % of physical progress achieved	25% physical works	2.07	The contract was behind schedule. The delays were due to: dilapidated equipment, under mobilisation and landslides in the Rwenzori region
Provision of services of road construction equipment hire for Karugutu - Ntoroko (51km) by BCR General Ltd	38,958,444,348	55.8 % of physical progress achieved	13.5% physical works	20.77	The contractor was supposed to work on four roads but only one was handled. The contract was behind schedule, due to low capacity of the contractor to handle works on more than one station. The contractor had works in Fortportal, Hoima and Masindi which delayed the project implementation.
Term Maintenance of Kyenjojo - Katooke - Muzizi (38km), Rugombe - Katooke (23km) and Fort Portal - Kijura (41km)	3,641,355,000	96 % of physical progress achieved	92% physical works	7.69	Contract was slightly behind schedule due to inadequate number of equipment deployed and delayed payments by UNRA. The contract expired
Overall Weighted physical performance was 32.64%					**Poor performance**

Source: Fort Portal UNRA Station Progress Reports and Field Findings

The overall performance of the contracts in FortPortal UNRA station was poor, as 32.64% of the half year target was achieved, with all contracts underperforming. This was mainly due to heavy rains during the period of September to December 2016; changes in the scope of works, under mobilisation by the contractors, lack of sound equipment and inadequate capacity of the contractors.

It was also observed that the contractor (M/s BCR General Ltd) contracted to provide equipment hire services in Hoima, Masindi and Fort Portal does not have adequate capacity to handle more than one road at a station hence affecting the performance at this station.

A gravelled section along Karugutu – Ntoroko road within the Murchson Fall National Park

Culvert installation works ongoing along Karugutu – Ntoroko road spilled to quarter three

iii. Jinja

Jinja UNRA station network comprises of 1,164.45km, of which 217.2km are paved and 947.3km are unpaved. The road network is found in the districts of: Jinja, Kamuli, Iganga, Bugiri, Mayuge, Kaliro, Namutumba, Buyende, Luuka, and Namayingo.

i. Implementation by Force Account

The station received Ug shs 1,677,460,646 (38.85% of its annual budget) for force account activities, of which a total of Ug shs 839,808,666 (52.5%) was spent by 31st December, 2016. The station planned to execute routine manual and mechanised maintenance on both paved and unpaved roads as shown in table 13.28.

Table 13.28: Performance of Force Account in Jinja UNRA Station by 31st December, 2016

Output	Annual target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	85.7	30.8	11.954	The semi-annual target was not achieved.
Routine Mechanised Maintenance (unpaved)	485.8	137	35.848	Works on two out of planned five roads were completed and other works like spot gravelling on Nabirumba-Kidera,Nawandala-Kisiro and Iganga-Mayuge roads spilled over to Q3.
Routine Manual Maintenance (paved)	184.9	184.9	9.052	Two cycles @184.9km were executed. The road sides are well maintained.
Routine Manual Maintenance (unpaved)	685	685	33.537	Two cycles @ 685km were executed. The road sides are well maintained.
Weighted physical performance was 90.4%				**Very Good performance**

Source: Jinja Station Quarterly progress reports FY 2016/17 and Author's compilation

The overall physical performance of the force account programme was estimated at 90.4% which was a very good performance, hence the station achieved most of its semi-annual planned outputs.

Idudi-Busembatiya (17.9km) and Bugembe-Bulongo(6.0km) roads were sampled for inspection and the observation was that the roads were in a fairly motorable condition.

ii. Implementation by Contracts

The station has two (2) term maintenance and two(2) period maintenance contracts which commenced in FY 2015/16. The contracts were at different levels of performance by the end of December 2016 as shown in table 13.29.

Table 13.29: Performance of Maintenance Contracts at Jinja UNRA Station by 31st December, 2016

Road Name	Annual Target (%)	Cum. Achieved Target (%)	Weighted Physical Performance (%)	Remark
Term Maintenace of Kamuli-Kaliro (46km) and Kamuli-Bukungu (68km) roads	65.3	36.6	56	The works were behind schedule. Financial progress was at 28.5%.
Term Maintenance of Iganga-Bulopa-Kamuli (58km) and Nakabugu-Kaliro (48km) Roads	65.3	40.1	61.4	The works were behind schedule by 25.2%. Financial progress was at 36%
Periodic Maintenance of Kaitabawala-Kisozi-Busota (18.4km)	100	97	97	The works progress was 97% against 254.51% time progress. This was attributed to poor mobilisation and repetition of works by the contractor who abandoned works for 50 days (Dec 2015 to Feb 2016).
Periodic Maintenance of Kaliro-Nawaikoke-Irundu (26.0km)	100	36.4	36.4	The works are behind schedule as progress is 36.4% against a time progress of 103.74%. The contract expired on 13th January 2017 after a three weeks extension and there was an intention of UNRA to charge liquidated damages.
Weighted physical performance was 64.96%				**Fair Performance**

Source: Jinja UNRA and Author's compilation

The overall performance of the contracts in the station was fair estimated at 64.95%. All of the contracts were behind schedule.

iv. Lira

Lira UNRA station road network comprises of 1,050.27km of which 151.8km are paved and 853.8km unpaved. The road network is found in the districts of: Lira, Alebtong, Kole, Dokolo, Apac, Oyam, Otuke and Amolatar.

i) Implementation by Force Account

The station planned to execute routine manual and mechanized maintenance on both paved and unpaved roads. By 31st December 2016, the station had received Ug shs 1,413,239,646 (58.05% of the budget) for force account activities, of which Ug shs 820,337,195.00 (58.05%) was spent, representing poor resource absorption. The physical performance at this station is as shown in Table 13.30.

Table 13.30: Performance of Force Account in Lira UNRA Station by 31st December, 2016

Output	Annual Target (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	90	11	25.47	Patch works were executed on part of Lira-Kamdini road, however those on Agwata-Dokolo did not commence.
Routine Mechanised Maintenance (unpaved)	534.8	65	33.82	Works on two out of the eight planned roads were not executed and other works spilled over to Q3 i.e. Works on Aduku-Nambieso were ongoing in January 2017.
Routine Manual Maintenance (paved)	552	304	72.61	Two cycles @152km were executed. The road sides are well maintained.
Routine Manual Maintenance (unpaved)	2196	1415	99.68	Two cycles @ 707.5kmwere executed. The road sides are well maintained.
Weighted physical progress was 57.2%				**Fair performance**

Source: Lira Station Quarterly Progress Reports FY 2016/17 and Author's Compilation

The overall physical performance of the force account programme in the station was fair, estimated at 57.2 % of the half year targets. Some of the half year targets were not achieved due to:

- Late release of funds.
- Delayed processing and approval of Form 5 at the headquarters.
- Failure to quickly access local material like murram, firewood, hard core and sand. This was due to suppliers lacking Tax Identification Number (TIN), hence calling for involvement of middlemen.
- Delayed procurement of Labour Based Contracts (LBCs).

Lira-Aromo (18km) and Aduku-Nambieso (15km) roads were inspected and observed that culvert installation and grading works respectively were still on-going in January 2017.

ii) Implementation by Contracts

The station had two (2) term maintenance and one (1) period maintenance contracts during the first half of the FY 2016/17. The contracts were at different levels of performance as shown in table 13.31.

Table 13.31: Performance of Maintenance Contracts at Lira UNRA Station by 31st December, 2016

Road Name	Annual Target (%)	Cum. Achieved Target (%)	Weighted Physical Performance (%)	Remark
Term Maintenace of Apac-Akokolo-Masindi port (82.6km)	35.42	21.8	61.5	The works were on course and satisfactory, however there was too much dust and culverts had no end structures yet.
Term Maintenance of Lira-Aduku-Apac (56.6km)and Ngetta-puranga (91.8km) Roads	33.56	15.9	47.4	Q1 gravelling works delayed due to delayed payments, however progress improved in cycle 2 after payment of IPC No.1.
Periodic Maintenance of Aromo-Agweng (18.4km)	95	90	94.7	The road was in a fair motorable condition and offshoots had been provided. However, these could block because it is located in a bulit-up environment.
Weighted physical performance was 56.23%				**Fair performance**

Source: Lira UNRA Station and Author's Compilation

The overall performance of the contracts in the station was fair estimated at 56.23% of the half year targets. Term Maintenance of Apac-Akokolo-Masindi port (82.6km) was on schedule as a result of satisfactory contractor's and good financial progress of 21.5% against a work progress of 21.8%, while Term Maintenance of Lira-Aduku-Apac (56.6km) and Ngetta-Puranga (91.8km) roads, and Periodic Maintenance of Aromo-Agweng (18.4km) were slightly behind schedule. They had poor cumulative financial progress of 5.3% against work progress of 15.9% and 68.8% against 94.7% respectively, due to delayed payments to the contractor.

Spread murram at 7+000 on Agweng-Aromo road

Installed culvert pending backfilling along Aduku-Nambieso Road

v. Luweero

Luweero UNRA station road network comprises of 1,204km, of which 239km are paved and 965km unpaved. The road network is found in the districts of: Luweero, Nakaseke, Nakasongola and parts of Kiboga, Kyankwanzi, Mukono and Wakiso.

i) Implementation by Force Account

The FY2016/17 approved annual budget is Ug shs 3,682,988,000, of which Ug shs 910,859,298 (24.7%) was released for routine manual and mechanised maintenance works, and Ug Shs 513,196,000 (56.3%) was expended by 31st December, 2016. The cumulative physical performance for half year is presented in Table 13.32.

Table 13.32: Force Account Performance of Luweero UNRA station by 31st December, 2016

Out put	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Weighted physical performance (%)	Remark
Routine Mechanised Maintenance (paved)	239	34	0.59	Planned works not executed due to aged equipment and lack of tipper trucks to carry asphalt.
Routine Mechanised Maintenance (un paved)	753	177	11.46	Planned gravelling works were not achieved.
Routine Manual Maintenance (paved)	239	163	6.37	Target not achieved
Routine Manual Maintenance (un paved)	965	749	37.74	
Overall weighted physical performance was 56.2% of the semi-annual targets				**Poor performance**

Source: Luweero Station Annual Workplan, Quarterly Progress Reports FY 2016/17, and Author's Compilation

The station achieved 56.2% of the half year targets which was a poor performance. The physical progress of individual project ranged between 2-90%, with grading being the only activity implemented on the roads. The half year targets were not met due to inadequate and dilapidated equipment associated with frequent breakdowns, the station does not have a substantive Station Manager and delays in procurements since even micro procurements are handled at the headquarters. Most of the maintenance works spilled to quarter three of FY2016/17.

Some of the roads reported to have been implemented were sampled for inspection. It was observed that only grading works were implemented on Kiwoko-Kalagala-Ngogolo (34.8km) and Kalule–Bowa–Nakaseke–Kiwoko (37km) and culvert structures which were installed during the previous years did not have end structures.

Graded section along Kalule–Bowa–Nakaseke – Kiwoko Road

An old culvert installed in the previous years but without head walls

ii) Implementation by Contracts

The station had four (4) term maintenance and one (1) period maintenance contracts which were ongoing by 31st December, 2016. The contracts were at different levels of performance as shown in Table 13.33.

Table 13.33: Performance of Maintenance Contracts at Luweero UNRA Station

Contract Name	Contract Sum (Ug shs)	Cumulative work Target by end of Q2	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Nakasongola - Lwampanga - Nabiswera - Kafu and Nabiswera - Migyera (97km) contracted to M/s Omega Construction Ltd	6,000,401,000	86.1% of physical progress	31.5% physical progress	7.09	The contract is in its 6th cycle and is behind schedule. Under performance was attributed to poor mobilisation of equipment by the contractor. At Janaury 2017, the contractor had demobilised. The contractor received Ug shs 2,208,897,326 (36.8%).

Contract Name	Contract Sum (Ug shs)	Cumulative work Target by end of Q2	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Luweero - Kikyusa - Zirobwe (37km) and Kisule - Nakaseke - Kapeeka - Busunju (51km) contracted to M/s Lusa Construction and Engineering Company Ltd	6,576,888,560	69.41% physical progress	79.4% physical progress	24.30	The contract is in its 4th cycle. Eight (8) IPCs amounting to Ug shs 4,221,026,923(64.2%) were paid. The contractor has adequately mobilised and was working.
Term Maintenance of Katikamu - Bamugolodde - Nakasongola (103km) contracted to M/s Techno Three (U) Ltd	6,345,486,712	97.22% physical progress	67.65% physical progress	14.26	The contract expired and an extension 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 Katuugo - Kinyogoga - Kaweweta (42km), Ngoma - Kinyogoga (27km), Ngoma - Kasozi-Kyamukonda(31km) and Ngoma - Kyankwanzi (15km) contracted to M/s Summit Projekt Ltd	10,640,467,200	58.33% physical progress	20.15% physical progress	11.87	The contract is in cycle 4 but behind schedule. The contractor has recived a total amount of Ug shs 2,125,445,132 (20%). The contract has been affected by poor mobilisation and delays in payment by UNRA.
Periodic Maintenance of Zirobwe - Lwajjali-Kabimbiri (22km) contracted to M/s Davog	1,393,394,000	100% physical progress	87.18% physical progress	3.92	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%) had been paid

Contract Name	Contract Sum (Ug shs)	Cumulative work Target by end of Q2	Cum. Achieved (%)	Weighted Physical Performance (%)	Remark
Technical Services Ltd					
Weighted physical performance was 61.46% of the half year target					**Fair performance**

Source: Luweero UNRA Station Progress Reports and Author's Compilation

The overall performance of the contracts was fair. The station achieved an estimated 61.46% of the half year targets. It was observed that most of the contracts were behind schedule while some had expired but works had not been completed.

Generally the contracts at the station were affected by poor mobilisation by the contractors and delays in payments by UNRA.

vi. Masaka

Masaka UNRA station network comprises of 1,092.8 km of which 239km are paved and 853.8km are unpaved. The road network is found in the districts of: 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 Table13.34. By 31st December, 2016, the station had received Ug shs 1,211,354,539 for force account activities, of which Ug shs 572,609,495 (47.3%) was spent.

Table 13.34: Force Account Performance of Masaka UNRA Station by 31st December, 2016

Out put	Semi-Annual targets (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	366	64.4	3.2	Target not achieved
Routine Mechanised Maintenance (unpaved)	327.6	95.9	12.07	Gravelling not done
Routine Manual Maintenance (paved)	273	222	12.67	Delays in procurement
Routine Manual Maintenance (unpaved)	492.8	364.8	18.53	Delays in procurement process
Overall weighted physical performance was 46.5%				**Poor performance**

Source: Masaka Station Quarterly progress reports FY 2016/17 and Author's compilation

For all the roads worked upon, only grading works were carried out. Gravelling and installation of drainage structures were not carried out.

Mukoko–Birinzi-Sunga (13km), Masaka–Kidda–Lusakalwamese (30km), Bikira–Kabira-Kalisizo (32km) and Masaka–Nyendo (6.0km) were sampled for inspection and the observation was that the unpaved roads were deteriorating very fast due to failure to gravel, while the Masaka–Nyendo Road had been patched and less potholes were evident.

The overall physical performance of the force account programme in the station was estimated at 46.5% which was poor. This was attributed to:

- Delays in receipt of funds. The station received the Q1 funds in mid-August and the Q2 funds at the beginning of the second month of the quarter.
- Inadequate equipment; with the station having only one grader, its effectiveness to produce results is limited. A grader is expected to have an output of 2km per day; this therefore means that grading the entire unpaved road network would require working for 427 days yet there are delays in receipt of funds and equipment breakdown. Additionally the station had one old tipper, excavator and water bowser which often experiences breakdowns. The station lacks a roller and so cannot compact the graded roads.
- Delay in finalisation of procurement of service providers of other inputs such as gravel.

Heaped gravel on the side of Mukoko–Sunga Road yet to be felled due to lack of tipper trucks

Bush clearing along Bukulula–Kalungu Road – a pilot project for full gravelling

ii) Implementation by Contracts

The station had six (6) term maintenance and one (1) period maintenance contracts which were ongoing by the end of December 2016. The contracts were at different levels of performance as shown in Table 13.35.

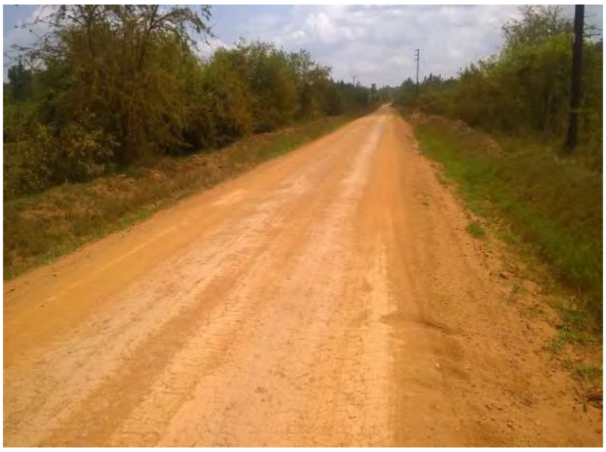
Table 13.35: Performance of Maintenance Contracts at Masaka UNRA Station by 31st December, 2016

Contract Name	Contract Sum (Ug shs)	Target by end of Q2	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	67% of physical woks	42% physical works	20.37	The contract was in 4th cycle. The contractor had abandoned site and demobilised his equipment due to non-payment from UNRA. The contract was behind schedule.
Term maintenance of Rakai - Ntantamukye (50km) contracted to M/s Nicontra Ltd	5,595,275, 620	33% physical works	18% of physical works	10.26	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	67% of physical works	43% of physical works	18.16	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).
Term Maintenance of Sembabule - Nkonge (58km) contracted to Emtec Technical Services Ltd	6,064,230, 040	33% of physical works	16% of physical works	9.89	The contract is behind schedule. Financial performance was at 5.6%.
Overall weighted physical performance was 58.68%					**Fair performance**

Source: Masaka UNRA and Author's compilation

The overall performance of the contracts in the station was fair estimated at 58.68%. All of the contracts were behind schedule, while in cases, the contractor had abandoned the sites. Implementation of the contracts was affected by the following:

- Delayed payment by UNRA. Most of the contractors abandoned sites due to poor cash flow arising from delays in receipt of their payments. It was noted that contractors were demanding at least two IPCs.
- Poor mobilisation by the contractors: The equipment and personnel the contractors present at the time of bidding is not what is presented at the time of execution of the contract. In most cases, the contractors do not have adequate equipment which delays implementation.
- Limited financial capacity of the contractors: Most of the contractors' cash flow is poor yet they take on more than one contract at the different UNRA stations. With the prevailing cases of delayed payments by UNRA, the performance of the contracts is affected.



Gravelled section for the term maintenance contract of Villa Maria–Kyamulibwa – Kabulasoke Road

Steep section along Masaka–Kida– Lusakalwamese Road with no off shoots

vii. Masindi

Masindi UNRA station road network comprises of 650.1 km, of which 133.4km are paved and 516.7km are unpaved. The road network is found in the districts of: Buliisa, Kiryandongo and Masindi.

The station received Ug shs 1,504,034,246 by 31st December, 2016, of which Ug shs 941,704,299 (62.6%) was spent. Some of the activities for half year spilled to the third quarter.

a. Implementation by Force Account

The station planned to execute routine manual and mechanised maintenance activities on a total of 413.6km and the performance on each outputs is presented in Table 13.36. The scope of works was grading, gravelling, installation of culverts structures and drainage improvement on the unpaved roads, and pothole patching and kerb stone replacement on the paved road.

Table 13.36: Force Account Performance of Masindi UNRA station by 31st December, 2016

Output	Annual Planned Quantity (km)	Cum. Achieved Quantity (km)	Weighted Physical Performance (%)	Remark
Routine Mechanised Maintenance (paved)	260.1	129	6.87	
Routine Mechanised Maintenance (un paved)	402.5	55	5.35	Gravelling works were not done
Routine Manual Maintenance (paved)	262	93	4.62	
Routine Manual Maintenance (un paved)	686	283	15.02	
Weighted physical performance was 31.9%				**Poor performance**

Source: Masindi Station Annual Work Plan; Quarterly Progress Reports FY 2016/17 and Authors' Compilation

Overall, the station achieved 31.9% of the half year targets which was a poor performance. On all the planned roads, only grading was executed. The planned gravelling and drainage installation on the unpaved roads were not achieved by half year due to delayed procurement and inadequate tippers to ferry gravel to the required destinations on the road. These activities spilled to quarter three and were ongoing.

A gravelled section of Ihungu–Bulyamusenyu Road (42km)

Gravelling works on going along Ikooba- Ntoma Road

ii)Implementation by Contracts

The station had four (4) term maintenance, one (1) period maintenance contract and one construction equipment hire contract. By 31st December, 2016 only the one term maintenance and the periodic contract were on schedule. The contracts were at different levels of performance as shown in table 13.37.

Table 13.37: Performance of Contracts at Masindi UNRA Station by 31st December 2016

Contract Name	Contract sum (Ug shs)	Cum. work Target by end of Q2 (%)	Cum. Achieved Target (%)	Weighted Physical Performance (%)	Remark
Term Maintenance of Kisanja - Paraa Road (80km)	6,749,205,100	70	72	24.80	Contract was in 4th cycle and a cumulative financial expenditure of Ug shs 3,257,407,416 (48.2%) was had been achieved.
Term Maintenance of Biiso - Bukumi - Butiaba - Army Barracks (20km), Bukumi - Buliisa - Wanseko (51km) and Buliisa Park Junction (22km)	8,843,463,248	44	21	15.08	The contract was in 3rd cycle and a cumulative financial expenditure of Ug shs 541,882,634 (6%) had been achieved.
Term Maintenance of Masindi - Kigumba (39km), Masindi - Hoima (51.8km) and Masindi - Biiso (51km)	6,598,849,000	100	73.5	17.33	The contract was supposed to have ended in July 2016. An extension was granted for six months to December 2016. The UNRA had started charging the contractor liquidated damages for failure to complete in time.
Provision of services of construction equipment hire on Ikooba - Ntoma - Rusangura (45km), Karongo - Katanga - Waaki (22km) and Katulikire - Mutunda - Aturra (24km)	4,798,269,808	63	18	4.9	The contract is not performing well due to inadequate capacity of the contractor to provide the required equipment.
Periodic Maintenance of Waiga - Bugana - Ngwedo (22km)	1,003,717,362	100	100	3.59	Works were complete and the contractor had received Ug shs 714,304,530 (71.1%).
Overall weighted physical performance was 65.69%					**Fair performance**

Source: Masindi UNRA station progress reports FY2016/17

The overall performance for the contracts was fair at 65.69%. Most of the contracts under performed and were behind schedule. The underperformance was attributed to inadequate capacity by the contractors. The contract for the provision services for construction equipment hire has underperformed for the last two years. This was due to lack of adequate numbers of equipment to supply concurrently on the different roads. The contractor therefore is unable to deploy equipment on more than one road.

Overall for the UNRA Stations

Issues affecting implementation in UNRA stations

- Inadequate and ageing equipment associated with frequent breakdowns.
- Term maintenance contracts are not performing to their best because of poor or under mobilisation by the contractors and delays in payment of their IPCs by UNRA.
- Delays in procurement which is centralised (at the headquarters) affected gravelling and installation of culvert works and commencement of new periodic and term contracts.
- Encroachments of road reserves sometimes affects routine manual maintenance activities, especially those on the drainages. There is need to demarcate the road reserves to avert this continued encroachment
- Land use systems in certain areas of the region affects drainage works, especially in swampy areas, where rice growing and brick laying activities take place. The blocking of culverts by the locals affects the drainage system.

Conclusion

The overall physical performance of the force account component of the National Roads Maintenance Programme at half year for the FY 2016/17 was estimated at 58% which is fair. The underperformance was attributed to the shortage in financial resources as only 77% of the required funding was released for the implementation of the planned activities.

Overall Sector Performance

The overall performance of the sub-sector was fair at 63% as shown in Table 13.38. Good performance was noted in the National Roads Construction and Rehabilitation Program under UNRA. The MoWT and URF had fair performance. Overall, the key sector challenges were: budget cuts in FY2015/16 leading to accumulation of arrears whose payments were prioritised after the release of FY2016/17 funds; 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; and the uncoordinated implementation of government programs.

Table 13.38: Overall performance of the roads sub-sector by 31st December, 2016

Vote	% Physical performance
Ministry of Works and Transport (MoWT)	57.7
Uganda National Roads Authority	74.5
Uganda Road Fund (URF)	57.75
TOTAL	**63**

Source: Authors' Compilation

CHAPTER 14: WATER AND ENVIRONMENT

14.1 Introduction

The Water and Environment Sector (WES) consists of Vote 019-Ministry of Water and Environment (MWE); Vote 150 – National Environment Management Authority (NEMA); Vote 157- National Forestry Authority (NFA); Votes 501- 850 Conditional Grants to Local Governments (LGs); Vote 122- Conditional Grant to Kampala Capital City Authority (KCCA) and Vote 302 - Uganda National Meteorological Authority (UNMA).

The mission of the sector is *„Topromote and ensure the rational and sustainable utilization, development and effective management of water and environment resources for socio-economic development of the country"*[56]

14.1.1 Sector objectives and Priorities

Strategic Objectives

The ministry is guided by the following strategic objectives in the implementation of the policies and programs;

i. To provide safe water within easy reach and hygienic sanitation facilities based on management responsibility and ownership by users to 79% of the population in rural areas and 95% in urban population by the year 2020 with 80%-90% effective use and functionality of the facilities.

ii. To provide viable urban Water Supply and Sewerage/Sanitation systems for domestic, industrial and commercial uses.

iii. To develop water supply for production/multipurpose use for socio-economic development, modernize agriculture and mitigate the effects of climate change.

iv. To manage the water resources of Uganda in a wise, integrated, sustainable and coordinated manner so as to secure water of adequate quantity and quality to meet all social and economic needs of present and future generation.

v. To promote a sustainable productive Natural Resource Base (NRB) and healthy environment for improved livelihoods, poverty eradication and economic growth.

vi. To develop capacity and promote sustainable harness and use of climate and weather resources for socio-economic development of Uganda.'

vii. To coordinate and ensure compliance with Government policy, legislation, standards and regulations in the Ministry of Water and Environment and the affiliated agencies/institutions implementing programs related to Water and Environment.

[56] Ministerial Policy Statement FY 2014/15

The Sector Outcomes and NDP2 Objectives

The sector has three broad outcomes with specific objectives contributing to NDP2:

i) **Improved access to safe water and sanitation facilities for rural, urban and water for production uses.** The main objective in the 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%.

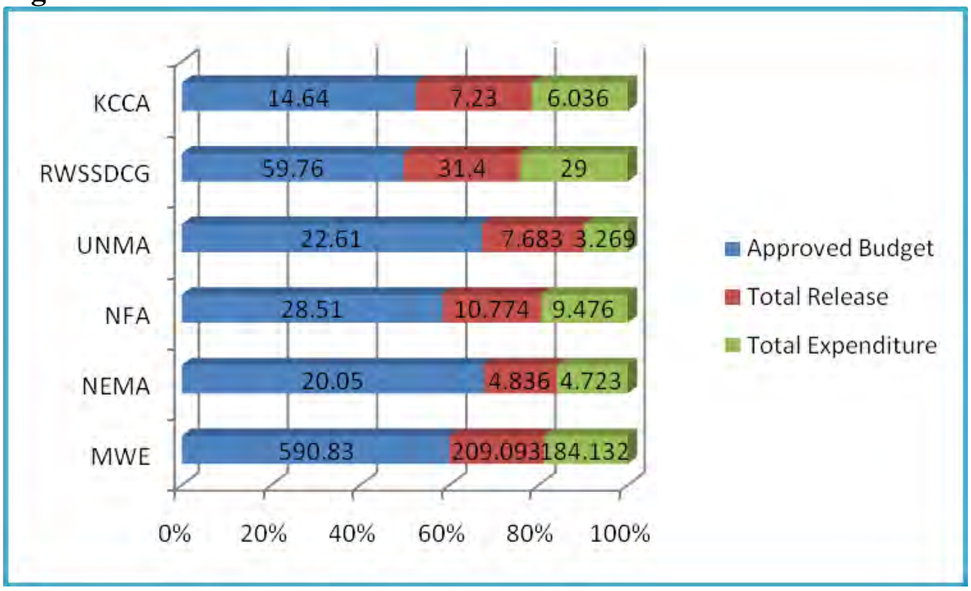
ii) **Improved Water Resources Assessment, Monitoring, Planning, Regulation and Quality Management.** The NDP objective is to ensure that Uganda fully utilizes its water resources for development and guarantees her water security; ensure sustainable utilization of water resources to maximize benefits for the present and future generations; support sustainable use of water resources for economic activities.

iii) **Improved weather, climate, and climatic change management, protection and restoration of environment and natural resources**. The 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 FY 2016/17 is Ug shs736.41 billion allocated and spent as reflected in Figure 1. The KCCA did not receive any release from the Consolidated Fund whereas the NFA received advance payment of Ug shs 10.774 billion but only Ug shs 7.719 billion is said to have been raised as AIA.

Figure1: The Semi-Annual Financial Performance of the Sector Votes



Source: Sector Q2 Reports

14.1.3 Scope

This report highlights financial and physical performance of selected projects in the Water and Environment Sector (WES) by end of December 2016. 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 LGs (Table 14.1). In total, 27 districts were monitored.

Table 14.1: WES Projects Monitored for Semi-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 Reg 30 WUCs trained 30 Boreholes rehabilitated Sanitation and Hygiene campaigns conducted in the JICA project area	Kiboga
	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.	Butaleja
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
	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
	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,	Napak Moroto

	and Moroto districts.	
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	Bugiri Mbale
	Project 0169: Water for Production Water surface reservoirs constructed (Mabira dam in Mbarara district) Rwengaju irrigation scheme in Kabarole district constructed	Mbarara Kabarole
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
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)	Masindi Omoro
	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	Mbale Pallisa Kole
Vote 157 NFA		
VF: 0952 Forestry Management	Programme 01 Headquarters New tree plantations established Central Forest Reserves effectively and efficiently managed.	Kabale Mbarara
	Project 0161: Support to National Forestry Authority	Kabale

	2,250,000 tree seedlings raised for sale at National Tree Seed Center and regional nurseries 450,000 tree seedlings raised for own planting at National Tree Seed Center and regional nurseries. 10,600,000 tree seedlings raised for Community Tree Planting	Mbarara
Vote 302 UNMA		
	Project 1371: Uganda National meteorological Authority Weather monitoring stations maintained and operated	Lira Kabale Pallisa Kayunga
Votes: 501-850 Local Governments	Project 0156: Rural Water District Water and Sanitation Development Conditional Grant (DWSDCG)	10 districts[57]

Source: Authors' Compilation

14.1.4 Limitations

1) Limited financial information especially for Votes 500-580 releases for specific outputs hence financial performance may have been under or overestimated.
2) There is disparity between financial information from IFMS, project performance reports and from the project coordinators.
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) The analysis for some projects was based on IFMS GoU releases and expenditures only since donor funds especially for off budget and AIA could not easily be obtained.

14.2 Ministry of Water and Environment (Vote 019)

Background

The Ministry of Water and Environment (MWE) 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 role as far as decentralization is concerned in the provision of water to the rural population in Uganda.

[57]Butaleja, Kagadi, Kakumiro, Kiboga, Mityana, Nakasongola, Omoro, Pallisa, Rubanda, Sheema

Objectives

To support the LGs, Non Governmental Organisations (NGOs), humanitarian organizations and Community Based Organisations (CBOs) to build capacity for efficient and effective service delivery in the water and Environment sector.

Financial performance

By 31st December 2016, Ug shs209.093 billion (37.8% of the total budget) was released to Vote 019 and Ug shs184.132 billion (88.1% of the release) spent. The overall financial performance of the Vote is reflected in Table 14.2.

Table 14.2: Financial Performance (in Ugshs Billion)

i) Excluding Arrears, Taxes		**Approved Budget**	**Release**	**Expenditure**	**% Budget Released**	**% Releases spent**
Recurrent	Wage	4.366	2.183	2.169	50.0	99.4
	Non-Wage	12.494	4.901	4.792	39.2	97.8
Development	GoU	212.754	121.895	112.505	57.3	92.3
	Ext. Fin.	323.129	80.030	64.581	24.8	80.7
GoU Total		229.614	128.979	119.466	56.2	92.6
Total GoU+Ext. Fin. (MTEF)		552.743	209.009	184.047	37.8	88.1
Arrears		0.085	0.085	0.085	100.0	100.0
Total Budget		552.828	209.093	184.132	37.8	88.1
A.I.A Total		0.000	0.000	0.0	0.0	0.0
Grand Total		552.828	209.093	184.132	37.8	88.1
Total Vote Budget Excluding Arrears		**552.743**	**209.009**	**184.047**	**37.8**	**88.1**

Source: MWE Q2 Report

14.2.1 Provision of Improved Water Sources for Returned IDPs – Acholi Sub Region (Project 1191)

Background

Close to two million people in Northern Uganda had been displaced from their homes to Internally Displaced Persons (IDPs) camps following a two decade long war. After the insurgency, there was relative peace prevailing in the region, hence people started to return to their villages which were without adequate 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 is June 2017.

The project objectives are to:

- Construct new water points and piped water supply systems in Rural Growth Centres.
- 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 JICA.

The planned outputs in FY 2016/17 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 FY 2016/17 is Ug shs 708,000,000, of which Ug shs 508,330,000 (71.8%) was released and Ug shs 264,108,669 (51.95% of the release) was spent by end of December 2016.

Performance

The physical performance of the project was rated poor at 21.5% by 31st December, 2016. The overall performance of the project is presented in Table 14.3.

Table 14.3: Performance of Provision of Improved Water Sources for Returned IDPs – Acholi Sub Region by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Back up support for O&M of Rural Water 30 Water User Committees trained	30	200,000	0	0	Not achieved, pending approval of implementation modalities from stakeholders.

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	6.37	Only 12 hygiene and sanitation campaigns conducted in the L. Kyoga basin. 30 campaigns for the JICA project areas await approval of implementation modalities from stakeholders.
Construction of Piped Water Supply Systems (Rural): 30 Boreholes rehabilitated in Central Uganda 12 Designs for RGCs developed in the Kyoga basin	100%	398,000	25%	15.12	Rehabilitation of boreholes not achieved, pending approval of implementation modalities from stakeholders. The draft outline design for the 12 RGCs was developed and costed. It was agreed to proceed with final designs for nine RGCs to match with costs.
Total		**658,000**		**21.5**	

Source: MWE and field findings

Only the outputs of Hygiene and Sanitation Campaigns were conducted in the Lake Kyoga basin and a draft design outline for the 12 RGCs was developed. The other planned outputs had not been achieved pending agreement between the different stakeholders (GoU, JICA and the DLGs) on their roles and responsibilities and the specific areas of operation.

Key Issues in implementation

1. JICA (donor) does not declare its financial contributions to the project which makes it difficult to analyze their financial contribution.
2. Delay by beneficiary districts to commit staff to participate in the project as per the requirement to carryout project works on the side of the LGs.

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 (UBOS)[58] 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 the challenges associated with hand pumps, hence the project commenced in July 2015 and the end date is June 2020.

Objectives

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 disease and improve livelihood of the rural communities.

Specific objectives are to

- Improve safe water supply services to the people in the rural communities
- Improve the water supply service levels in rural area to enable rural the population in the project areas to increase their economic income through incorporating back yard or mini irrigation system.
- Increase water supply storage so as to improve household agricultural production (both animal and crops).
- Provide water supply systems that will achieve economy of scale, require least cost energy, and sustainably operated and maintained by the community themselves through the Sub-county/District Water and Sanitation Boards.
- Reduce on the time spent by communities collecting safe water.

The planned outputs in FY 2016/17 include:

- Back up support provided for O&M of Solar Powered Mini Piped Schemes in Rural Areas
- Land purchased
- Construction completed for 15 mini piped water solar water systems in the districts of Kiryandongo, Kumi, Otuke, Mpigi, Kaliro, Namayingo, Butaleja, Butambala, Jinja, Ngora, Moroto, Busia, Luweero, Gomba, and Lwengo
- Feasibility studies and designs for 100 solar mini piped systems carried out
- Production wells and boreholes in selected areas in response to emergencies drilled and constructed
- Hydrological surveys conducted in water stressed areas

[58] PIP FY 2016/17-2018/19

- Broken down hand pumpsrehabilitated
- Rain Water Harvesting Strategy promoted

The annual approved budget in FY2016/17 is Ug shs 14,000,000,000, of which Ug shs 9,403,760,775 (67.17%) was released and Ug shs 8,669,562,053 (92.19% of the release) was spent by December 2016.

Performance

The physical performance of the project was rated poor at 44% by end of December 2016. The performance of the project is reflected in Table 14.4.

Table 14.4: Performance of Solar Powered Mini-Piped Water Schemes in Rural Areas by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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	200,000	9	1.43	9 Committees for the completed schemes were formed and trained.
Monitoring and capacity building of LGs, NGOs and CBOs: 15 LGs and communities supervised and coordinated at selected sites of implementation.	15	200,000	9	1.43	Supervision and coordination were done for the 9 sites where construction was completed.
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

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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	7.83%	2.32	Nine systems were completed for the districts of Otuke, Butaleja, Jinja, Ngora, Moroto, Busia, Luweero, Gomba and Lwengo Prefeasibility studies were done. Procurement of a consultant for feasibility studies and designs was at evaluation stage
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.	100%	7,500,000	54.43%	38.08	Construction works were in progress. The following had been achieved so far: 76 boreholes drilled in response to emergencies. 76 hydrological surveys conducted for the boreholes above. 229 hand pumps were rehabilitated.
Total		**14,000,000**		**44.0**	

Source: MWE and field findings

Nine mini systems had been completed out of the 15 planned. The Manyamye system in Butaleja district was functional and appreciated by the beneficiaries. The System was solar powered and was operated by a private operator; 76 boreholes were drilled in response to emergencies out of the 200 planned; 229 boreholes were rehabilitated out of the 300 planned in various parts of the country. Feasibility studies for 100 mini piped systems were under procurement (evaluation finalized).

The performance was affected by too many point water sources planned, for example feasibilities planned (100) that may require more time to achieve. Thus the performance was poor.

L-R: A Public water kiosk; Solar array and Ecosan toilet for Manyamye Water Scheme in Butaleja district

14.2.3 Water and Sanitation Development Facility Central-Project 1130

Background

The GoU through the MW, 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 project start date was 1st July 2010 and the end date 31st December 2017.

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 Rural Growth Centers (RGCs) through a decentralized and demand driven financing mechanism in the central and mid-western regions of Uganda.

The specific objectives of the WSDF-Central are:

- To improve the socio-economic situation for people living in STs and RGCs in the districts of central Uganda through provision of safe, adequate, reliable and accessible water supply and promotion of sanitation facilities.

- To improve general health conditions through the reduction of water borne diseases in the targeted STs and RGCs.
- To empower communities in the targeted STs/RGCs through the nature of the operations of the WSDF (decentralized, participatory, bottom-up approach.)
- To ensure cross-cutting issues of Gender, Environment, Good governance and HIV/AIDS are adequately addressed in project implementation.

The annual approved budget in FY 2016/17 is Ug shs 50,809,000,000, of which Ug shs 24,963,191,967 (49.13%) was released and all spent by end of December 2016.

The key outputs for FY 2016/17

- Environmental catchment protection, sanitation, hygiene policies, water supply and sanitation asset management plans/polocies disseminated in the central region
- Water operators in Central region trained in water services management through 4No. Promotional campaigns for effective O&M conducted in Central region.
- Hygiene and sanitation promotion conducted in 25No. Towns under design and construction activities.
- Stakeholder consultation, planning and review workshops/meetings conducted in 25No59 Towns Commissioning and ground breaking for water supply and sanitation systems in 13No. Towns60.
- Complete construction supervision of WSDF-C Regional Office Block in Wakiso
- Equipment supplied and installed for new WSDF-C Office Block.
- Commence construction of 4No. Town water supply systems in Kayunga, Kiboga,Gombe and Bugoigo-Walukuba.
- Drilling of 10No. production boreholes in the Central and Mid-western regions
- Feasibility studies, detailed designs and mobilization for implementation of water supply systems in 20No. Towns of Busana-Kayunga, Kabembe-Kalagi-Nagalama, Kakunyu-Kiyindi, Namulonge-Kiwenda, Kiwoko-Butalangu, Busiika, Katuugo-Kakooge, Migeera, Buvuma, Nakasongola, Ssunga, Ngando and Kabwoya.
- Commence construction of regional faecal sludge management systems Kayunga and Nakasongola towns.

Performance

The physical performance of WSDF-Central by December 2016 was rated as very good at 91.9%. Table 14.5 shows the summarized performance of the project.

[59] Namulonge-Kiwenda- Busiika, Lwengo, Katovu, Kyazanga, Butenga, Buyoga, Kakunyu-Kiyindi, Katuugo-Kakooge, Busana-Kayunga, Kiwoko-Butalangu, Kabembe-Kalagi-Nagalama, Buvuma, Kakindu, Sekanyonyi, Kyabadazza, Bamunanika, Kasawo, Butemba, Kapeeka, Nalukonge, Kikandwa, Gombe, Kagadi, Kiboga, Bugoigo-Walukuba.

[60] Kiboga, Bugoigo- Walukuba, Kayunga, Gombe, Kyamulibwa, Nkoni, Najjembe, Kinogozi, Kiganda, Kakumiro, Bukomansimbi, Budongo-Kabango and Buliisa

Table 14.5: Performance of Water and Sanitation Development Facility-Central by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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 Water supply systems (Ssunga, Kiboga, Kakooge, Katuugo, Kayunga, Buvuma, Migeera and Nyamarunda)	12	300,000	7	0.63	Two O&M trainings were held for water operators in Ssunga and Katuugo-Kakooge Defects liability monitored in five water supply systems of Kayunga, Ssunga, Kiboga, Kakooge and Katuugo. Construction still ongoing in three systems of Kayunga, Migeera and Nyamarunda.
Acquisition of Land by Government: Land acquired for Kagadi Water Supply and Sanitation System	1	50,000	0	0	Land was not acquired due to lack of design for the system to determine the size of land required.
Purchase of Motor Vehicles and Other Transport Equipment 6 project vehicles procured.	6	700,000	0	0	Vehicles not yet acquired. Procurement process had reached contract signing stage.
Purchase of Specialized Machinery & Equipment: Submersible pumps, pipes, fittings and water meters procured for water supply systems.	100%	400,000	100%	0.84	Output achieved as planned. Submersible pumps and fittings procured for Kiboga(2), Kakooge(1), Katuugo(1), Migeera, Buvuma(2) and Nyamarunda (2) water supply systems.
Construction of Piped Water Supply	100%	45,515,793	48.93%	89.78	Five contracts were

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Systems (Urban): Construction of town water supply systems commenced in 11 towns of Kagadi, Bugoigo, Walukuba, Butiaba, Gombe, Kyabadaza, Zigoti, Kalagi, Sekanyonyi, Kabembe, Nagalama.					awarded for Gombe, Kyabadaza, Kalagi, Kabembe, and Nagalama. Procurement had commenced for Bugoigo, Walukuba, Butiaba, Zigoti, and Sekanyonyi. Kagadi was undergoing design review. There was delay in commencing procurement, pending confirmation of funding for the 11 water systems.
Construction completed in 7 towns of Ssunga, Kiboga, Kakooge, Katuugo, Migeera, Nyamarunda and Buvuma.					Four water systems were completed i.e. Ssunga, Kiboga, Kakooge, Katuugo. The other systems had progressed as follows Migeera (95%), Nyamarunda (90%) and Buvuma (90%).
15 production boreholes drilled in the Central and Mid-western regions.					25 boreholes drilled in various towns as follows: Kagadi(8), Kabembe(2), Zigoti(2), Lutuku(2), Migeera(2), Kyakatwanga(2), Igayaza(2), Nyamarwa(2), Nyamarunda(2), and Kyasanga(1).
Designs reviewed and construction supervised for 8 water supply systems of Kabembe, Kalagi, Nagalama, Sekanyonyi,					Design reviews

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Kyabadaza, Bugoigo, Walukuba, Butiaba. Feasibility studies, detailed designs and mobilization for implementation for 4 water supply systems of Butemba, Nalukonge, Kikandwa and Butenga					completed for 7 water systems of Kabembe, Kalagi, Nagalama, Sekanyonyi, Bugoigo, Walukuba, Butiaba. Constructions had not commenced. Design for Kyabadaza not yet reviewed. Feasibility studies not done due to delays in developing reliable water resources.
Construction of Sanitation Facilities (Urban) Public sanitation facilities constructed in 12 towns of Kagadi, Nyamarunda, Bugoigo, Walukuba, Butiaba, Zigoti, Sekanyonyi, Gombe, KyabadazaKabembe, Kalagi and Nagalama. Construction completion of Kayunga Feacal Sludge Management (FSM) Facility	100%	513,207	31%	0.67	No sanitation facilities constructed in the 12 towns due to delayed commencement of works. 62% progress on Kayunga FSM. The construction works were going on well.
Total		**47,479,000**		**91.9**	

Source: WSDF-Central and Field Findings

L-R: Excavation for the Sludge Drying Bed; Anaerobic Baffled Reactor tank of Kayunga Faecal sludge in Kayunga district

L-R: A section of the reservoir tank of Kiboga WSS in Kiboga district; Ecosan toilet of Nyamarunda WSS, Kibaale district

Four water systems were completed in the RGCs of Ssunga, Kiboga, Kakooge, and Katuugo, however they were still under the defects liability period being monitored by the project staff. The O&M campaigns were conducted. Kiboga piped water supply was functional and operated under the Water Board which had recruited eight staff to manage the system under the South Western Umbrella Organization. The two public toilets constructed under the project were not in use waiting procurement of an operator.

The Nyamarunda System was not functional as at 30th January, 2017. It was run on a generator which could not enable it supply enough water to meet the demand at that time of the dry spell. Power was on site but pending 2nd earthing. Commencement of construction of new piped water systems had not started due to delays in procurement. There was pending design reviews for Kyabadaza and feasibility studies for Butemba, Nalukonge, Kikandwa and Butenga waiting confirmation of reliable resources.

Implementation challenges

1) Land owners ask for exorbitant compensation prices for identified land for major installations yet funds/budgets are not readily available at both local and central governments.
2) Absentee landlords impede timely acquisition of identified pieces of land.
3) Delayed completion of design reviews for water supply systems by consultants affects timely commencement of procurement processes.

Recommendations

1) The WSDF-Central should engage beneficiary LGs early for timely planning, budgeting and acquisition of land for system components.
2) The WSDF-Central should engage design review consultants early for timely procurement of construction works.

14.2.4 Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation-Project 1399

Background

Karamoja region has received a lot of supporting in the past, however, it was not targeted towards sustainability but rather on addressing short term effects. There are many 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 in the past, nor the costs of development of ground water since it is the main option although with low potential.

The overall project objectives are to improve the socio-economic situation and the opportunities for people living in the Small Towns (STs) and RGCs through provision of safe, adequate, reliable, sustainable and accessible water supply and promotion of improved practices of hygiene and sanitation in Karamoja The project start date was 1st July 2016 while the end date is 30th June 2021.

The planned outputs in FY 2016/17 include:

- Hygiene education and sanitation promotion campaigns conducted in Napak and Moroto districts
- Sanitation baselines conducted in Napak and Moroto districts
- Stakeholder consultation/engagement conducted in Napak, and Moroto
- Vehicles for contract staff purchased
- Three water supply systems constructed/ rehabilitated in Napak and Moroto districts.

The annual approved budget in FY 2016/17 is Ug shs 5,000,000,000, of which Ug shs1,919,150,000 (38.38%) was released and Ug shs 889,776,942 (46.36% of the release) was spent by 31st December, 2016.

Performance

The overall physical performance of the project was poor at 3.5% as shown in Table 14.6.

Table 14.6: Performance of Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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	0	0	Output not achieved due to lack of designs for the water systems for Napak and Moroto. Plans were changed to have the activity done in Amudat and Kacheri-Lokona towns in Kotido district.
Monitoring, supervision, Capacity building for Urban Authorities and Private Operators: Stakeholder consultation/engagement conducted in Napak and Moroto districts	4	170,000	2	3.54	Two stakeholder engagements were done in Napak and Moroto districts.
Purchase of Motor Vehicles and Other Transport Equipment: Vehicles for contracts staff purchased	3	600,000	0	0	The best evaluated supplier declined to sign the contract siting change in exchange rates at bid opening and contract signing. Procurement of a supplier to be conducted afresh through restricted bidding.
Construction of Piped Water Supply Systems (Urban) 3 water supply systems constructed/ rehabilitated in Napak, and Moroto districts.	3	3,932,000	0	0	Output not achieved due to lack of designs for the water systems in Napak and Moroto. Plans were changed to have the activity done in Amudat and Kacheri-Lokona towns

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
					In Amudat, bid evaluation was ongoing, while Kacheri-Lokona design is being finalized.
Total		**4,802,000**		**3.5**	

Source: MWE and field findings

All planned outputs had not been achieved except for two stakeholder engagements, out of the four planned. Design documents for Napak and Moroto towns were not available for works to commence, hence towns of implementation were changed to Amudat and Kacheri-Lokona in Kotido district.

Challenges

1) Lack of approved designs to commence construction of water schemes in the planned areas of operation.
2) Delay to initiate the procurement process for construction of the water supply systems.

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.

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 National Water Sewarage Corporation in a phased approach. The current Phase I (31st March, 2010 to 30th, June 2018) 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 and Bwaise among others.

The project objectives are

1) To provide improved urban hygiene, sanitation as well as protection of Kampala's natural environment through expansion of the 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 48,825,000,000, of which Ug shs 17,632,612,288 (36.11%) was released, and Ug shs 17,411,306,000 (98.74%) spent by 31st December, 2016.

Performance

The performance of project 1188 was fair at 60%. The cumulative progress of Nakivubo waste water treatment plant was 70%, the Nakivubo-Kinawataka sewer network were laid to 40% and construction of Nakivubo pre-treatment plant had not commenced. Table 14.7 shows the performance of the project.

Table 14.7: Performance of Protection of Lake Victoria-Kampala Sanitation Program by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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%).	73.30%	48,825,000	36.60%	60	The cumulative progress of NWWTP was at 70%. The Nakivubo and Kinawataka sewer networks were at 40% cumulative progress. This item was delayed by land compensation issues. The areas affected are Banda, Kasokoso, Nakivubo and Kyambogo valley. The construction of Kinawataka pretreatment plant had not yet commenced. The contract had been awarded to the contractor who was awaiting advance payment in order to commence works.
		48,825,000		**60**	

Source: NWS and Field findings

L-R: Laying of filter material in the trickling filter; A section of the grit removal chamber at the NWWTP in Bugolobi, Kampala district

The progress of Nakivubo Waste Water Treatment Plant (NWWTP) was good at 70%, while the completion of constructing Nakivubo and Kinawataka sewer network works was 40%. It was noted that the network area has four black spots (Kasoskoso, Banda, Nakivubo and Kyambogo valley) with pending land compensation matters. The wrangles caused had a delay of one year and the current expected end date is April 2017.

Implementation issues

1) Delays in completion of the NWWTP were attributed to relocation of the project site from Nakivubo swamp to Bugolobi Wampewo.
2) The private land owners are requesting for big sums of money for compensation in order to allow access for the sewer networks. This has delayed progress of works. Some of these areas such as Banda are in wetlands and private persons have land titles for these pieces of land.
3) The GoU funding was low (at 30%) as compared to donor funding(at 90%). The donor funds were paid upfront in trying to bridge the gap whereas GoU is in arrears.
4) Payment of contractor and consultants certificates had been delayed by two certificates valued at Ug shs 32 billion.

L-R: Reinforcement bars and columns of the Sludge digester; Scrapper bridge fitted in the primary sedimentation tank at the NWWTP in Bugolobi, Kampala district

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 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 project start date was 1st July 2011 and the end date is 30th June 2018.

The planned outputs in FY 2016/17 are:

- Kampala Water Network Improved and Extended up to 50% completion.
- A new water treatment plant in Katosi and associated transmission network and storage transmission network and storage facilities constructed to 25% completion.
- Institutional support and capacity building

The approved budget of the project for FY1016/17 is Ug shs 43,165,933,000, of which Ug shs 5,100,000,000 (11.8% of the budget was released), and 4,000,000,000 (78% of the release) was spent by 31st December, 2016.

Performance

The performance of the project was poor at 24.24% as shown in Table 14.8. The civil works were undergoing procurement.

Table 14.8: Performance of Kampala Water Lake Victoria Water and Sanitation by December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Construction of Piped Water Supply systems (Urban): Kampala Water Network Improvement & Extension to 50% completion. Construction of new water treatment plant in Katosi and	58.30%	43,165,933	1.67%	24.24	Extension of the Kampala network improvement not commenced, undergoing procurement. Procurement ongoing for the Katosi water treatment plant, and the associated transmission networks and storage facilities. Design and Supervision consultants were

associated transmission network and storage facilities to 25% completion. Institutional support and capacity building					procured, tender documents for prequalification prepared. Consultant has completed training needs assessments for operators and technical managers.
Total		**43,165,933**		**24.24**	

Source: NWSC, IFMS and Field Findings

Implementation challenges

1) Bureaucracy in the financing packaging among donors - French Agency for Development (AFD), German Financial Cooperation (KFW) and Europen Investment Bank) which all had to approve processes until they chose AFD as lead agency.
2) The lengthened project initition processes affected budget estimates made in 2011. The budget estimate then was about 212 million euros, but in 2017 the estimate is about 350 million euros, hence additional funding for the project is required.

14.2.7 Water for Production-Project 0169

Background

Water for Production (WfP) 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 NDPII. The implementation framework is derived from recommendations of the sub-sector 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 project start date was 1st July 2014 and the end date is 30th june 2017.

The planned outputs in FY 2016/17 include:

- Sustainable management of WfP facilities through establishment of farmer field schools
- Bulk water supply schemes constructed
- Water surface reservoirs constructed

The annual approved budget in FY 2016/17 is Ug shs 32,100,000,000, of which Ug shs 14,810,253,724 (46.14%) was released and Ug shs 12,724,301,737 (85.91%) spent by 31st December, 2016.

Performance

The performance of WfP was very good at 90% as most of the most planned outputs by Q2 had been achieved. Table 14.9 shows the summarized performance of the project.

Table 14.9: Performance of Water for Production (Project 169) by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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 Arechekdam 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%	7.71	The procurement of consultants for the establishment of the 13 farmer field schools to sustainable management was ongoing. The process had reached evaluation stage. Environment not protected. This activity awaits establishment of the farmer field schools. Baseline surveys and performance evaluation of WfP facilities Countrywide carried out.

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	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.	65%	5,186,000	18.75%	8.27	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. Construction of Rwengaaju Irrigation scheme had not commenced awaiting payment of advance certificate.
Construction of Water Surface Reservoirs Two WfP facilities designed: Acanpii 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), Mabira dam in Mbarara (10% cumulative progress), Wind powered water supply systems in Karamoja (10% cumulative progress). 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).	85%	21,313,100	49.60%	74.23	The procurement for design of Acanpii dam in Oyam district had not been initiated. After failing to attract responsive bids, the procurement process for design of Bigasha dam was being retendered. Progress was as follows Andibo dam (100%), Ongole dam (100%), 14 windmill powered water systems (15%), Mabira dam (0%). 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**		**90.2**	

Source: MWE and Field Findings

Baseline surveys and performance evaluations were conducted for WfP facilities countrywide and a database was being created; Andibo and Ongole dams were 100% completed as planned; the 15 valley tanks were in substantial completion stage. On the other hand, formation of farmer field schools for sustainable management of facilities had lagged due to delayed initiation of procurement.

Challenge

Some WfP works fail to attract responsive bidders which delays works, for example construction of Mabira dam in Mbarara and design of Acanpii dam in Oyam district. The bidders do not take up the contructs because of the low costs of the bid prices.

Recommendation

The projects should be phased to enable working within the available resources.

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 1990s 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 planned outputs in FY 2016/17 include:

- Sustainable Water for Production management systems established
- Construction of Water Surface Reservoirs

The annual approved budget in FY2016/17 is Ug shs 5,000,000,000, of which Ug shs 3,028,905,268 (60.57%) was released and spent by 31st December, 2016.

Performance

The overall physical performance of the project was very good at 92.4%. The planned half year targets achieved include: Procurement of consultants for the establishment of management systems for water for production facilities and to facilitate protection of watershed areas around the facilities; Iwenba and Nabweya valley tanks had attained 65% cumulative progress against the 50% planned for Q2; and the design of 2ha of micro irrigation scheme at Ongole dam was at 80% progress against the 100% planned. Table 14.10 reflects the performance of Production Regional Center-East.

Table 14.10: Performance of Water for Production Regional Center-East by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (Ug Shs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Sustainable Water for Production Management Systems established (Procurement of three consultancy services for establishment of 10 management structures completed and ongoing works, in Eastern and Karamoja regions Watershed of the areas around constructed WfP facilities managed and protected.	100%	450,000	58%	10.83	A consultant for events management services was procured and had held a coordination meeting with district stakeholders. Procurement of other two consultants was ongoing Expression of Interest had been sent out to procure a consultant for the management and protection of watershed.
Construction of Water Surface Reservoirs Construction of Iwemba and Nabweye valley tanks in Bugiri District (95% commulative progress) Consultancy servicesto assess condition of WfP facilities in Eastern and Karamoja region and design of sixteen (16) valley tanks in eight (08) districts of Eastern and Karamoja regions procured. Engineering design of a mini irrigation scheme at Ongole dam in Katakwi district.	86.25%	3,705,1322	40%	81.57	Iwemba and Nabweya valley tanks had progressed to 50% and 85% cumulative progress. The draft contract for a consultant was submitted to the Solicitor General for clearance. The design of a 2 hectare micro irrigation scheme at Ongole dam had progressed to 80% cumulative progress.
		4,155,132		**92.4**	

Source: WfPRC-East and Field Findings

L-R: A Section of Iwenba Valley Tank; A Section of Nabweya Valley Tank in Nabukalu sub-county, Bugiri district

Challenge

The late release of Q2 funds delayed the procurement process of consultancies for Sustainable Water for Production management systems, Consultancy services to assess the condition of WfP facilities in Eastern and Karamoja region and design of 16 valley tanks.

14.2.9 Support to Water Resources Management (Project 0165)

Background

The project aims at improving water services and outputs of water resources management and reporting on compliance with policy 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 project start date was 1st July 2003 and end is 30th June 2017.

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 planned outputs in FY 2016/17 include:

- Monitoring stations maintained
- Databases operated and maintained
- Water quality laboratories operated and maintained
- Water permits issued and permit holders monitored for compliance
- Environmental Impact Assessment (EIA) reports assessed and reviewed
- Catchment management plans developed

The annual approved budget in FY 2016/17 is Ug shs 6.09 billion, of which Ug shs 2.97 billion (48.77%) was released and Ug shs 2.74 billion (92.26%) spent by 31st December, 2016.

Performance

The performance of the project was good (83%) as most half year planned targets were achieved as shown in Table 14.11.

Table 14.11: Performance of Support to Water Resources Management by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Water resources availability regularly monitored and assessed: 93 surface water monitoring stations operated and maintained. 66 Telemetry stations maintained. 42 Groundwater stations operated and maintained. 17 new Groundwater monitoring Stations constructed. Eight surface water assessments undertaken to support hydropower development and other development projects. Rating curves for 40 stations reviewed and updated. Three Databases operated and Maintained. The water resources database upgraded with new software of many capabilities. Flood and Drought	100%	939,000	29.99%	28.46	60 stations operated and maintained. The remaining 33 stations are under construction. Only 20 were Telemetry stations maintained due to limited funds. The 40 stations were not constructed due to delayed procurement process. Only 20 ground water stations operated and maintained due to limited funds. No construction works for 17ground water monitoring stations done due to delay in procurement process. No surface water assessments were done due to limited funds 15 rating curves were reviewed. The rest to be done in Q3 and Q4. The three databases were operated and maintained. A trial version of the

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
management Strategy developed					water resources database was obtained. Process of database upgrading is ongoing. The concept note was finalized for management strategy.
The quality of water resources regularly monitored and assessed: Two Regional Water Quality Laboratories in FortPortal 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. On-line remote sensing water quality data collection technique/system for oil and gas waste monitoring operated and maintained monthly. National Water Quality Status/Outlook report prepared and disseminated.	100%	1,240,000	40.24%	47.98	Laboratory space for FortPortal was secured and lab equipped with basic equipment. No space for Mbarara laboratory. The National Water Quality Laboratory in Entebbe is operational. 1,069 samples were tested and certificates issued. The laboratory faces a challenge of inadequate chemicals and consumables, and breakdown of laboratory equipment. A prototype water quality data basedeveloped and approved. Initiated development of the final database A laboratory policy not achieved pending the amendment of the Water Act and Water Policy which are ongoing. Monthly data for oil and gas records for 4 months downloaded, processed and archived. The process was challenged by

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Technical capacity and skills developed in laboratory quality system through two sets Inter-laboratory comparison/ evaluation samples tested					power failures and limited access to internet. Data and information collection was ongoing for the water quality report. One set of inter-laboratory comparison/evaluation samples tested. There is inadequate stock of laboratory chemicals and consumables; and break down of equipment.
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. 60% of major polluters/ abstractors regulated according to the water laws and regulations. 56% of major water reservoirs and water bodies that are managed and regulated according to the water laws and	100%	405,485	54.24%	6.87	180 water permits were issued 54.45% of waste water discharge permit holders complied with permit conditions. 73.5% of water abstraction permit holders complied with permit conditions. 58% of major polluters/ abstractors regulated according to the water laws and regulations. 2% of major water reservoirs and water bodies managed and regulated according to the water laws and regulations. 25 EIA reports assessed and reviewed.

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
regulations. 40 Environmental Impact assessment (EIA) reports assessed and reviewed.					
Total		**2,584,485**		**83.3**	

Source: DWRM and Field Findings

L-R: Industrial sockets; Water samples in bottles, a Cooler, and Microbiological testing kit; Wash area (sink) without water supply installed in the laboratory at Albert Water Management Zone in Kabarole district

Water samples delivered for testing at the regional water quality laboratory in Entebbe

Key achievements included: Operation and maintenance of 60 stations; setting up and equipping laboratory in FortPortalwith basic equipment; Operating the national laboratory in Entebbe; Issuance of 180 permits and monitoring and regulating permit holders.

Implementation Challenges

1) No Q2 GoU funds were released to the project.
2) Due to limited funds, many applications for permits are not assessed leading to water quality deterioration.
3) The laboratory operation is affcted by expensive chemicals yet its budget is small.

4) The Non-Tax Revenue (NTR) collected from permits and laboratories is remitted to URA yet the money could be used to operate the laboratories through purchase of chemicals and consumables.
5) There is no follow up on EIA recommendations which leads to violations in some instances.
6) Shortage of manpower due to unfilled structure of the Directorate of Water Resources Management (DWRM).

Recommendations

1) The MWE should seek Parliamentary approval to use NTR at source as part of its budget.
2) The MWE should give priority budgeting to EIA recommendation adherences.
3) The MFPED should provide the necessary wage bill to cater for the appropriate staff to be recruited.

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 have continued to engage in raising awareness among the key stakeholders about the need to promote integrated planning, management and development, and 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 project start date was 1st July 2015 and the end date is 30th June 2020.

The planned outputs of FY 2016/17 include to:

- Undertake decentralized water resources management, (in respect to both quantity and quality) including water resources monitoring and assessment, licensing and regulation and information management.
- Undertake stakeholder driven catchment based water resources planning, management and development. This includes the preparation of catchment investment and management plans that include climate change adaptation measures in "hot spot" catchments.
- Implementation of interventions in catchment management plans. This includes implementation of catchment investment and management measures identified in Catchment Management Plans that include climate change adaptation measures in "hot spot" catchments

The annual GoU approved budget in FY 2016/17 is Ug shs 1,370,000,000, of which Ug shs 379,887,500 (27.73%) was released and Ug shs 358,472,911(94.36%) spent by 31st December, 2016.

Performance

The performance of the project was very good at 93.8%. The 62 monitoring stations were maintained and operated; 180 permit holders monitored for compliance; catchment management plans for Kihain Hoima and Masindi districts and Katonga in Rakai and Mubende districts were developed; and 40% of the water management offices were renovated. Table 14.12 reflects performance.

Table 14.12: Performance of Water Management Zones Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs'000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Catchment-based Integrated Water Resources Management (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. Three (Fortportal, Lira and Mbale) regional water quality laboratories operated and maintained. Four stakeholder awareness raising workshops held. Four 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. Two catchments in which climate change adaptation	100%	1,290,000	64.58%	94.16	62 monitoring stations maintained and operated. 180 water permits holders were monitored for compliance. 60 permit applications assessed. The three regional water quality laboratories were operated. Two stakeholder awareness raising workshops held (in Mbarara and Fortportal). Two catchment management plans for Kiha, Katonga developed. 15% of the investments in six catchment management plans implemented. Climate change adaption measure being implemented in Awoja and Maziba

measures targeted at reducing vulnerability are implemented (Awoja and Maziba). 11 catchments with established and operational structures for stakeholders' involvement in catchment based water resources management (Stakeholders Forum, Catchment Management Committee)					catchments. 10 catchments with established CMCs. (Awoja, Semiliki, Rwizi, Aswa, Maziba, Katoga, Mpologoma, Albert Nile, Victoria Nile, Mpaga)
Government Buildings and Administrative Infrastructure Offices for Water Management Zones in Mbarara and Fort portal renovated	100%	80,000	20.00%	4.67	40% of the water management offices renovated
Total		**1,370,000**		**98.8**	

Source: DWRM and field findings

A section of the laboratory at Upper Nile Water Management Zone in Lira district

Implementation Issues

- The WMZs cannot regulate the abstractors who are within the NWSC operational areas unless NWSC grants them a letter of no objection.
- Limited staffing for example in the Upper Nile Management Zone, there are only two staff to operate the laboratory and carry out field activities as well.
- There is limited expertise in Integrated Water Resources Management. Few consultants respond to works advertised and they are not able to adequately conduct the work.
- Funding for the laboratory equipment is limited, yet operating the laboratories is quite expensive.

Recommendations

- The MWE should fastrack the Water Policy review to accomodate the water abstractors with the NWSC's jurisdiction.

- The MFPED should provide the necessary wage bill for the recruitment of staff in the WMZs.

14.2.11 Saw log Production Grant Scheme Project-Project 1189

Background

Sawlog Production Grant Scheme (SPGS) Phase II is a four year 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 start date is 1st July 2011with the end date of 30th June 2017.

The overall objective of the project is to support households to increase incomes through commercial tree planting.

The annual approved budget for FY 2016/17 is Ug shs 74,011,724,000, and by Q2 Ug shs 11,233,970,000 was released and Ug shs 7,626,509,386 spent (67.9% of the release).

Performance

The performance of the project at 41% was poor performance as some planned outputs were not carried out (Table 14.13).

Table: 14.13 Performance of Saw log Production Grant Scheme by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs '000)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Promotion of Knowledge of Environment and Natural Resources (10 District Forest Services (DFS) staff backstopped 200 farmers trained/advised, Production and dissemination of 252 awareness creation materials (Brochures, magazines, banners)	100%	50,000	66.00	18.87	Technically backstopped 13 DSF staff and trained 230 tree farmers in forest management in six districts[61] as well as 13 sites for improved kiln in 6 districts[62] Materials still under development
Restoration of degraded and Protection of ecosystems (Support the establishment of community plantations and out-grower scheme for all clients, make certification of nurseriesand	100%	40,000	25	15.09	Trained six DFS and 50 tree farmers in forest management. Certification not done and woodlots not planted.

[61]Adjumani, Amuru, Nwoya, Omoro, Gulu, and Aleptong.
[62]Mubende, Kiboga, Sembabule, Nakasongola, Nakaseke and Luwero

forest contractors and plant woodlots)					
Capacity building and Technical back-stopping (Trainings, conferences and seminars attended by project staff and other stakeholders in the forestry sector)	212	30,000	36	5.13	76 tree farmers and 8 DFS trained in Hoima and Masindi districts and inspected demonstration sites in six districts.[63]
Purchase of specialized machinery and equipment (specialized tools and equipment for plantations management procured)	2	5,000	2	1.89	Procured 1 GPS (GPSMap64) and 1 digital Camera.
Acquisition of Other capital Assets (Grant disbursed to private plantation owners for plantations established to standards)	30	140,000	0	0.00	No woodlot land procured and no disbursements made to farmers.
Total		**265,000**		**41**	

Source: Field Findings and MWE Q2 Report

L-R: Pruning saw and planting line given to Omoro DLG; Pine tree marked for thinning in the woodlot of Aketket Primary School in Omoro Town Council

The project inspected forest demonstration and gave technical advice to **13** farmers in **6** cattle corridor districts; Held various short trainings with **50** tree farmers on forest management in **3** districts; Undertook technical backstopping of **13** District Forest Services staff and trained **230** tree farmers in forest management in Northern Uganda.

Implementation challenges

1) The MWE delayed issuance of contracts to staff on project after the expirery of the S*PG*S Phase I which affected implementation of the project activities.

[63]Nakaseke, Luwero, Nakasongola, Kiboga, Sembabule and Mubende

2) Delayed approval of budget reallocation submitted to MoFPED for SPGS III since SPGS II donor funds ended.
3) The Food and Agriculture Organization (FAO) delayed to release Vehicles that were operating under SPGS I to the Forest Support Service Department (FSSD) thus affecting field operations.

Recommendations

1) The MoFPED 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.

14.2.12 Farm Income Enhancement and Forestry Conservation (FIEFOC) Project (1417)-Phase (II)

Background

The FIEFOC – II project seeks to consolidate and expand achievements of the first phase and to address gaps through the development of 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 project started on 1st july 2016 and its ending on 30th June 2021.

The main objective is to improve household income, food security and climate resilience through sustainable natural resources management and agricultural enterprises development. Its approved budget for FY 2016/17 is Ug shs 74,011,724,000, and by end of Q2, Ug shs 11,233,970,000 was released and Ug shs 7,626,509,386 spent (67.9% of the release).

Performance

The project performance was rated at 35% which was poor. The overall performance is given in Table 14.14.

Table 14.14: Farm Income Enhancements and Forestry Conservation Project Phase (II) by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Promotion of Knowledge of Environment and Natural Resources (Three consultants procured to: (i)Conduct skills development for climate smart farming in irrigated areas, (ii)Carry	3	727,358,000	0	0.00	Procurement of the three consultants to undertake works is ongoing.

out Needs assessment survey for agri-business potential in water sheds, (iii) Promote Fuel saving stoves to reduce fuel wood consumption and carbon emissions					
Restoration of degraded and Protection of ecosystems (1,000 ha of trees planted, Identify and DLG Leaders in three selected districts sensitized)	100%	248,893,000	0	0	Undertook farmer entry meetings in the districts of Butaleja, Kween, Kasese, Oyam and Nebbi with District Technical Team.
Policy, Planning, Legal and Institutional Framework (Institutional management framework of irrigation schemes developed)	100%	2,429,036,000	0	0	Consultancy for developing Institutional management framework of irrigation schemes is under procurement and only one project steering committee meeting was held in Kasese district
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	2	1.60	5 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 LG personnel and farmers involved in tree planting undertaken)	100%	1,520,227,000	0	0.00	Insufficient funds for study tours and procurement for consultancy to do capacity building was on going.
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)	100%	55,701,027,000	82	33.55	Olweny was at 82%. Progress was affected by rains and delay in payment of works' certificates. Procurement is ongoing for irrigation schemes and NPCU offices await relocation.

Purchase of Specialized Machinery (Specialized Agricultural Machinery and equipment procured)	100%	1,074,013,000	0	0	Procurement referred to next FY because of budget constraints.
Acquisition of Other Capital Assets (Catchment areas of Olweny, Doho, Mubuku and Agoro irrigation schemes rehabilitated through tree planting)	100%	2,918,883,000	10	0.00	Nursery suppliers procured but supply of seedlings for tree planting not yet made
Total		**66,413,634,000**		**35.2**	

Source: Field findings

There was slow implementation of project works by the end of Q2. Great progress was only realized in civil works of Olweny Irrigation Scheme in Aleptong district which had reached 82% completion level. The procurement of service providers like consultants and suppliers was on going.

L-R: Valve control house and water control gates at Olweny Irrigation Scheme in Alebtong district

L-R: A section of a canal filled with water and a section of a canal under construction of Olweny Irrigation Scheme in Alebtong district

Key issues in implementation

1) Late initiation of the procurements for service providers and consultants affected implementation of 63% of the project outputs.
2) Slow progress of works in the construction of Olweny Irrigation Scheme due to slow cash flows from client and adverse weather that largely affects earthworks. The donor funding is mainly off budget and cannot easily be controlled which makes planning and budgeting difficult.

3) Vandalism of metallic manholes and theft of construction materials especially at outlet supply chambers in the scheme.

Recommendations

1) The MWE should initiate procurement processes early following the procurement plan.
2) The MWE should ensure payment of the contractor's outstanding certificates to enable speeding up of works.
3) Continuous sensitization of the community on the importance of the project so that they develop the sense of ownwership.

14.2.13 Climate Change (Project 1102)

Background

Climate change is one of the greatest challenges facing humanity in 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. The start date was 15th July 2008 and the end date is 30th June 2017.

Objectives:

The main project objective is to strengthen the coordination of Uganda's implementation of the United Nations Framework Convention on Climate Change 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 budget for FY2016/17 is Ug shs 2,706,000,000, of which Ug shs 1,530,922,673 (56.6% of the budget) was released and Ug shs 1,455,726,565 (95%) spent by 31st December, 2016.

Performance

The physical performance of the project was rated good at 80.9% as shown in Table 14.15.

Table 14.15 Performance of Climate Change Project by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ug shs)	Cum. Achieved Quantity	Physical performance Score (%)	Remark
Weather and climate change services- (Knowledge Management System (KMS) developed for the National Climate Change	100%	726,634,000	100%	28.54	The KMS was developed and is operational online. The GHG inventory was launched and capacity built for four key sectors of

Resource Center (NCCR); National Green House Gas(GHG) Inventory System developed and operationalized)					Agriculture, Forestry, Energy and Transport.
Policy legal and institutional framework- National Climate Change policy (NCCP) disseminated and popularized to MDAs and DLGs. NCC Law developed, passed by Parliament and popularized	100%	397,000,000	5%	12.77	Principles of the National Climate Change (NCC) Bill were developed and before Parliament. The law will be developed later
Administration and Management Support Climate Change Department (CCD) structure operationalized. CCD staff capacity strengthened Annual UNFCCC and Kyoto Protocol subscription paid.	100%	290,763,000	76.67%	11.42	CCD structure operational but with limited staffing. Two Climate Change Department staff retreats for capacity building carried out. Annual UNFCCC and Kyoto Protocol subscription was paid.
Adaptation and Mitigation measures mainstreamed Six 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 districts of Amuru, Pader, Lamwo and Kitgum	5	595,222,673	2	9.35	CC mainstreamed in two districts of Rakai and Rukungiri Baseline survey on Climate Change carried out in Kitgum and Pader districts.

Strengthening institutional and coordination capacity Uganda's effective participation in inter -governmental Climate Change Policy Processes Facilitated Organize & chair thematic group prep meetings b4 COP; Meeting for National Climate change; Development, Printing of COP position papers ;COP 21 representation)	100%	469,604,000	100%	18.45	12 Thematic Group meetings held. One National Climate change forum and Consultations on the position paper held. 500 copies COP position paper printed; Uganda delegation effectively represented at COP21 in Marrakech Morroco.
Government Buildings and Administrative Infrastructure (National Resource center Burglar proofed; Air conditions installed)	100%	49,000,000	0%	0	Not achieved as planned since funds were not sufficient to burglarproof and air condition the resource center.
Purchase Office and ICT equipment, including software 2 laptops purchased.	2	17,500,000	1	0.34	One laptop was purchased
Total		**2,528,223,673**		**80.9**	

Source: MWE and Field Findings

The major achievements were representing Uganda at COP21, Knowledge Management Online System operationalized and GHG inventory Launched.

Key issues

1) The donor funding is mainly off budget thus there is a mismatch between funding and the annual planned outputs.
2) The department uses 52.7% of GoU budget to finance salaries for staff which leaves little money for development outputs.

Recommendation

- The MWE should develop an understanding with the donors to stick to the approved work plan as a government policy.

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 506 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. The 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.

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.

Planned outputs for FY2016/17

- 1.2 million Ha of forestland in 506 Central Forest Reserves effectively and efficiently managed, 875 new 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).
- 203km of boundaries resurveyed and opened in Kyoga, Muzizi, Achwa, Budongo, West/Nile & South/West Plantations. Of all these, some kilometers will be opened to solve a boundary conflict between NFA and adjacent neighbours.
- 4,036 hectares of plantations will be maintained by slashing and spot weeding, while 1,940 ha will be thinned.
- 243km fire opening and 300km of road-network maintained in Mafuga, Mbarara, Kagora, Kyehara-Kikumiro, Oruha, Katuugo, Kasagala, Lubenge section, Opit-Abera, Lendu, Okavureru, Awang and N.Rwenzori, 842 intense forest patrols conducted across the range through their operations, 627 hectares of forest restored through encroachment planting of which 30ha will be in Apac, Lwankima, Zirimiti&Buvuma(140ha), Lakeshore (393ha), 64ha in Masaka (64ha).
- 16,688,318 seedlings of which 7,269,223 tree seedlings will be raised for sale at the National Tree Seed Center (NTSC) and regional nurseries, 894,960 tree seedlings will be raised for own planting at National Tree Seed Center and regional nurseries, while 8,524,135 tree seedlings will be raised for Community Tree Planting at National Tree Seed Center and regional nurseries. In addition, 308 Kg of imported pine seed (pine/Brazil) will be procured whereas 10,118 Kg of locally available seed (Eucalyptus grandis, Pine caribaea and other species) will be procured.

The NFA budget for the FY 2016/17 is Ug shs 28.513 billion, of which Ug shs10.773 was released and Ug shs9.476billion (88% of the release) was spent by 31st December, 2016. A total of Ug shs7.719 billion was the AIA contribution.

Performance

A total of 239Km CFR boundaries were resurveyed and marked with concrete pillars in Namanve-19.7, Buto-Buvuma-33.9, Gangu-17, Buwa-15.5, Kagombe-28, Mwiri-11.3, Ntungamo-1.5, West Uru-1 and Towa-2, Bujawe-19, Bugoma-90 and 2,400 pillars purchased.

About 350Km boundary reconnaissance and control survey were made in Mabira. A total of 10 pillars covering 2km were destroyed by agents purported to be of Bunyoro-Kitara Kingdom.

297ha were restored in Natyonko-38, Mabira-150, Matiri-105.5, Natyonko-8, Namatale-6, Namavundu-5, Kumbu-1.5 and 1500ha in Mabira plantations enriched.

The NFA-managed Ecotourism sites were operationalised in Mpanga, Mabira, Budongo and Kalinzu. A toal of 6,049 tourists were received. 1,038 visitors accommodated, 2,774 visitors tracked Chimpanzee, 75 birding and 1,336 for nature walks. Five private eco-tourism sites were operationalised in Budongo, Muko, Mabira, Kalagala and Nile Bank, Kitubulu. There were five pending licensing in Lutoboka and Kyewaga.

A total of 7,508 forest patrols were carried out. 478m3 timber impounded (Muzizi-9.6, Budongo- 99, Lakeshore-71 and HQs-109). 120 charcoal bags impounded, 1,111 charcoal kilns destroyed, 1,985 assorted tools confiscated and 371 encroachers evicted.

Three Collaborative Forest Management (CFM) agreements signed with communities in Towa, Timu and Morungole CFRs. Eighty-seven CFM community meetings held, of these 16 were around Lwamunda, and Katabalalu CFRs in Lakeshore, two internal audits for field contracts and Uganda Electricity Transimission Company Limited project funds for compliance with project objectives and value for money were conducted.

15km forest road maintained in Mwenge plantations

Eighty percent accuracy assessments of land cover datasets for 2000, 2010, and 2015 at national level was done. Data collection and analysis for forest reference emission and levels (FREL and FRL) for reporting to UNFCCC and GoU was done. The extent of forest stocks/cover affected by infrastructure developments for compensation for biodiversity offsets Standard Guage Railway, New water works-Katosi, inland port-Bukasa, Namanve and Jinja- Kampala express highway, oil pipeline, production of sensitivity atlases and development/review of FMPs in Albertinegraben were achieved.

2,666,316 tree and fruit seedlings produced, 2,598,608 seedlings distributed by the selected nurseries; Katugo (181,100), Mafuga (204,511), Mbarara (238,000) Mwenge (320,000), Lendu (8,600) and North Rwenzori (249,409), S.Busoga (47,100), Budongo (366,474), Muzizi (330,510), Lakeshore (70,293), Kyoga (91,880), Sango Bay (112,250), and NTSC (378,481).

The achievements do not match the planned outputs and it was difficult to get the actual expenditures on specific outputs, making it difficult to get the actual performance of the Authority. This was mainly on the AIA which is raised by the Authority.

Key issues

1) Encroachment and illegal timber/tree extraction threaten forests in protected areas leading to degradation of natural forests.

2) Unclear forest boundaries which encourage encroachment of forests and increase the cost of law enforcement and litigation.
3) 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.
4) The revenue performance was 16% of planned. This had been planned to be raised from forest products, seed & seedling sales and land use fees. Weak enforcement and coordination in the forestry sub sector contributed to reduction in Non Tax Revenue on which funding of over 70% of the planned outputs depends.

5) Presence of an old fleet and unreliable fuel releases affected mobility of staff.

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. They should also continue encouraging and supporting people to plant trees on private and public land.
2) The NFA should open up forest boundaries in order to stop encroachment.
3) The NFA should rehabilitate infrastructure and replace equipment e.g. transport (vehicles, boats and motorcycles) and forest stations/offices.
4) The NFA should strengthen enforcement of laws in order to ensure the protection of the subsector products which are a sources of revenue.


L-R: Tree nursery at NFA offices in Mbarara town: Thinning in Bugamba Forest in Mbarara district


L-R:Tree nursery and new plantations at Mafuga Forest Reserve in Kabale district

14.4 Local Governments (Votes: 501-850)

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.

Table 14.16:The Performance the DWSDCG by 31st December, 2016

Out put	Annual Planned Quantity or Target	Annual Output Budget (Ugshs)	Cum. Achieved Quantity	Physical performance (%)	Remark
Stakeholder coordination	123	80,702,118	40	1.14	This was a fair achievement
Office equipment	22	27,360,797	1	0.04	Delayed procurement affected achievement
General Office Operations	128	101,829,676	44	1.76	This only not achieve where there were no transport means to spend on.
Monitoring and supervision	174	66,058,570	73	1.21	The outputs was done to ensure achievement of ongoing works.
Software	404	134,756,118	191	2.43	Most software activities had been completed.
Sanitation hardware	6	118,891,879	3	0.51	This was delayed by late procurement initiation.
Water Supply Facilities (HW)	132	3,573,913,242	31	7.15	Most of the work done and payments were on siting but not drilling.
Rehabilitation of water facilities	141	470,845,757	64	4.91	This was poor performance
Water Quality surveillance	487	52,676,017	74	0.20	This was poor performance
Salaries and wages	37	39,320,660	3	2.43	Staff had not been recruited in most cases
Total		**4,351,083,013**		**19.6**	

Source: Field findings and district Q2 reports

The Local Governments development budget for the FY 201617 is Ug shs 59.6 billion while Ug shs 31.4billion was released by Quarter two and utilization was at 15%. The specific output releases were not provided.

Performance

The votes' performance is exemplified by the 10 district of Butaleja, Kagadi, Kakumiro, Kiboga, Mityana, Nakasongora, Omoro, Pallisa, Rubanda and Sheema which were sampled for semi-annual performance. The performance was rated poor at 19.6% (Table 14.16).

Only 15% of the development grant had been utilized, while 43% was spent on recurrent activities. At least 70% of the districts had completed software activities, whereas the 30% had ongoing works. Construction works had been completed in Mityana district, although no payments were made for the works. The other 20% of the districts had drilling works ongoing, while 30% had just awarded contracts. Procurement was ongoing for 40% of the districts.

L-R: Newly constructed borehole: Kakonge borehole in Kakonge village Namingo sub-county; Nakibuya borehole in Kasodo sub -county

Key implementation issues

1) Lack of office space, equipment and transport most especially in the new districts which affects the pace of works as staff operate through mobile offices.
2) Late initiation of procurement mainly in the new DLGs that lack procurement committees.
3) The political atmosphere after elections slowed down progress of work as new office bearers were getting acquainted with modes 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) There were no sanitation funds released to the newly created districts to carryout sanitation activities.

Recommendations

1. The DLGS start there procurements early enough to avoid delays in works imlmentation.

2. The Technical staff should work hand in hand with the politicians to sensitise the communities on the importance of water projects and the different roles and respomnsibilities of various stakeholders in regard to resolving the land conflicts.

3. The MWE should ensure the planning and budgeting for sanitation grant to the new districts.

14.5 National Environment Management Authority-Vote 150

Background

The NEMA advises Government and spearheads the development of environmental policies, laws, regulations, standards and guidelines; and guides Government on sound environmental management in Uganda. The NEMA's activities are focused on providing support to Government's main goal of ensuring sustainable development through the National Development Plan (NDP); in accordance with the policy framework of the Government of Uganda and the Sustainable Development Goals (SDGs).

The 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 key result areas in FY 2016/17 are: Strengthening compliance enforcement in terms of inspections, monitoring and compliance assistance programmes; Enhancing strategic environmental literacy, access to information and popular participation; Promotion of green economy initiatives; Restoring the degraded natural capital and ecological infrastructure; Enhancing NEMA's human, financial and institutional capacity for efficiencyand effectiveness; ans Increasing office space.

The approved budget of NEMA for FY 2016/17 is Ug shs 20,052,632,000 including Appropriation in Aid (AIA) of Ug shs 11,081,723,000. The total receipts by 31st December, 2016 were Ug shs 4,836,163,174 (24%), of which Ug shs 1,504,202,562 was internal collections (National Environment Fund) and Ug shs 4,723,499,366 (97.6) of the release was spent.

NEMA implements one recurrent program and one development project. The semi-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 planned outputs in the FY include:

Environment inspected and audited; Degraded fragile ecosystems restored; EIA reports reviewed and approved; Sectors and local governments mentored and supervised; and Information Education Communication materials for awareness produced.

The approved budget of programme 01 (Administration) in FY 2016/17 is Ug Shs7,920,909,010, of which Ug shs 3,122,220,613 (39.42%) was released and Ug shs 3,041,860,480 (97.43%) spent by 31st December, 2016.

Performance

The physical performance of programme 01 by half year was good (85%). Most half year planned targets were achieved while others were deferred to Q3 and Q4 as detailed in Table 14.17.

Table 14.17: Performance of Programme 01 (Administration) by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Integration of Environment Natural Resources **Management at National and LG levels** 40 CSOs and private sector institutions, particularly those that focus on women, children and disability issues trained in integrating environmental sustainability measures in their activities and projects. 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	100%	50,000	26.67%	20.76	Training of CSOs and private sector institutions was deferred to Q3 due to late release of funds and interference of December 2016 festive season. 11 LGs of Manafwa, Ngora, Kumi Municipal Council, Buyende, Masindi, Buliisa, Pallisa, Bukwo, Kiryadongo, Kibuuku, Kayunga, Mubende, Kween, and Bududa 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 5 (five) Municipalities of Mukono, Jinja, Mbale, Soroti and Lira. The remaining municipalities are planned for Q3 and Q4. Capacity of 7 (Seven) Municipal Council Staff (Mukono, Masindi, Kabale, Jinja, Soroti, Mbale and Fort-Portal) built and enhanced in proper waste management. There are challenges of health and safety materials used limited skip loaders, and mixing of non-degradable products like Kaveera in garbage. Verification of 13 CDM projects and marketing of products not yet done. Kapchorwa Municipality supported to establish green belts. The work on the development of a green belt in Rushere town council (Kiruhura district) had started with the establishment of rain water harvesting facility for sustaining the trees and loan grass to be planted. Challenged by non gazeting or

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
					degazeting the greenbelts by Municipal Councils.
Environmental compliance and enforcement of the law, regulations and standards 2 LGs trained and facilitated in development and formulation of by-laws in districts 10 Public education and awareness raising programs on ecosystems integrity and productivity undertaken Inspections and inventory of affected land titles (database) undertaken	100%	60,000	53.84%	42.86	Three districts of Dokolo, Mitooma and Buhweju trained and facilitated to formulate ordinances and bye-laws. Support to environmental education and awareness workshop for districts in Buganda Kingdom held. NEMA conducted awareness and sensitization meetings with over 300 artisanal gold miners on the better mining practices and restoration issues. The meetings were conducted in 4 sites of Lugingi A, Lugingi B, Kabanda and Kampala Kikadle, in Mubende District. 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.
Access to environmental information/education and public participation increased 40 ToTs trained on integration of Environment and Education for Sustainable Development (ESD) in academic and non-academic programmes (Tertiary institutions) 40 ToTs trained on integration of ESD into academic and nonacademic Programmes (Schools) Thematic environmental information generated and disseminated	100%	30,000	100%	21.43	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 ESD into academic and non-academic programmes in Fortportal Municipal Council- Kabarole District (Buhinga Primary School); and Kapchorwa DLG AlbertineGraben Environmental Baseline 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.
Total		**140,000**		**85.0**	

Source: NEMA and Field Findings

L-R: Windrow; Sieved compost at a CDM composting site in Mbale Municipality, Mbale District

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 specific objectives are to:

- Enable NEMA to procure specialized equipment for the management of environmental impacts of oil and gas development and the sound management of chemicals.
- Enable NEMA undertake short and medium term oil and gas management infrastructure including the construction of field offices.
- Attract external financing
- Enhance NEMA's capacity to manage the volatile, time bound and risky aspects of oil and gas development andthe use of chemicals.

Planned outputs for FY 2016/17

- Critical degraded fragile ecosystems restored and protected
- Incinerator under Public Private Partnership (PPP) arrangement constructed
- E-waste collection operations supported
- Capacity for climate change responses developed
- Public access to environmental quality information enhanced
- NEMA's ICT and GIS infrastructure retooled, including software to enhance IT services within NEMA
- An information and records management systems developed and implemented
- A new fleet of vehicles acquired and maintained

The approved budget of the project in FY 2016/7 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%) release was spent.

Performance

The performance of the project was good at 71% as shown in Table 14.18.

Table14.18: Performance of Support to NEMA Phase II by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs '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, the 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). 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 Lake 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


L-R: Rice planted; Papyrus slashed and ground plowed to pave way for rice planting on the shores of Lake Lemwa in Kasodo sub-county, Pallisa district

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, however in Pallisa district, communities continued to destroy wetlands for rice cultivation for example along L. Lemwa.

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.
3) Environmental degradation by some investors and politicians who think they are above the law.
4) Lack of institutional coordination among MDAs which results in conflicting roles during implementation.
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 it only the role of government.

Recommendations

1) The MFPED should fast-track the 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 districts monitored, it ranges between Ug shs 800,000 to Ug shs 3 million.The EIA money should be granted to LGs for environmental management as Parliament recommended.
3) The NEMA should increase environmental inspection, audit measures and apply naming and shaming of impunity investors who encroach on wetlands.
4) The 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*"

5) The MWE should ensure streamlined coordination of environmental activities to avoid conflicting roles.

14.6 Uganda National Metrological Authority-Vote 302

Background

The meteorological sub-sector has faced significant neglect over the years of civil strife in Uganda leading to vandalism and breakdown of most of the equipment. The efforts in the 1990s to-date have yielded positive results including the recent reforms transforming the Meteorology Department into Uganda National Meteorological Authority (UNMA). Uganda requires advanced technologies on monitoring weather and climate and in processing data, production of various products and display to match 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 the 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 2016/7 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 by 31st December, 2016.

14.6.1 Uganda National Meteorological Authority (UNMA) - Project 1371

Key outputs in FY 2016/17 include: Aviation forecasts (flight folders) issued for domestic and international flights; Marine passengers given mobile weather alerts; Water vessel operators given marine weather forecasts; aeronautical coordination and support undertaken in aerodromes, airfields and airport; International Standards Organisation certification undertaken; Improved functionality of weather stations and rain gauges; meteorology mainstreamed in the National Budget process of district local governments; Climate change assessments and studies undertaken.

The project budget for FY2016/17 is Ug shs 16,277,000,000, of which Ug shs 5,398,031,250 (33%) was released and Ug shs 1,920,832,296 (35.5 of the release) spent by 31st December 2016.

Performance

The performance of the project was rated good at 87%.The project performance is reflected in Table 14.19.

Table 14.19: Performance of Uganda National Meteorological Authority Project by 31st December, 2016

Output	Annual Planned Quantity or Target	Annual Output Budget (UgShs' 000)	Cumulative Achieved Quantity	Physical Performance Score (%)	Remark
Weather and climate change 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) 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 network stations through installation of 100 new raingauge stations and 40 automatic weather stations 4 seasonal climate outlooks issued Monthly climate forecasts issued	100%	730,000	53.58%	87.95	7,200 flight folders were issued. Half year target achieved. All the 1,000 registered marine weather information users were given weather alerts All 200 water vessel operators were given marine weather forecasts daily. 10 Aeronautical trips were undertaken to the airfields of Gulu, Soroti, Entebbe, Kasese, Arua, Jinja to provide coordination and support. Functionality of 60 weather stations and 30 rain gauges improved. 40 rain gauges are not functional due to non-payment of allowances to community weather observers who record daily readings. This affects the accuracy of the information provided No new raingauges installed. 20 automatic weather stations installed out of the 40 planned. Two seasonal climate outlooks were issued, although these sometimes come in late. Six monthly forecasts were issued to the general public.
Government building and administrative infrastructure 18 Meteorological structures built/renovated in the districts	18	100,000	0	0	Procurement for the building/ renovation of structures halted due to land ownership issues.
Total		**830,000**		**87.95**	

Source: UNMA and Field Findings

Information on weather and climate change (weather alerts, and forecasts) was provided. Building/renovation of metrological structures was halted pending clearance on land acquisition issues. It is important to note that much as the project spent 36% of its release, performance was at 88% which is an indicator of over budgeting or exaggerated reporting.

L-R: Automatic weather station at the district headquarters in Pallisa district; Manual weather station at Ngeta Zonal Agricultural Research Development Institute in Lira district

Key issues at 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 as only people who registered emails with the authority are able to get this information.
3) Limited national understanding and appreciation of meteorological science and its benefits.
4) The MFPED has not provided the wage bill and staff salaries paid up to December 2016 lacked Pay As You Earn.
5) Due to understaffing, weather information is only recorded for 12 hours a day instead of 24 hours, this limits on the effectives of the information.
6) Dilapidated infrastructure of some weather monitoring stations which were installed during the 1970s and need overhaul. This renders some weather information not recorded.

Recommendations

1) The UNMA should devise a mechanism of issuing forecasts early enough for the different regions to benefit and plan accordingly.
2) The UNMA should improve the means of disseminating weather forecast information to the public. The authority should fasttrack acquisition of license code to use mobile phones and take advantage of the multimedia network to disseminate information.
3) The UNMA should create more awareness to the public, legislators and planners on issues of meteorological science.
4) The MFPED should provide the necessary wage bill to UNMA.

Overall Sector Physical Performance

The performance of the sector was rated at fair at 55.4% as shown in Table 14.20. Most of the planned outputs had not been achieved because of the delayed procurement process initiations, less releases from the MFPED and poor staffing levels especially in the newly created LGs.

Table 14.20: Performance of the Water and Environment Sector by 31st December, 2016

PROJECT	% Physical Performance
Provision of Improved Water Sources for Returned IDPs – Acholi Sub Region	21.5
Solar Powered Mini-Piped Water Schemes in Rural Areas	44.0
Water and Sanitation Development Facility-Central	91.9
Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation	3.5
Protection of Lake Victoria-Kampala Sanitation Program	60
Kampala Water Lake Victoria Water and Sanitation	24.24
Water for Production (Project 169)	90.2
Water for Production Regional Center-East	92.4
Support to Water Resources Management	83.3
Water Management Zones Project	98.8
Saw log Production Grant Scheme	41
Farm Income Enhancements and Forestry Conservation Project Phase (II)	35.2
Climate Change Project	80.9
The DWSDCG	19.6
NEM A-Programme 01 (Administration)	85
Support to NEMA Phase II	71
Uganda National Meteorological Authority	87.95
TOTAL	55

Source: Authors' Compilation

Part 4: CONCLUSIONS

Chapter 15: CONCLUSIONS

Financial Performance

The release (54% of revised budget) exhibited very good performance while 70% of the sectors registered over 80% absorption. The approved GoU sector budgets for 60% of the ten priority sectors were revised as at 31st December, 2016.Government released 67% of the development grants to the LGs by second quarter although there were major delays in the Q1 release. Absorption of these funds was poor at 35%. Reallocations and supplementary budgets across sectors pointed to poor planning and budgeting.

Service delivery in local governments was hindered by delayed initiation of procurements, finalization of warrants and release of funds, lack of advice notes[64] to LGs explaining the breakdown of the lump sum funds, high generator[65]operational costs, network and system failures and delay in availing local revenue sent to the Treasury Single Account.

Physical Performance

Agriculture

The overall physical performance of the agriculture sector during the first half of FY 2016/17 was fair (62.36%). This performance was, however lower and not matching the high release (93.60%) and expenditure (88.6%) of funds. The best performing Votes in the sector in terms of delivery of planned outputs were Vote 152 NAADS/Operation Wealth Creation (OWC) and Vote 160 Uganda Coffee Development Authority (UCDA),while the worst performing were Vote 125 NAGRC&DB and Vote 501-850 Production Marketing Grant (PMG).

Very good performance was noted under the NAADS/OWC programme (96%) as all the planned annual quantities of inputs were procured and distributed to farmers. However, there was poor outcome in crop establishment and high mortality, an area that is supposed to be handled by the local governments (LGs). The UCDA performed well (86.64%) in raising and distribution of coffee seedlings, enforcement of regulations and training farmers. Good performance was also recorded for two MAAIF projects -Improving Access and Use of Agricultural Equipment Project (90.50%), and National Farmer Leadership Centre (80.33%).

Good performance was associated with timely procurement, release and disbursement of funds to spending entities and delivery of inputs to farmers, availability of donor funds and collaborative work between the MAAIF institutions and LGs.

Poor performance in some programmes and projects such as NAGRC&DB (27.61%), PMG (52.56%) and MAAIF projects (Agriculture Cluster Development Project 25.60% and the Potato Commercialization Project 47.98%) was due to the following factors: Delayed approval and disbursement of funds by Accounting Officers to implementing departments,

[64]Advice notes -give details of breakdown of funds transferred to the accounts of the respective LGs
[65] This was noted in Local governments that were not connected to the grid

delayed initiation and processing of procurements due to inefficiencies in procurement and disposal units, lack of key agricultural infrastructure, arrears in the sector, focus on spillover activities and outputs of the previous financial year, gender and regional inequality in access to services, and low survival of crop enterprises.

Education

The overall sector performance was fair at 64%. Performance was lower across development projects as compared to the recurrent programs. There was very good performance under the recurrent programs of Busitema (100.2%), Lira (100%), Muni (98.8%).

The low release of funds and poor absorption levels affected the Development projects of Lira University (15.4%), Gulu University (11.0%) and Support to Education Service Commission Project (9%).

The Ministry of Education and Sports performed fairly at 55.8%. However,poor performance was noted in some projects under the vote; Emergency Construction of Primary Schools (3%), Presidential Pledges (7.2%) and the Akii-Bua Stadium Project (0%).

Sector performance was affected by; i) delays in initiation of the procurement process and receipt of counterpart funding, ii) poor planning as many project became effective before the necessary preparatory activities were undertaken, iii) delayed and inadequate release of funds partly leading to poor absorption,iv) delays by MoES to transfer funds to LGswhich further held-up transfers to beneficiary institutions vi) limited knowledge on IFMS usage, and vii) lack of clear communication between MoES and LGs regarding usage of funds, especially under Presidential Pledges.

Energy

The overall sector performance was fair at 65.3% of the semi-annual targets. The good performing programmes included Petroleum Exploration, Development and Production at 72%, and Mineral Exploration, Development and Production at 70%. Other programmes performed fairly and these were; large hydropower plants where concreting works had resumed though not fully in Karuma; and Isimba, which was slightly ahead of schedule for concreting works. Rural electrification registered increased and the number of new connections made in the service territories totaled 9,333. In addition 1,913 km of medium voltage lines and 1,798.5km of low voltage lines were added to the grid and their performance is being monitored under defects liability period.

The key constraints in the achievement of sector outcomes for most of the programmes was delayed initiation of procurement, high electricity connections costs,Right of Way issues, and inadequate releases. Other limitations included rampant power thefts, and vandalism of distribution and transmission infrastructure, and delayed payment of contractors.

Health

The overall sector performance was poor at 37%, althoughthere was an improvement in referral services and immunization of Hepatitis B in the West Nile region.The construction of maternity wards and Out-patient Departmentsincreased on space in 11 Health Centre IVs located in districts of Bugiri, Apac, Iganga, Ntungamo, Nakaseke, Mubende, Mityana and Mukono leading to improved service delivery.

Good performing projects included; Uganda Health Systems Strengthening Project (UHSSP), and Italian Support to Health Sector Strategic Plan, although poor quality works were observed. This was evident in Nakaseke General Hospital and Atiak Health Centre IV in Amuru district for UHSSP, and Nyakwae and Orwomuge Health Centres III in Abim district for the Italian Support Project. Uganda Blood Transfusion Services(UBTS) also had good performance, although blood shortages were noted in all health facilities.

The underperforming votes and projects included; District Infrastructure Support Project, Health Service Commission, Rehabilitation and Renovation of General Hospitals, Butabika Mental Hospital, Uganda Cancer Institute, Uganda Heart Institute, and Support to Mulago National Referral Hospital, and Mulago National Referral Hospital.

Their dismal performance was caused by delayed procurements, understaffing at the health facilities, blood shortages, and communication gaps between Ministry of Health and health facilities.

Information and Communications Technology

The overall sector performance was good estimated at 76%. The development projects - Rural Communication Infrastructure Programme, National Backbone Infrastructure (NBI) and Strengthening MoICT had mixed performance scoring 74%, 99% and 61% respectively. The NBI project exceedingly achieved all half year targets in spite of limited disbursement from the Exim Bank of China.

The recurrent programmes of NITA-U achieved at least 70% of the half year targets; this was generally due to sizeable releases from Non Tax Revenue to the two Directorates of Technical Services and e-Government Services. Under the recurrent outputs; 50 additional MDA sites were connected to the NBI bringing the total number of sites connected to 183. Internet bandwidth was delivered to 35 MDA sites bringing the total number utilizing Internet over the NBI to 129. One hundred and six (106) Wi-Fi sites (hotspots) were activated around Kampala Metropolitan area **(MYUG Wi-Fi sites).**

The Ministry of Information, and Communications Technology and National Guidance (MoICT&NG) produced the first draft policy on the use of Internet, email and social media, E-waste Management guidelines were disseminated, sensitization and awareness campaign on the Computer misuse, the e-transactions and the e- signatures Acts were carried out in 5 districts. A zero draft of the Cyber City Strategy was produced. It was observed that 46.7% (Ugshs 2.1billion) of the MoICT&NG expenditurewas used to clear rent costs. This negatively affected achievement of planned targets; moreover, the rent charged is tagged to United States Dollars which was volatile against the shillings during the period under review.

The Government Citizen's Interaction Centre (GCIC) Call Centre and Knowledge Management modules were completed and powered by two (2) telecommunication companies (MTN and Airtel). The User Acceptance Tests (UAT) and operations of 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.

Performance was hampered by: low ICT technical capacity within Ministries, Departments and Agencies, insufficient counterpart funding to meet the financing needs of the RCIP projects, long delays in procurement approvals/securing no objection from the World Bank, resistance to integration of IT systems in government agencies,and depreciation of the Uganda shillings against the United States Dollars causing a shortfall in rent requirements for the MoICT&NG.

Industrialization

The overall sub-sector performance was rated fair at 56%. Very good performance was registered by United States African Development Foundation, and Development of Industrial Parks. Poor performance in projects - Strengthening Uganda National Bureau of Standards (16%), Presidential Initiative on Banana Industrial Development (PIBID) at 41%, and Soroti Fruit Factory (28%) was attributed to delayed initiation of procurements, clearing outstanding arrears, and limited funding to sign contracts.

Other reasons that hindered project implementation included lack of; a centralized waste treatment plant for the Soroti Industrial Park, a project code for the Value Addition Tea project, certified tea nursery beds, a strategic plan for Uganda Development Corporation, clear transition plan for commercialization of the PIBID project, and inappropriate tenure on Kirra Motors Corporation land.

Microfinance

The MicroFinance Support Centre (MSC) achieved fair performance at 57%, with 39% of planned outputs fully achieved, 17.5% partially achieved and 43% not achieved. The MSC disbursed Ug shs 15.7 billion (63% of the planned target) to clients. Percentage growth in portfolio outstanding was 1.14% (Ug shs 62 billion) below the annual target of 10%. A repayment rate of 56% was achieved which was a decline from the 72% in FY2015/16. The centre was able to mobilize resources and disburse credit funds from reflows 100%.

Loans were dispersed at favorable interest rates between ranges of 9%, 13%, 17% and 11% for agricultural, commercial, environmental loans to different clients. These were below commercial bank rates currently above 20%. The overall Portfolio at Risk (PAR) was 19% 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 from the PROFIRA and MSC remained low. The duration of accessing loans from MSC was averagely six months against a target of two months due to delayed verifications and incomplete submissions from clients. The participation of District Local Governments (DLGs) in micro credit activities improved as registered from the monitored SACCOs.

Performance of the MSC was hampered by lack of limited capacity of SACCOs to access loans, 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, and endemic fraud, under staffing of MSC zonal offices and insufficient funds for onward credit.

Public Sector Management

The sector physical performance was poor (below 50%). The release wasalso poor at 26.7% of the annual budget, although resource absorption was good at 92%.

Good performance was exhibited under the Urban Markets and Marketing Development of the Agricultural Project (UMMDAP) where Nyendo Market in Masaka district, and Phase I of Busega Market under KCCA were completed.

Fair performance was observedunder the Public Service Commission where 25 out of 20 District Service Commissions (DSCs) with critical capacity gaps were identified, monitored and technical guidance provided. The Millennium Villages Project II (MVP II) hadon-going works at the Rwekubo HC IV operation theatre; Rwentango HC II, Kihiihi HC II (out-patient department and maternity blocks), and Rugaaga HCIV General Ward. The sites were at 80% completion.

Poor performance was exhibited under Office of the Prime Minister (OPM) (Humanitarian Assistance Project, Karamoja Integrated Development Programme (KIDP), Post War Recovery and Presidential Pledges, and Support to Luwero-Rwenzori Development Program (LRDP), and Support to MoLG attributable to implementing activities not in line with planned outputs. The Community Agriculture and Infrastructure Improvement III (CAIIP III) poor performance is attributed to non-functionality of outputs and incomplete civil works.

The Ministry of East Africa Community Affairs (MEACA) at 45.2%, National Planning Authority (NPA) at 34.7%, and MVP11 (GoU) Component at 0% ,Local Government Finance Commission at 44.2%, Ministry of Public Service (MoPS) at 48.8% and Kampala Capital City Authority (KCCA) at 44% also performed poorly.

Sector performance was hampered by; Lack of strategic plans to guide the development of quarterly work plans and performance targets, reallocation of funds to implement activities not in line with the annual planned outputs, delayed payments for completed civil works, lack of staff in strategic positions in Ministries, Departments, Agencies and Local Governments (MDAs and LGs), lack of updated job descriptions and constant wage shortfalls in LGs.

Roads

The overall roads sub-sector financial performance was good as the budget release and absorption performance by 31st December, 2016 was 37% (*about 74% of the semi-annual target*) and 89% respectively. The three votes (Ministry of Works and Transport (MoWT), Uganda National Roads Authority (UNRA) and Uganda Road Fund (URF) had a combined release of Ug shs 1,278.455 billion of which Ug shs 1,136.46 billion was spent.

The overall performance of the sub-sector was fair at 62%. The National Roads Construction and Rehabilitation program performance was good at 74.5%, while that of MoWT and URF was fair at 57.7% and 57.8% respectively.

The National Roads Construction and Rehabilitation program implemented by UNRA was affected by;Insufficient and inadequate designs especially for rehabilitation projects leading to substantial change in scope of works, slow pace of land acquisition for the Right of Way (RoW); poor mobilisation of contractors especially on bridge projects, and poor release of donor funds

The MoWT under-performance was mainly attributed to irregular and inadequate release of funds resulting in delays in paying service providers; and frequent breakdown of force account equipment.It was noted that activities under the Construction of Selected Bridges and Urban Roads Resealing have been implemented for more than four years, due to budget constraints.

Under the URF, performance of the District, Urban and Community Access Roads (DUCAR) Maintenance Programme and National Roads Maintenance Programme (NRMP) was fair at 57.5% and 58% respectively. All the LGs and UNRA stations did not achieve their half year targets.

Absorption of funds under the URF was affected by: delays in procurements for materials, spares, plus other mechanical parts (tyres, etc), late release of funds by URF (second month of each quarter), and lack of full sets of road equipment thereby hindering progress of force account activities.

Overall, the key sector challenges were: budget cuts in FY2015/16 leading to accumulation of arrears whose payments were prioritised after the release of FY2016/17 funds; 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; and the uncoordinated implementation of government programs.

Water and Environment

The sector performed fairly at 55% in terms of achieving the planned outputs by the end of Q2. With the sector approved annual budget of Ugshs736.41billion, the release of Ug shs 271.016billion (36%) and absorption of 87% was good.

Good performance was noted under the Water Resources Management Zones at 93%, Water and Sanitation Development Facility-Central(WSDF-C) at 92%, Water for Production (Project 169) at 90%,Water for Production Regional Center-East at 92%. Good performance was attributed to de-concentrated staff that is on ground in the zones, and utilization of funds on multi-year projects which did not require undergoing procurement.

Poor performance was noted among many projects inclusive of FIEFOC Project-Phase (II) at 35%, Provision of Improved Water Sources for Returned Internally Displaced Persons (IDPs) – Acholi Sub Region at 21.5%, and Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation at 3.5%and District Water and Sanitation Conditional Grant(DWSDCG)at 18.9%. The major reasons for underperformance included; low staffing levels, poor project financing, late releases for Q1 funds from the MFPED, and delayed procurement initiation by different agencies.

Other hindrances to implementation included delayed completion of design reviews for water supply systems by consultants, limited follow up of Environmental Impact Assessment (EIA) recommendations by the various stakeholders, continuous encroachment of ecosystems by private developers, settlers and in some cases land title holders, weak dissemination of updates on weather alerts and forecasts, and dilapidated infrastructure of some weather monitoring stations.

Chapter 16: RECOMMENDATIONS

This chapter highlights the key recommendations emerging from the field findings on the physical and financial performance of selected government programmes during the semi-annual FY2016/17.

Financial Management

i) The MFPED should ensure that sector and district Accounting Officers comply fully with new public financial regulations.
ii) The MFPED should enhance training for all IFMS users in LGs to speed up the payment of contracts.
iii) The MFPED should ensure timely disbursement of funds to ensure apt implementation of programs and projects.
iv) The PPDA and districts should review and improve the performance levels and capacities of PDUs in the LGs.
v) Accounting Officers should ensure that the PDUs, both at the center and inLGs speed up the procurement processes, and non-performers should be reprimanded

Agriculture

i) The MAAIF and agencies should prioritize clearing of all outstanding arrears in the sector.
ii) The MAAIF and LGs should fast track implementation of the single spine extension system.
iii) The MAAIF and agencies, and District Production Departments should ensure gender and regional equality in access to inputs and services.

Education

i) The MoES should ensure proper coordination and communication with the LGs regarding implementation of projects in their districts.
ii) The MoES and MoPS should assess the reasons for the high staffing gaps and devise mechanisms of attracting staff to the education service.

Energy

i) The Government should harmonize the subsidy for the cheapest category of connections (No-pole and 1-pole) so that all service territory operators can charge rates similar to those offered by UMEME and UEDCL. It is very evident that the rate of new connections on lines handed over to UMEME and UEDCL is much higher than for the rest of the service territory operators.
ii) To reduce the cost of wiring and connection, the Ministry of Energy and Mineral Development(MEMD) and the Electricity Regulatory Authority (ERA) shouldformulate an enabling policy for rolling out ready boards and optimize the

required size of load cable from the standard16 sq.mm to suit the low load conditions in rural households.

iii) The Ministry of Energy and Mineral Development should expedite the process of review of the Electricity Act of 1999 to increase the punishments given to individuals who engage in power theft and vandalism of electrical equipment.

iv) The MFPED should ensure timely release of counterpart funds to enable REA pay contractors in time and also acquire way leaves for the new projects.

v) The capacity of the Chief Government Valuer's (CGV) Office should be increased to enable it handle the volume of work on various government infrastructure projects to reduce the delays. The rates also used by the CGV should be harmonized with the current property rates to avoid rejection of the compensation packages.

vi) The project implementing agencies should employ more staff to handle issues of contract management, supervision and land acquisition. The size of project implementing teams for transmission projects should be increased especially for land acquisition activities and the necessary facilitation provided to them.

Health

i) The MoH should ensure that works are effectively supervised and that contractors attend to all defects within the stipulated timelines.

ii) The MoH should involve health facility administrators by providing Bills of Quantities for the works to improve supervision and accountability.

iii) The Health Service Commission should fast track the E-recruitment system for technical staff in the different spending entities and effectively utilize the Job Bureau for timely recruitment of staff.

iv) The Uganda Blood Transfusion Services should expand on the number of regional and blood collection centres, plan for hi-tech equipment to preserve already processed blood, reinstate vouchers and recognition of blood donors and sensitise communities on voluntary blood donation.

Information and Communications Technology

i) The NITA-U and MFPED should prioritize counterpart funding for the Rural Communication Infrastructure Programme(RCIP) project.

ii) The MoPS, MFPED, Public Service Commission, and Ministry of Information, Communications and Technology and National Guidance (MoICT&NG) should review the ICT staff establishment at MDAs with a view of recruiting and posting some staff to agencies that do not have any.

iii) The MoICT&NG and NITA-U should develop a change management strategy and roll it out to MDAs to enable officers appreciate benefits of adopting new technologies.

iv) 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.

Industrialization

i) The Uganda Investment Authority (UIA) should prioritize the construction of a central treatment plant in the Soroti Industrial Park to ensure proper management of effluent waste from the Teso Fruit Factory.
ii) The Uganda Development Corporation (UDC) should prepare and submit a separate project with detailed profile for Value Addition Tea if it is to support the identified tea enterprises.
iii) The MAAIF and Ministry of Trade, Industry and Cooperatives (MoTIC) should certifytea nursery bed operators to avoid poor quality planting materials.
iv) The Kiira Motors Corporation should consider an alternative leaner financing model such as leasing facilities for vehicle manufacturing to attract prospective partners in the short to medium term. This will enable the entity show case the possibilities of the concept, as adequate financing for construction of a fully-fledged motor vehicle manufacturing plant is being sought.
v) The UDC should expedite the development of its strategic plan in order to attract funding from prospective funders.
vi) The UIA and Uganda Land Commission should cause a review of the land use for the Jinja Industrial Park from agricultural to industrial use.
vii) The MFPED and Presidential Initiative on Banana Industrial Development (PIBID) should expedite the operationalization of the Banana Industrial Research and Development Centre (BIRDC) or put in place mechanisms (private company) for commercialization of the Tooke factory in Nyaruzinga –Bushenyi.

Microfinance

i) The Micro-finance Support Centre (MSC) and MFPED should enforce the recently passed MicroFinance Institutions (MFIs) and Money Lenders Act to regulate all SACCOs and MFIs. This will improve compliance and governance issues.
ii) The MFPED through the PROFIRA should enforce compulsory training of MFI and SACCO managers before accessing credit.
iii) The MSC should continue to offer Business Development Services to SACCOs to enable MSC clients upgrade their capacities to manage businesses profitably and sustainably.
iv) The MFPED should consider capitalization of the MSC to enable further disbursements

Public Sector Management

i) The National Planning Authority (NPA) in liaison with Planning Units in the different votes should spearhead the development of strategic plans in Ministries, Departments, Agencies and Local Governments.

ii) The Office of the Prime Minister, MoPS, Ministry of Local Government, Kampala Capital City Authority (KCCA), and NPA should seek authority from MFPED before reallocation of funds for non-planned outputs.
iii) The MFPED should directly remit the GoU component of the Millennium Villages Project II to the implementing districts not through MoLG.
iv) The MoPS, MoLG, MFPED and LGs should coordinate and address the issue of constant wage shortfalls in LGs.

Roads

i) The Government of Uganda (GoU) through the Ministry of Works and Transport (MoWT) should expedite the procurement of the roads maintenance equipment from Japan so as to fully exploit the force on account units in the MoWT and the LGs.
ii) 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.
iii) Coordination between government institutions (UNRA, National Water and Sewerage Corporation, REA and NITA-U) through the sector working groups should be improved to avoid unnecessary costs of reallocating utility lines.

Water and Environment

i) The Ministry of Water and Environment (MWE) should fast-track land acquisition before project initiation as a policy guideline and agreement with MFPED.
ii) The MWE should plan to implement projects with already approved designs to avoid time loss.
iii) The MWE should prioritize Environmental Impact Assessment (EIA) recommendation adherences through budgeting and monitoring for the various projects vis-a-vis the recommendations.
iv) The NEMA should fast-track cancellation of titles in wetlands and put into practice the Presidential directive of "*No encroachment on wetlands and those already there leave by June 2017.*"
v) The MFPED should provide conditional grants for the Environment and Natural Resource (ENR) to supplement the Wetlands grant which is inadequate. The EIA money should be granted to LGs for environmental management as Parliament recommended.
vi) The Uganda National Meteorological Authority(UNMA) should prioritize revamping the weather monitoring stations to enable recoding of all necessary information. The authority should fast track acquisition of a license code to use mobile phones and take advantage of the multimedia network for information dissemination.

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