# **04 Works and Transport**

# 2016/17 Sector Grant and Budget Information – BFP Draft 1

### ***IMPORTANT: This is a draft paper for use by local governments in their preparation of Budget Framework Papers. It therefore may to be subject to change. A final paper will be issued alongside the second budget call circular in February. As a draft it should not be regarded as the final the policy position of any Government of Uganda institution.***

## National Sector Policy Priorities

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

The NDP II emphasizes the importance of the road network “which accounts for about 90 percent of the volume of freight and human movement, and is by far the commonest mode of transport.” It targets an average paved road density of 100 KM per 1000 square kilometers by the year 2040. For this Plan period “2,205KM of gravel roads will be upgraded to tarmac, 700KM of old paved roads will be rehabilitated and 2,500KM of paved roads and 10,000KMs of unpaved roads will be maintained. In line with this Plan’s prioritization framework strategic roads to support exploitation of minerals, oil and gas, as well as, tourism activities will be targeted. Focus will also be on opening community access roads to link farmers to markets and social services.”

## Roles, responsibilities and mandate of Local Government

The Local Government Act (Chapter 243) specifies that Local Governments have the responsibility to deliver “road services – the construction, rehabilitation and maintenance of roads not under the Central Government”[[1]](#footnote-1). Roads that are the responsibility of Local Government are classified as District, Urban, or Community Access Roads (together referred to as DUCAR). District roads link communities to trading centres and national roads, and are the responsibility of District Councils. Urban roads are in the boundaries of Municipalities and Town Councils and are the responsibility of Municipal and Town Councils. Community Access Roads are smaller link roads that are the responsibility of Sub-County Governments. National roads are managed by the Uganda National Road Authority (UNRA).

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| --- | --- |
| Vote Function | Associated LG Mandate |
| District, Urban and Community Access Roads | Responsibility to deliver road services namely the construction, rehabilitation and maintenance of roads not under the government. |
| Engineering Services | Responsibility for the maintenance of the physical assets directly under the control of local governments, including buildings. |

## Transfer Details

### Overall Structure and Purpose of transfers and Overall Allocations

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) will be provided to ensure that public roads are well maintained. Both are earmarked to the Vote Function for District, Urban and Community Access Roads (DUCAR). Development transfers will be made for roads rehabilitation funded under the Rural Transport Infrastructure Programme (RTI). In addition local governments may choose to spend funding from the discretionary development equalisation grant for these purposes.

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| --- | --- |
| Grant | Purpose |
| **Non-Wage Conditional Grant** (Uganda Road Fund) | To conduct maintenance of district, urban and community access roads |
| **Development Conditional Grant** | To maintain and rehabilitate District, Urban and Community Access Roads |

### Grant Allocation Formula

One formula will be used to allocate grants to local governments. The Uganda Road Fund Act 2008 stipulates in section 22 (2) that “Allocations from the Fund to the designated agencies shall be based among other factors, on the conditions of the public roads, maintenance requirements, the length of the road network and the relevant volume of traffic or derived from an approved maintenance management tool.”

The transfer to local governments for maintaining roads is allocated in three stages, which results in the overall shares in the table below.

1. The first stage allocates the budget to road type (paved, gravel, earth). These give greater resources to paved roads, followed by gravel roads, and the least to earth roads, reflecting mainly the maintenance cost and asset value, but also other variables (traffic, road length).
2. This is then allocated to the road network (national, district, urban, municipal, community) based on traffic and road length. Weights are adjusted for the perceived contribution of each road hierarchy and functional class to the overall national objective of promoting economic efficiency for the road network.
3. The allocation is then distributed to designated authorities (Districts, Town Councils, Municipalities, KCCA) based on (i) traffic volume and road length; (ii) rainfall and unit cost factors; and (iii) population and equity coefficients.

In addition, USh 15 billion is allocated for mechanical imprest. A flat figure is allocated to the districts, the same for each town council and a flat figure for sub-county. There is uplift for KCCA, Nansana and Kiira Town Council, which are allocated imprest budgets equivalent to districts.

The **medium term allocations for the development grant**, in line with the 1st Budget Call Circular is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|   | **2015/16** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** |
| **Works and Transport** | **23** | **23** | **27** | **31** | **37** | **44** |
| **Works and Transport - Development Conditional Grant** | **23** | **23** | **27** | **31** | **37** | **44** |

### Performance Based Development Allocations

Performance based allocations will be introduced starting from 2017/18. The aim is to reward districts that perform well against a set of predetermined standards or institute penalties for poor performing ones. Government will build on the performance assessment system that has been applied to the LGs by MoLG (LGMSDP), MoLHUD (USMID) and OPM (GAPR) to design a revised system during 2015/16. This will be piloted in selected LGs in 2016/17, before being rolled out.

## Overview of Sector Requirements

In order to access conditional grant funding local governments are required to adhere to a number of specific requirements relating to the relevant sector budgets. These are specified in the following sections, as summarised in the table below, but are supplemented by detailed implementation guidance from the Uganda Road Fund and Ministry of Works and Transport, which is available online ([www.budget.go.ug](http://www.budget.go.ug) and [www.roadfund.ug](http://www.roadfund.ug)).

All budget documentation and reporting will be submitted with minutes documenting the approval of the District Roads Committee. As a separate legal entity, the Uganda Road Fund will approve and oversee maintenance plans funded through the Road Fund. The Government will approve and oversee transfers and donor funding for road construction and rehabilitation.

| **Grant** | **Summary of Requirements** |
| --- | --- |
| **Budget Requirements** |  |
| *Recurrent* |  |
| Salaries | Salaries will be funded from the unconditional grant. Based on approved structure and resources available. Allocations from grants under this sector may not be used to fund salaries of permanent staff.  |
| Road maintenance by Lower Local Governments | A minimum allocation of UGX 7.4m per year will be provided to sub-counties and UGX 120m per year to Town councils, which may be topped up by the district or municipality.Allocations under the non-wage recurrent budget to lower local governments may only be allocated to: removal of bottlenecks on community access roads in sub-counties; or for routine or periodic maintenance of urban roads and bridges in Town Councils.Prioritisation should follow standard principles set by the Uganda Road Fund, and use pairwise analysis to select priority roads. |
| Road maintenance by Higher Local Governments | Allocations to higher local governments in the non-wage recurrent budget may only be used for routine or periodic maintenance of district or urban roads and bridges.A maximum allocation of UGX 68m will be provided for mechanical imprest by the URF, which may only be supplemented by donors or own-source revenues.Prioritisation should follow standard principles as follows:* Planned maintenance work is based on a road conditions assessment (RAMPS) which will include road inventory, road condition data and traffic data.
* Routine maintenance is covered fully (starting with manual maintenance) before making allocations to periodic maintenance.
* Periodic maintenance is prioritised for roads connecting to national roads.
* Allocations should promote equity, so that areas that have the greatest need receive more maintenance funding.
 |
| Monitoring and Management of Service Delivery | Up to 10% of the non-wage recurrent budget may be allocated for operations and maintenance, including monitoring activities and provisions for the District Roads Committee. |
| *Development* |  |
| Capacity Development | Up to 10% of the development grant allocation may be used for capacity development for the engineering department.A positive list limits which types of capacity development may be budgeted for, including office tools, and short-term training. |
| Capital Investments | At least 80% of the sector development budget will be used to fund road rehabilitation or construction and may also fund the purchase of vehicles and equipment.* Priority interventions will be based on a road conditions assessment (RAMPS) which will include road inventory, road condition data and traffic data.
* Road rehabilitation should be fully funded before a local government proposes to use resources for the construction of a new road.
* It must be ensured that on-going works are completed, paid for and infrastructure made fully functional: priority given to: (i) repair/maintenance of existing investments; (ii) completion/extension/construction of new investments on existing facilities; before (iii) construction of new facilities which should be done only when there are provisions for meeting recurrent cost implications.

Between 5% and 10% of the development allocations to capital investments will finance investment service costs, such as bills of quantities or economic impact assessments. |

The table below provides an indicative list of **capital investments and other development activities** which may or may not be funded under the sector development budget from central government grants:

| **Sector**  | **Indicative Positive List** | **Indicative Negative List** |
| --- | --- | --- |
| Capital Investment | * Rehabilitation and/or construction of district roads and/or urban with associated infrastructure
* Construction or rehabilitation of foot paths,
* Culverts and bridges
* Street lights (urban areas)
* Urban Solid and liquid waste management
* Urban transport (bus/taxi/lorry parks)
* Urban beatification (public parks, play grounds, urban landscaping etc.)
 | * Rehabilitation and/or construction of national roads within the district
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| Development Activities | * Planting of trees on road verges etc..
* Training road user committees for any road investment funded by the DDEG
 |  |

The table below provides an indicative list of **capacity development activities** which may or may not be funded under the sector development budget from central government grants:

| **Sector**  | **Indicative Positive List** | **Indicative Negative List** |
| --- | --- | --- |
| Works & Transport | * Short courses and training on RAMPS, required software or project management
 |  |

The table below provides **costing guidance** for preparing maintenance budgets

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No** | **Activity** | **Unit** | **North**  | **East**  | **South**  | **West**  | **Central**  |
| 1  | Grading, shaping and compaction  | km | 1,000,000 to 1,400,000  | 1,000,000 to 1,400,000  | 1,000,000 to 2,282,000  | 1,000,000 to 2,282,000  | 1,000,000 to 2,282,000  |
| 2  | Re-gravelling  | km | 7,000,000 to 10,000,000  | 7,000,000 to 10,000,000  | 8,000,000 to 12,000,000  | 8,000,000 to 12,000,000  | 8,000,000 to 11,000,000  |
| 3  | Culvert installation – 450mm  | Lm | 80,000 to 100,000  | 80,000 to 110,000  | 80,000 to 120,000  | 80,000 to 120,000  | 80,000 to 120,000  |
| 600mm  | Lm | 120,000 to 150,000  | 120,000 to 150,000  | 120,000 to 160,000  | 120,000 to 160,000  | 120,000 to 160,000  |
| 900mm  | Lm | 230,000 to 300,000  | 230,000 to 300,000  | 250,000 to 280,000  | 250,000 to 280,000  | 250,000 to 280,000  |
| 1,200mm  | Lm | 350,000 to 380,000  | 350,000 to 380,000  | 350,000 to 400,000  | 350,000 to 400,000  | 350,000 to 400,000  |
| 4  | Stone pitching  | m2 | 20,000 to 35,000  | 20,000 to 33,000  | 30,000 to 37,000  | 30,000 to 37,000  | 30,000 to 37,000  |
| 5  | Patching (5omm thickness)  | m2 | 15,000 to 30,000  | 15,000 to 30,000  | 15,000 to 30,000  | 15,000 to 30,000  | 15,000 to 30,000  |
| 6  | Resealing / overlay  | km | 250,000,000 to 350,000,000  | 250,000,000 to 350,000,000  | 250,000,000 to 350,000,000  | 250,000,000 to 350,000,000  | 250,000,000 to 350,000,000  |

1. For more information see Functions and Services of the Central Government and Local government (ss30,31), page 103 of the Local Government Act. [↑](#footnote-ref-1)