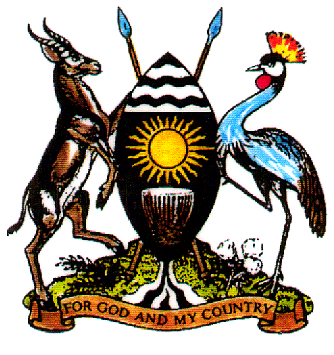
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**THE REPUBLIC OF UGANDA**

**WORKS AND TRANSPORT SECTOR**

**LOCAL GOVERNMENT BUDGET CONSULTATIVE WORKSHOPS**

**SEPTEMBER 2018**

**MINISTRY OF WORKS AND TRANSPORT SECTOR GUIDELINES FOR FINANCIAL YEAR 2019/2020**

**1.0 INTRODUCTION**

The reforms in the Ministry of Works and Transport Sector established the Uganda National Roads Authority (UNRA) Act 2006, and Uganda Road Fund (URF) Act 2008. The Ministry has been restructured and it’s role now pivoted to policy formulation, planning, M & E regulation and standards setting in the sector. The other Agencies in the sector are: Civil Aviation Authority (CAA) Act 1991, and Uganda Railways Corporation (URC) Act 1992.

1. **DRAFT SECTOR GUIDELINES FOR RURAL TRANSPORT INFRASTRUCTURE (RTI) PROJECT FOR FY 2019/2020**

There are 23 Local Governments implementing the Rural Transport Infrastructure (RTI) Project. Two more districts have been created in the project area, making the total number of benefiting districts 25.

The RTI has targeted outputs which include the following;

1. 500Km of district roads rehabilitated;
2. 300Km of district roads sealed;
3. 50 No. Small structures constructed/ rehabilitated; and
4. 175 No. Community access interventions implemented.

Whereas significant progress has been registered in outputs (i), (iii) and (iv), very little has been achieved in output (ii).

This is therefore to advise that all resources for FY2019/20 be directed towards sealing of district roads using Low Cost Sealing Technology. Also, endeavor to carry out quality checks on materials and works executed. It is prudent that the district does not approve and pay for works below the specified/acceptable quality. Quality test reports shall form part of the progress reports. Also note that indicative planning figures remain the same as those for FY2016/17.

It is also of necessity that the road sections to be worked on are properly designed. ***As part of the ways of ensuring quality works, all designs for low cost sealing shall be submitted to the Ministry for approval.***

The Ministry has also trained most of the districts staff including those from your district in the use of the Rehabilitation and Maintenance System (RAMPS) as a planning and reporting tool. I therefore encourage participating districts to use this tool for the said purpose. In cases where there are hiccups concerned LDGs should not hesitate to contact the Ministry.

Also, as a way of conserving the environment, a provision should be made within the budget to plant trees along the road reserve for every new project.

**INDICATIVE PLANNING FIGURES (IPFS) FOR GRANT TRANSFERS TO LOCAL GOVERNMENTS-RURAL TRANSPORT INFRASTRUCTURE (RTI) PROJECT FOR FY 2019-20**

The proposed IPFs take into account the newly created districts of Omoro and Kwania. The recommended IPFs for the new districts are fifty percent of the original IPF for the mother district. The IPFs are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Vote** | **Local Government** | **IPF FY 2018/19** |
| 1 | 502 | Apac District | 256,001,141 |
| 2 | 508 | Gulu District | 256,001,141 |
| 3 | 514 | Kaberamaido District | 512,002,281 |
| 4 | 522 | Katakwi District | 512,002,281 |
| 5 | 527 | Kitgum District | 512,002,281 |
| 6 | 529 | Kumi District | 512,002,281 |
| 7 | 531 | Lira District | 512,002,281 |
| 8 | 547 | Pader District | 512,002,281 |
| 9 | 553 | Soroti District | 512,002,281 |
| 10 | 564 | Amolatar District | 512,002,281 |
| 11 | 565 | Amuria District | 512,002,281 |
| 12 | 570 | Amuru District | 512,002,281 |
| 13 | 572 | Oyam District | 512,002,281 |
| 14 | 575 | Dokolo District | 512,002,281 |
| 15 | 578 | Bukedea Distrct | 512,002,281 |
| 16 | 585 | Lamwo District | 403,776,798 |
| 17 | 586 | Otuke District | 403,776,798 |
| 18 | 588 | Alebtong District | 403,776,798 |
| 19 | 596 | Serere District | 403,776,798 |
| 20 | 603 | Ngora District | 403,776,798 |
| 21 | 606 | Nwoya District | 403,776,798 |
| 22 | 607 | Kole District | 403,776,798 |
| 23 | 611 | Agago District | 403,776,798 |
| 24 | 615 | Omoro | 256,001,141 |
| 25 | 626 | Kwania | 256,001,141 |
|  |  | **Total** | **10,910,248,601** |

*\*\*\* Kwania DLG will start operations in July 2017 but it has not yet received a vote number*

1. **UGANDA ROAD FUND**
2. The URF allocation for FY 2019/20 has remained the same when compared with FY 2018/19 funding levels of UGX 542.52bn. Maintenance of public roads in FY 2019/20shall continue to be financed from appropriations by Parliament via the consolidated fund. Allocations for the available funding has been based on the existing budget allocation formulae that gives effect to section 22 (2) of the URF Act, 2008. While the central allocation done by URF is to provide planning ceilings to various categories of DAs, the internal allocations to individual programs for road schemes are done by the agencies themselves.
3. The allocation factors considered central stage at URF include the conditions of the public roads, maintenance requirements, and length of the road network and the relevant volume of traffic for each agency. Equity concerns have been considered to the extent possible in the formula.
4. The results of the global funds allocation are as shown in Table 1.0 below:

**Table 1.0: FY 2019/20 global allocation per network category**

| **S/N** | **Road category** | | | **FY 2019/20 budget (UGX)** | | | **Remarks** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Name** | **Size (km)** | **%age** | **Amount**  **(bn)** | **% age of Total** | **Change over FY 18/19** |
| 1.0 | National | 20,571 | 15% | 312.6 | 57.61 | - | For maintenance of national roads |
| 2.0 | KCCA | 2,103 | 2% | 30.56 | 5.63 | - | For maintenance of city roads |
| 3.0 | District | 34,381 | 25% | 74.94 | 13.81 | - | For maintenance of roads in 134 districts |
| 4.0 | Municipals | 3,198 | 2% | 34.79 | 6.41 | - | For maintenance of roads in 41 MCs |
| 5.0 | Town councils | 9,530 | 7% | 31.93 | 5.89 | - | For maintenance of roads in 214 districts |
| 6.0 | CARs | 68,933 | 50% | 17.71 | 3.26 | - | For maintenance of roads in 1,155 s/counties |
| **Total** | | **138,716** | **100%** |  |  |  |  |

1. Planned targeted interventions on the DUCAR network include UGX 12.0bn for extended periodic maintenance of selected roads in Town Councils; UGX 1.783bn for repair and maintenance of small bridges and UGX 3.566bn for emergency/special interventions.
2. When allocating and prioritizing funds for various categories of programs and individual road schemes, designated agencies should take into account factors mentioned in section 22 (2) of the URF Act, 2008 and referred to in section 6.0 above that include the conditions of the public roads, maintenance requirements, and length of the road network and the relevant volume of traffic for each agency.
3. Quarterly disbursements shall be made to designated agencies in line with agreed annual programs and cash flow subjected to submission of timely accountability. Results shall be monitored and audited against key performance indicators (KPI). These indicators are built into the Joint Assessment Framework (JAF) of Transport sector agreed between Government and the Development Partners.
4. **Road/Structures Inventory and Condition Survey**

In order to properly set targets for specific agencies managing the various network types, it is a requirement for agencies to undertake road/structures inventory and condition surveys and provide data to URF.

The road/structures inventory and condition survey report shall form part of the submission to URF of the Annual Road Maintenance Programme for FY 2019/20. The road maintenance needs assessment report shall include road inventory, road condition survey data and traffic data.

1. **Ideal Maintenance requirements: All DAs should** submit their ideal maintenance requirements per intervention under the unconstrained budget scenario.
2. **Preparation of Road Maintenance Plans:** All DAs should complete preparation of their Annual Road Maintenance Programmes prioritized within the available budget and for the allowed works. The details shall include work quantity, type and amounts allocated for each road and facilities. The template of the planning forms (enclosed as **Annex 2 in detailed guidelines)** to be filled should be submitted to the Fund in line with section 23 (1) of the Act by **31st Jan 2020.**  The Plans should be accompanied by a DRC approval minute in case of Local Governments, Board approval minute in case of UNRA and Council approval minute in case of KCCA.
3. **Guiding maintenance Policy for agencies during FY 2019/20**

In line with standard practice, while cognizant of the inadequacy of maintenance funding vs needs, maintenance plans and programs in the year shall be drawn and implemented within the following policy guidelines;

1. Works on DUCAR network shall be implemented by Force Account (FA) while a mix of FA and contracting is allowed on national and city roads. The guidelines for FA have already been issued by MoWT to all DAs. Attached in **Annex 4** are the Force Account planning and reporting tables to be usedduring the FY 2019/20;
2. Routine maintenance should be applied to maintainable road sections not undergoing periodic maintenance or other interventions;
3. Periodic maintenance should be applied to roads and sections that last underwent periodic maintenance not less than four years ago (gravel roads) or 7 years (paved roads) or for a paved road with roughness in excess of 3.5 IRI.
4. First call on funds should be carried over projects from FY 2017-18;
5. Road safety and Axle load control on the national network should be enforced;
6. For national roads comprising of 4,293km paved and 16,278km unpaved, operational expenses should not exceed UGX 11.6bn to be expended on items already agreed upon between the two Boards;
7. UNRA station Engineers should participate in the DRC meetings of administrative districts under their stations;
8. For city roads, priority should be given to routine maintenance and pothole elimination on key city routes;
9. For city roads comprising of 578km paved and 1,525km unpaved, drainage maintenance and storm water management should be prioritized;
10. Road formation camber and drainage should be enhanced and rendered operational to ensure a well-drained road network;
11. For district roads, priority should be given to maintenance of roads connecting to UNRA roads;
12. For district roads comprising of 34,381km unpaved, priority should be given to maintenance of roads connecting to UNRA roads;
13. For urban roads comprising of 383km paved & 2,815km unpaved in municipalities and 140km paved & 9,390km unpaved, priority should be given to maintenance of roads connecting to district roads;
14. For community access estimated at 68,933km unpaved roads, priority should be given to removal of bottlenecks.
15. For CARs, as much work should be delivered through Bulungi bwansi.
16. **Agency capacity**

All Annual Road Maintenance Programmes shall be accompanied by details of Force Account equipment and staffing returns in the Agency. The details for equipment should include type, registration number, quantity, condition of all serviceable equipment owned by the Agency. Status report on plant/equipment from District should include town council equipment as well. The forms to be used in compilation of this inventory are enclosed as **Annex 3**. The details for staffing should include number and description of staff in the established works department structure vs number of filled positions there in.

1. **Mechanical Imprest**

In FY 2019/20, designated agencies should plan and budget for mechanical imprest (based on their needs) and training of operators and drivers up to a maximum **15%** of their declared IPF. The mechanical imprest funds are to handle light maintenance and repairs of both new and old District/ Town Council road equipment. Such services should be obtained from MoWT workshops or competitively procured following PPDA guidelines. Accountability should be included within the quarterly physical and financial accountability and equipment productivity reports.

Major repairs (such as engine overhaul, replacement of major parts, etc) should be undertaken at the Regional Mechanical Workshops of Bugembe, Mbarara and Gulu. Ministry of Works and Transport has made provisions for these facilities.

MoWT shall announce training opportunities during the FY and agencies shall use part of the 15% to facilitate the training of operators and drivers of their road equipment.

1. **Road Safety**

Designated agencies should allocate up to a maximum of 5% of their road maintenance budget towards road safety activities. The qualifying works include installation of road furniture, lane marking, speed humps, facilities for non-motorised users, zebra crossings, community awareness & sensitisation.

1. **Efficiency mechanisms**

In order to improve efficiency in utilisation of road maintenance funds at agency level, the Fund has put in place the following measures to be implemented during FY 2019/20:

1. Capping DLGs and MCs operational expenses in FY 2019/20 to 4.5% of the budget;
2. Strengthening and tightening Audits and M&E;
3. Recovery of lost funds identified through Audits and M&E;
4. Pegging accountability of prior funds to trigger next disbursement;
5. Issue comprehensive accountability and reporting framework through RMMoS;
6. Establishment of a core road network, which will have priority, core network is defined as roads approved by the district council and gazetted by MoWT;
7. Strengthen planning and budget discipline in agencies;
8. Update existing road database and improve its management;
9. Establish Technical Support Units (TSUs) to build capacity of DAs through framework contracting in the use of RMMS and Internal audit;
10. **Performance Agreements**

Performance Agreementsshall remain the key Contract between URF and designated agencies and between Districts and their sub counties and Town Councils for purposes of delivering agreed annual work programs. All agreed works shall form annexes to the PAs and the PAs shall be executed between URF and DA’s before start of Q1 disbursement in FY 2019/20.

1. **Operational expenditure**

Operational expenses of UNRA related to road maintenance works shall be fully financed by URF up to a maximum of UGX 11.6bn while those for DUCAR agencies shall be limited to 4.5% of agency IPFs including DRC and Annual condition assessment costs. Operational expenses will cover office running costs such as communication, purchase of office stationery/consumables, preparation and submission of quarterly reports, etc. DUCAR agencies are advised to in-built some of the operational costs such as supervision into the budgets for the individual road projects to mitigate any short falls in the requisite expenses.

1. **Cross cutting issues –** Due attention shall be accorded to the cross-cutting issues of environmental protection, HIV prevention and gender parity in road works. Evidence shall be provided in terms of budgetary provision and sustainable indicators.

# Net Network Determination

1. Every Designated Agency will have to determine its maintainable network that shall be eligible for funding and declare it to URF. The declared network should not include roads that are receiving funding from other sources such as CAIIP, DLSP, PRDP, DANIDA, EU and USMID or under defects liability period. DUCAR agencies should seek approval from MoWT before upgrading CARs that have been rehabilitated under the aforementioned alternative funding sources. For UNRA and KCCA, roads undergoing re-construction and / or upgrading or similar other works shall not be considered for URF funding.

**Declaration of other road maintenance funding**

1. Designated agencies are required to capture and indicate all road maintenance programmes to be carried out each FY. All programmes being funded outside the URF funding i.e. CAIIP, DLSP, PRDP, DANIDA, EU, USMID, etc. should be included in the Annual Road Maintenance Workplan submitted to URF. These should however be indicated as funded from other sources and budgets declared and should make no recourse to URF resources.

**Programme Preparation**

1. URF has issued (attached as **Annex 7**) indicative planning figures (IPF) to designated agencies with accompanying request for work plans, procurement plans and estimates of expenditure. Templates for work plans, procurement plans and expenditure estimates are attached as **Annex 2** and can also be accessed at [www.roadfund.ug](http://www.roadfund.ug). The workplans to be prepared shall include an annual report of the Agency of the previous financial year in line with the URF Programing Manual, 2010.

# Funds Disbursements process

1. The agreed funding with UNRA, KCCA and DUCAR agencies shall be disbursed quarterly upon receipt and satisfactory evaluation of agency quarter work plans. Key releases triggers are shown in Table 2.0 overleaf.

**Table 2.0: Key disbursement triggers to UNRA, KCCA & DUCAR agencies**

| **S/N** | **Trigger Description** | **Key actions** | **Due dates** | **Remarks** |
| --- | --- | --- | --- | --- |
| 1.0 | Performance agreements clearly outlining key deliverable by the agencies in consideration of the sums to be disbursed; | Signing of the performance agreements | 31st July of every financial year | All agreed works form annexures to performance agreement |
| 2.0 | Satisfactory annual work plans with clear targets to be achieved and adequate elaboration of the methods to be applied; | Submission of Satisfactory annual work plans | 15th February of every financial year | Agencies will be required to submit only one annual work plan detailing the planned quarterly outputs. |
| 3.0 | Satisfactory physical and financial accountability of previous funding | Agencies shall be expected to submit quarterly accountabilities | 15th of the first month after the quarter | Based on agreed format |
| 4.0 | Evidence of receipt of funds | Submission of receipts for funds disbursed for the previous rounds as a first step towards accountability | 15th of the first month after the quarter | General receipt of Agency |
| 5.0 | Transfers to sub agencies | Submission of receipts showing timely transfer of funds for Town Councils and Sub counties based on a signed sub-agency agreement between the district and each of these sub-agencies | 15th of the first month after the quarter | Town Councils and Sub counties are sub agencies of Districts |
| 6.0 | New bank accounts for the FY | Timely provision of bank account returns at the beginning of the Financial Year | 31st July of every financial year | Upon appointment of accounting officers |

# End of FY procedures

1. In compliance with the Public Finance Management Act 2015, agencies shall return all unspent balances to the Treasury by 30th June of every financial year. Agencies are advised to ensure timely implementation of planned activities in order not lose the meager road maintenance resources.

# Reporting

1. All designated agencies shall adhere to and observe the principles of quarterly reporting and accountability to URF on physical and financial progress as per timelines in Table 3.0 below. The two authorities i.e. UNRA and KCCA will submit both monthly and quarterly reports. The reporting formats which include for accountability as well are attached as **Annex 8** and **MUST** be completed in both hard and soft copy and submitted as per agreed timelines.

**Table 3.o: Reporting timelines for FY 2019/20**

| **S/N** | DESCRIPTION | DEADLINE |
| --- | --- | --- |
| **1.0** | Quarter 1 (one) accountabilities | 15th day of October 2019 |
| **2.0** | Quarter 2 (two) accountabilities | 15th day of January 2020 |
| **3.0** | Quarter 3 (three) accountabilities | 15th day of April 2020 |
| **4.0** | Quarter 4 (four) accountabilities | 15th day of July 2020 |

# District Road Committees (DRCs)

1. The Fund`s outreach to the DUCAR agencies will be rendered in close collaboration with DRCs. District Roads Committees (DRCs) should be constituted in accordance with Section 25 (2) of the Road Fund Act, 2008. All districts should therefore ensure formation and operationalization of these committees in the year. All annual work plans prepared by agencies will have to be accompanied by a minute of the DRC approving the work plans before submission to URF. In addition the districts and Municipals should make specific budgetary provisions to cater for the DRC operational costs separately from the 4.5% operational expenses budget line as guided by URF. Remuneration for the DRC members is UGX 100,000 for the chairperson, UGX 90,000 for members and a transport refund based on a rate of 7km/l to and fro Kampala.

Guidelines for the operations of the DRCs have been approved by the office of the Solicitor General and will be disseminated to agencies after gazetting by the Minister of Finance.

1. **PLANNED PROGRAMS FOR 2019-2020.**

* Rehabilitation of 600km in various districts using Force Account.
* Interconnectivity program in various districts, especially Community Access Roads (800km).
* Rolling over of Low cost seal technology (25km).
* Rehabilitation and upgrading works in six urban councils in the country.

1. **ISSUES**

* A number of districts are misusing the new Japanese equipment. e.g the wheel loader in Nakaseke DLG has broken the bucket.
* Untrained operators are being hired to operate the new equipment, abandoning the duly trained operators.
* The District Roads Rehabilitation Unit has been allocated 70 billion out of the required 127 billion per year requirement i.e 1 billion to rehabilitate 50km per district. Need to lobby for more funding to cater for the shortfall to work on the backlog. There is a short fall of 73 billion.

# CONCLUSION

1. Guidelines contained herein are to guide agencies in planning for FY 2019/20 and implementation of agreed plan. They complement process guidelines and manuals issued by URF most especially force account guidelines issued by MOWT in August 2017.
2. DRCs for DUCAR agencies are called up to play a more active role in overseeing performance of agencies in the year and to keep URF aware of their work. Agencies should ensure that loopholes for wastage of road maintenance funds are plugged such that efficiency gains can come from savings to produce more mileage of roads maintained with the little available funds.
3. The programming manual issued to you earlier allows for change in the programmes as the year progresses. When applying for the changes, ensure that appropriate approvals have been secured from your supervisory organs: DRCs for DUCAR Agencies, Board for UNRA and Council for KCCA.
4. The Road Fund remains your partner in improving conditions of your respective networks.