THE REPUBLIC OF UGANDA

Budget Monitoring Report
October - December 2008

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Ministry of Finance, Planning and Economic Development
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Abbreviations and Acronyms

AAMP	Area Based Agricultural Modernisation Programme
ADB	African Development Bank
AES	Applied Energy Sector Nile Power
ARVs	Anti Retroviral Drugs
BEL	Bujagali Energy Limited
BHP	Bujagali Hydo Electric Power Dam
BIL	Bujagali Inter-connection Line
BIP	Bujagali Interconnection Project
BMAU	Budget Monitoring and Accountability Unit
BOO	Build Own Operate
BOOT	Build Own Operate Transfer
BOQs	Bills of Quantities
BTVET	Business Technical and Vocational Education and Training
CAO	Chief Administrative Officer
CP	Community Polytechnic
CSOs	Civil Society Organisations
DHO	District Health Officer
DIT	Directorate of Industrial Training
DP	Development Partner
DRC	Democratic Republic of Congo
DUCAR	District, Urban and Community Access Roads
DUCARIP	District, Urban and Community Access Roads Investment Plan
DWD	Directorate of Water Development
DWO	District Water Office
DWSCG	District Water and Sanitation Conditional Grant
ECOSAN	Ecological Sanitation
ERA	Electricity Regulatory Authority
ERT	Energy for Rural Transformation
ESC	Education Service Commission
ESM	Environment and Social Mitigations
FY	Financial Year
GFS	Gravity Flow Scheme
GOU	Government of Uganda
HC	Health Centre
HEP	Hydro Electricity Power
HFO	Heavy Fuel Oil
HSD	Health Sub District
ICT	Information and Communication Technology
IDP	Internally Displaced People
IFMS	Integrated Financial Management Systems
IPC	Interim Payment Certificate
IRC	International Rescue Committee
JICA	Japanese International Cooperation Agency

JMS	Joint Medical Stores
JST	Jinja Storage Tank
KCC	Kampala City Council
KM	Kilometer
LG	Local Government
LGDP	Local Government Development Programme
MEMD	Ministry of Energy and Mineral Development
MFPED	Ministry of Finance, Planning and Economic Development
MoES	Ministry of Education and Sports
MoH	Ministry of Health
MoPS	Ministry of Public Service
MoU	Memorandum of Understanding
MoWE	Ministry of Water and Environment
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NGO	Non Governmental Organisation
NMS	National Medical Stores
NUSAF	Northern Uganda Social Action Fund
NWSC	National Water and Sewerage Corporation
OHS	Occupational Health and Safety
OPD	Outpatient Department
PFA	Prosperity for All
PHC	Primary Health Care
PNFP	Private Not for Profit
PPA	Power Purchase Agreement
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDPA	Public Procurement and Disposal of Public Assets (Act)
PPP	Public Private Partnership
PWS	Piped Water Supply
Q1	Quarter one
Q2	Quarter two
RAFU	Road Agency Formation Unit
RAP	Resettlement Action Plan
REA	Rural Electrification Authority
RGC	Rural Growth Centre
RHS	Right Hand Side
RWHT	Rain Water Harvest Tank
SFG	School Facilitation Grant
TSU	Technical Support Unit
TVET	Technical Vocational Education and Training
UETCL	Uganda Electricity Transmission Company
UNICEF	United Nations Children Fund
UNRA	Uganda National Roads Authority
UPE	Universal Primary Education

UPPET	Universal Post Primary Education and Training
USD	United States Dollars
USE	Universal Secondary Education
UShs	Uganda Shillings (UGX)
UTC	Uganda Technical College
UVQF	Uganda Vocation Qualifications Framework
VAT	Value Added Tax
WASH	Water Sanitation and Hygiene Cluster
WATSAN	Water and Sanitation
WENRECO	West Nile Rural Electrification Company
WES	Water and Environment Sector
WFP	Water for Production
WSB	Water and Sanitation Board
WSC	Water and Sanitation Committee

Executive Summary

Background

Government is stepping up its monitoring efforts for enhanced programme implementation. The monitoring efforts are concerned with tracking implementation of selected government programs or projects and with **observing how values of different indicators against stated goals and targets change over time**. The monitoring is confined to the levels of inputs-outputs in four areas namely:

1. Agriculture
2. Infrastructure (Energy and Roads)
3. Industrialization
4. Social Services (Education, Health, and Water and sanitation)

This report is based on a few selected programmes in the above sectors. Selection was based on the significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes; giving preference to development expenditure except in health and education sectors where some recurrent costs were tracked.

Findings

Generally, most sector programmes were behind schedule.

(i) Financial performance

It was evident that the absorptive capacity within the sectors was still low. On the other hand, massive diversion of funds was evident as performance reports from the education and water sectors differed from the IFMS records.

(ii) Physical performance

(a) Agriculture

- There is poor communication of the new NAADS guidelines to the local government officials, which is causing untold delays in implementation.
- The quarterly release of funds is inappropriate for the season –bound agricultural activities.
- The new community based procurement approach is prone to manipulation and abuse in areas where the district leadership is weak. This is resulting in either procurement of poor quality inputs or delivery of “air”.
- The NAADS coordinators at the sub counties are over stretched and need more support to enhance effectiveness in implementation.
- The NAADS activities are not properly coordinated with those of the Rural Financial services programme.

(a) Education

- Poor communication between the ministry and local governments about planned project activities, and funding modalities for the presidential pledges
- The sector is operating outside the work-plan that was submitted to the Finance ministry.
- There was evidence of deliberate wrong reporting of progress of implementation for activities that were not carried out but were being accounted for.
- There was a problem of late releases of funds, particularly the capitation grants to the schools
- Construction activities are behind schedule because of the lengthy procurement procedures
- There was evidence of shoddy construction work. This may be a pointer that supervision is very poor.
- The creation of new districts is not being considered in the continued implementation of donor projects. Many such projects have stalled because funds are retained by the mother districts.
- The issue of unit costs proposed by the President have to be critically reviewed as they are negatively impacting on construction activities. For the supply of furniture, centralized provision may be an option.
- The VAT question is not yet resolved

(c) Energy

- Despite high levels talks between MFPED, URA, MEMD and the energy companies there were still unresolved VAT issues
- There are problems with compensation and resettlement of people around the project sites
- It was evident that communication between the Ministry of Energy and the beneficiary institutions and communities was not very effective.
- There are delays in construction activities due to contracting of sub-standard companies

(d) Health

- Budget re-allocations effected by MOH in mid September 2008, reduced capital development budgets for districts, on average, by 50%. This has affected procurement of equipment as well as construction of health facilities.
- Facilities at most of the general hospitals had broken down and in need of rehabilitation especially the plumbing systems. At Nebbi, Kitagata, Moyo and Yumbe hospitals water and sewage systems were completely broken. General hospitals have not been receiving development budget allocations.
- Inadequate equipping of health facilities resulting into non use of many newly constructed units
- Construction works were all behind schedule because of lengthy procurement procedures
- There was evidence of shoddy construction work and this was mainly affecting operationalization of the theatres
- The facilities still suffered drug stock-outs because of delayed deliveries by the NMS. However, in districts where management had sought for alternative suppliers and effective drug management systems, the problem had been contained.
- District health facilities, particularly the remote areas, suffered low staff levels that were exacerbated by high staff turnovers
- There was poor supervision of district activities by MOH. This was worsened by the fact that the district health officials were not adequately facilitated to monitor implementation of projects within their areas
- There was poor communication between MOH and districts resulting into uncoordinated investment decisions.

(e) Industrialization

- There was limited progress in works because of limited disbursement of funds

(f) Roads

- The works were all behind schedule because of lengthy procurement procedures, as well as compensation issues where companies were not accessing the required land.
- The delays and price fluctuations of inputs were resulting into untold cost overruns

- There was weak supervision of contracted companies by UNRA and this was resulting into shoddy work for a number of national roads.
- Maintenance of district, urban and community access roads was behind schedule and some roads have disintegrated to a state of rehabilitation instead. Unfortunately many districts are unable to use their idle road construction equipment due to limited authorization by PPDA.

(g) Water and Sanitation

Except for the Rural Towns Water and Sanitation Projects where some good progress had been attained the other projects were all behind schedule. For centralised projects the main challenges identified were:

- Low quality output by private contractors,
- Delays in project implementation,
- Underfunded water stressed areas,
- Irregular power supply,
- Over-centralisation of projects and
- Failure to incorporate gender guidelines in forming Water and Sanitation Boards.

For decentralised projects the main challenges identified were:

- Slow implementation due to procurement processes,
- Duplication of activities by LGs and development partners,
- Increasing unit costs,
- Poor management of existing water points leading to low functionality

Recommendations

(i) Financial Performance

1. The Ministry of Finance should commission an investigation into the anomalies between the sector financial reports and the IFMS records.
2. To enhance the absorptive capacity of sectors, the Ministry of Finance should only disburse funds to those that have proof of '***readiness***' to spend e.g Feasibility study reports, Bills of Quantities etc. For these spending agencies, the disbursements should be adequate to complete the activity.

(ii) Physical Performance

(a) Agriculture

1. The NAADS secretariat should effectively educate all local governments and the public about the new guidelines.
2. The Ministry of Finance should disburse funds for agricultural production in two tranches instead of the quarterly disbursements.
3. The community based approach to procurement under NAADS should be properly supervised.

4. The NAADS sub county coordinators pay should be raised. In addition more staff may be recruited at this level.
5. The NAADS and RFS management must coordinate their activities through increased sharing of information.

(b) Education

1. Effective communication channels should be established between the education ministry and the local governments
2. The ministry of education should be penalized for operating outside the agreed upon work-plan, and the related deliberate wrong reporting of progress.
3. The issue of slow releases of funds to schools should be resolved
4. Future disbursements to the sector for construction activities should be based on proof of "readiness", where Bills of Quantities have to be ready.
5. The sector should step up its supervision efforts to ensure value for money operations
6. Creation of new districts should be followed with amendments in coverage for donor funding to ensure that projects do not stall
7. The unit cost issue should be addressed adequately
8. The recommendations on VAT by the high level meetings that have already been held between the relevant stakeholders must be effected

(c) Energy

1. Implement the resolutions on VAT issues agreed upon during the high level meetings between MFPED, URA, MEMD and energy companies
2. Address issues of compensation and resettlement swiftly and decisively
3. Improve on communication between the Ministry of Energy and the contracted companies

(d) Health

1. To contain the problem of drug stock-outs, MoFPED and MoH should work out modalities of pre-financing NMS. This will require strengthening supervision of NMS by the MoH.
2. Government, should consider re-centralizing recruitment of health workers and prioritize recruitment of additional health workers in FY 09/10.
3. Undertake a study on modalities for attracting and retaining health workers especially in rural health facilities.
4. Improve on the communication between MOH and the districts
5. Enhance supervisory activities at all levels

(e**) Industrialization**

There is need to expedite disbursement of funds to the programme

(f) Roads

1. Land acquisition issues need to be handled expeditiously so as to avail the entire site to the contractors and thus avoid further delays and associated claims.
2. MoWT should provide policy guidance on how to handle the increasing new trend of compensation claims in areas where drainage channels and offshoots are constructed along public roads. This will also enable predictability of such costs and process times during project planning and costing.
3. UNRA together with the supervising consultants need to ensure constant presence of an up-to-date work programme as per the terms of contracts and as a way of enabling effective supervision, planning and monitoring activities. Given the size and nature of the Project, an extra vehicle should be availed to UNRA's supervision staff to enable constant presence on site and effective supervision of the Project.
4. Loss in project time arising from the Contractor's delay in mobilizing should be captured for computation of liquidated damages that may be used to offset future claims and project cost overruns.
5. The payment chain should be proactively streamlined with a view of minimizing delays in settlement of contract IPCs as a way of enabling the contractor to perform and pre-empting claims from delayed payments
6. The issue of elasticity of unit rates for road construction works needs to be addressed to avoid such exorbitant project procurements in the future.
7. The District, Urban and Community Access roads Investment Plan (DUCARIP) should be expedited to help overhaul the maintenance backlog in DUCAR, which represent 86.2% of the national road network.
8. MFPED and the Ministry of works, through The National Road Fund, which is scheduled for commissioning during FY 2009/10, should workout modalities of prudently increasing funding for DUCAR maintenance
9. Procurement law reforms aimed at reducing procurement lead time are necessary in order to enable year long road maintenance cycles and to regularize use of force account at local government level.

(g) Water and Sanitation

- Improve tendering processes for consultancy and construction companies; streamline and coordinate the procurement process;
- Ensure funds released by MFPED are spent by DWD on a timely basis to prevent delays and accrual of interest;
- Incorporate sustainable energy solutions in project planning as a perquisite for gaining approval;
- Improve participation and communication of District Water Officers in centrally managed projects;
- Provide regular training for Water and Sanitation Committees and increase supervision;
- Enhance political support for sanitation bye laws.

Chapter One: Introduction

Government is stepping up its monitoring efforts for enhanced programme implementation. To this effect, the Budget Monitoring and Accountability Unit (BMAU) that was established in June 2008 to spearhead these efforts, is preparing quarterly reports. The budget monitoring is concerned with tracking implementation of selected government programs or projects and with **observing how values of different indicators against stated goals and targets change over time**. The monitoring is confined to the levels of inputs- outputs in four areas namely:

5. Agriculture
6. Infrastructure (Energy and Roads)
7. Industrialization
8. Social Services (Education, Health, and Water and sanitation)

1.1 Process

This report is based on a few selected programmes in the mentioned sectors. Selection was based on a number of criteria:

- The significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes. Preference was given to development expenditure except in health and education sectors where some recurrent costs were tracked.
- The programmes that had submitted annual work-plans and progress reports by the end of October 2008 were followed as they had specified outputs and targets for the quarter, especially if these were funded.

1.2 Limitations of the report

1. Information on donor releases was not readily available for all programmes and hence financial performance may have been underestimated.

1.3 Structure of the report

The report has four chapters. The second chapter reviews the financial performance while chapter three focuses on the physical performance of the selected programmes. Chapter 4 concludes and gives recommendations.

Chapter 2: Financial Performance

2.1 Introduction

The financial analysis focusing on domestic development expenditure consists of two parts namely:

- Analysis of actual sector expenditures in light of the disbursements for the period July-November 2008, and
- In-depth analysis of financial reporting of two[1] selected sectors in comparison to the Integrated Financial Management System (IFMS) records for the first quarter. The analysis compared the accuracy of the releases and expenditures contained in the performance report of July –September 2008, and the actual releases and payments reflected on the IFMS which shows the actual money received and expended by the Ministries. It was important to establish the accuracy of the data provided by the sectors, on the basis of which the Ministry of Finance releases funds.

The analysis entailed a review of the, Draft estimates of revenue and expenditure FY 2008/09; Performance/ Progress reports for July-September for the two sectors; the related IFMS records; and actual discussions with the relevant sector officials.

2.2 Findings

2.2.1 Sector Expenditures compared to disbursements from the Treasury (July- November 2008)

(a) Agriculture

Apart from the plan for national agricultural statistics, the project of farming in Tsetse areas; and the project on national livestock production improvement that had more than 60 percent of the approved budget released, the others had lower releases. For some projects like the Farm Income Enhancement project, only11 percent of the approved budget had been released.

Although releases seemed low, the actual expenditures by the projects were minimal. Apart from the agricultural production marketing project, none had spent even half of the received funds.

Details are in Annex Table 1.

(b) Education

Releases to the education projects were fairly good as almost 50 percent of the approved funds had been disbursed (Table 2.1 below).

Apart from the projects on Rehabilitation of health service departments training institutions; child friendly basic education; and the development of primary teacher colleges, the expenditures are also fairly high as they are above 70 percent of the releases.

[1] The Ministry of Education and Sports, and Ministry of Water and Environment were selected

Table 2.1: ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY- NOV 2008, FOR EDUCATION SECTOR

VOTE	PROJECT	PROJNAME	GOU Approved budget	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
013	0176	CHILD FRIENDLY BASIC EDUCATION	100,000.000	50,000.000	24,166,840	50.00	48.00
013	0191	REH.NAT.HEALTH SERV.&DEPT.TRAIN.INS	2,600,000.000	1,259,602,000	1,150,307.378	48.45	0.09
013	0210	WFP/KARAMOJA	700,000.000	339,122.000	339,122.000	48.45	100.00
013	0897	DEVELOPMENT OF SECONDARY EDUCATION	13,457,886.358	7,936,089.000	7,369,807.295	58.97	92.86
013	0942	DEVELOPMENT OF BTVET	3,230,000.000	1,564,813.000	1,099,952.987	48.45	70.29
013	0943	EMERGENCY CONST.& REH.PRIM.SCHOOLS	2,800,000.000	1,356,494.000	1,258,446.701	48.45	92.77
013	0944	DEVELOPMENT OF PRIM.TEACHERS'COLL.	5,501,000.000	2,616,255.000	370,975.113	47.56	14.18
013	0949	ADB III POSTPRIMARY EDUC & TRAINING	5,518,000.000	3,664,264.000	3,664,264.000	66.41	100.00
013	0971	DEVT TVET P7 GRAD. ENROLLING INSTIT	2,300,000.000	1,114,264.000	850,121.385	48.45	76.29
013	0984	RELOCATION OF SHIMONI PTC & PRI.SCH	3,538,000.000	1,682,659.000	1,495,525.637	47.56	88.88

Source: IFMS

(c) Energy

Releases to the energy sector were all below 50 percent (Table 2.2). However, the absorptive capacity is fairly good.

Table 2.2 ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY -NOV 2008, FOR ENERGY SECTOR

VOTE	PROJECT	PROJNAME	GOU Approved budget	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditure as % of Releases
017	0325	ENERGY FOR RURAL TRANS. - MEMD	1,948,770.000	532,034.000	502,746.625	27.301	94.495
017	0328	SUSTAINABLE MGT. MINERAL RESOURCES	876,672.158	378,961.000	285,495.322	43.227	75.336
017	0329	PETROLEUM EXPLORATION PROMOTION	4,529,861.282	1,825,175.000	1,288,995.222	40.292	70.623
017	0331	RURAL ELECTRIFICATION	16,076,043.000	6,292,128.000	3,881,083.020	39.140	61.682
017	0940	SUPPORT TO THERMAL POWER GENERATION	174,500,000.000	62,025,000.000	62,025,000.000	35.544	100.000
017	0941	SUPPORT TO THE ENERGY FUND	50,000,000.000	12,500,000.000	12,500,000.000	25.000	100.000
017	0999	POWER SECTOR DEVELOPMENT PROGRAMME	50,100,856.000	12,547,967.001	12,528,087.737	25.045	99.842
017	1023	PROMOTION OF RENEWABLE ENERGY	210,000.000	99,874.000	71,764.230	47.559	71.855
017	1024	BUJAGALI	-	-			

		INTERCONNECTION PROJECT			-		
017	1025	KARUMA INTERCONNECTION PROJECT	-	-	-		
017	1026	MPUTA INTERCONNECTION PROJECT	35,000,000.000	16,645,867.000	-	47.560	-

Source:IFMS

(d) Health

Releases in this sector varied between 13 -53 percent (Table 2.3). What is of concern though, is the non expenditure for most of the projects. Further discussions are in chapter three on physical performance.

Table 2.3 ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY -NOV 2008, FOR HEALTH SECTOR

VOTE	PROJECT	PROJNAME	GOU	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
014	0216	DIST. INFRASTRUCTURE SUPPORT PRG I	5,380,482.822	2,858,200.007	1,515,556.997	53.122	53.025
014	0220	GLOBAL FUND FOR AIDS, TB & MALARIA	2,000,000.000	600,000.000	-	30.000	-
014	0221	HEALTH SECTOR SUPPORT PROG PHASE II	2,361,600.000	587,000.000	-	24.856	-
014	0223	HSRPII-KAMULI & KISORO DISTRICTS	1,223,628.437	611,814.000	-	50.000	-
014	0224	IMAGING & THEATRE EQUIPMENT PROJ. I	4,589,921.000	2,338,955.886	115,421.103	50.959	4.935
014	0232	REHAB HEALTH FACILITIES EASTERN REG	760,079.000	361,490.216	3,512.000	47.560	0.972
014	0891	DONOR SUPPORT TO THE HEALTH SECTOR	1,500,000.000	200,000.000	-	13.333	-
014	0980	DEV'T. OF SOCIAL HEALTH INITIATIVE	1,400,000.000	665,831.284	167,759.952	47.559	25.196
014	1027	INST.SUPPORT TO MINISTRY OF HEALTH	750,000.000	335,831.267	-	44.778	-

Source: IFMS

(e) Industrial parks

Both releases and actual expenditures are poor FOR INDUSTRIAL PARKS (Table 2.4)

Table 2.4: ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY- NOV 2008

VOTE	PROJECT	PROJNAME	GOU	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
008	0994	DEVELOPMENT OF INDUSTRIAL PARKS	19,700,000.000	4,842,110.000	1,356,666.666	24.579	28.018

Source: IFMS

(f) Roads

Releases on road projects under the Ministry of works vary between 40% and 50% (Annex Table 2). The absorptive capacity is excellent for some projects that have used 100 percent of all funds while it is as low as 10% in a few others

However, under Uganda National Road Authority (UNRA) releases varied between 19% and 289% for the road projects (Table 2.5 below)).

(g) Water and Sanitation
Most releases were above 40% of the approved budget. The absorption of funds however, varied between 17% and 78% (Annex Table 3). More details are in chapter 3 on physical performance.

2.2.2. Comparison of reported sector performance data for the period July-September 2008 to IFMS records

For both sectors, education and Water and Environment, in many cases there are huge variances/ discrepancies found between the performance report data and the IFMS data. There were differences in some instances between IFMS reported disbursements and what the projects report as receipts. On the other hand, most variations were in the expenditure records where projects were reporting either over or under expenditures compared to the IFMS records.

(a) Education

Table 2.6 below illustrates the variances between IFMS records and the reported Performance data. The variations are of concern since they are as high as six hundred million, in some cases.

One then questions the function of the IFMS system in guiding and controlling expenditures within sectors along the approved budget lines. ***There is an urgent need to review the application of the IFMS system within sectors since diversion of funds is rampant and on a very large scale***.

There is also a need to put in place mechanisms to validate the IFMS system since it is evident that the Finance ministry is using wrong data to effect disbursements to the sectors. Efforts were made to get clarifications from the MoES and MoWE on the possible reasons for the variances to no avail. A number of visits were made to the offices of the respective heads of accounting and the planning units who kept on promising to submit the necessary explanation to no avail.

(b)Water and Sanitation

Annex Table 4 illustrates the variations in financial records between the IFMS and the sector performance report of July –September 2008. The variations in expenditure are horrendous as some are in billions of shillings! Almost all projects had variations in their financial records indicating that the sector is not using the IFMS system to guide its financial operations.

It is very clear that diversion of funds in this sector is the norm. There is need to take immediate action to address this anomaly.

Table 2.5: UGANDA NATIONAL ROADS AUTHORITY-Releases July - Dec 2008 ("000)

VOTE	PROJECT	PROJNAME	GOU	July	August	September	Oct	Nov	Dec-special release	Total release July- Dec	Release as percentage of total budget
113	0265	ATIAK-MOYO ROAD	1,200,000	100,000	200,000	-	-	-	300,000	600,000	50
113	0266	BUSEGA-MITYANA	2,000,000	166,667	324,918	-	-	508,415	-	1,000,000	50
113	0267	CONST. & IMPROVEMENT FERRY SERVICES	6,000,000	500,000	974,754	-	-	-	1,525,246	3,000,000	50
113	0268	CONSTRUCTION OF KAMPALA BY-PASS	1,000,000	83,333	162,459	-	-	254,208		500,000	50
113	0278	KABALE KISORO ROAD	10,500,000	875,000	1,065,912	-	-	2,647,088	662,000	5,250,000	50
113	0279	KAMPALA-URBAN-INTERFACE OF TRUNK	1,600,000	133,167	260,101	-	-	141,000	265,732	800,000	50
113	0280	KATUNGURU-KASESE-FORT PORTAL ROAD	3,000,000	250,000	487,377	-	-	2,262,623	1,021,793	4,021,793	134
113	0285	MATUGA-SEMUTO-KAPEKA ROAD	9,920,000	826,667	1,611,594	-	-	-		2,438,261	25
113	0292	RDP - BUSUNJU-KIBOGA-HOIMA ROAD	1,000,000	83,333	162,459	-	-	-	2,646,428	2,892,220	289
113	0293	RDP - CONSTRUCTION OF RD AGENCY HQS	100,000	8,333	16,667	-	-	25,000		50,000	50
113	0294	RDP - EXTERNAL AUDIT SERVICES	-	-	-	-	-	-		-	-
113	0295	RDP - K'LA-GAYAZA-ZIROBWE-WOBULENZI	1,500,000	125,000	243,689	-	-	-	381,311	750,000	50
113	0298	RDP ACCIDENT BLACK SPOT IMPROVEMENT	1,000,000	83,333	162,459	-	-	254,208	254,208	754,208	75
113	0299	RDP -SOROTI-LIRA	1,000,000	83,333	162,459	-	-	254,208	-	500,000	50
113	0300	RDP-UPGRADING OF DISTRICT RDS - IDA	105,680	8,806	17,169	-	-	-		25,975	25
113	0302	RECONSTRUCTION JINJA-BUGIRI ROAD	100,000	8,333	16,246	-	-	25,421		50,000	50
113	0315	STRENGTHENING THE NORTHERN CORRIDOR	1,600,000	133,333	259,935	-	-	406,732		800,000	50
113	0321	UPGRADING OF F.PORTAL-BUNDIBUGYO RD	5,904,000	491,998	959,159	-	-	1,492,095		2,943,252	50
113	0952	UPGRADING MASAKA-BUKAKATA ROAD	100,000	8,333	16,667	-	-	25,000		50,000	50
113	0953	REHABILITATION OF KAWEMPE-KAFU ROAD	9,410,500	784,166	1,528,864	-	-	-		2,313,030	25
113	0955	UPGRADING NYAKAHITA-IBANDA-F/PORTAL					-				50

			100,000	8,333	16,667	-		25,000		50,000	
113	0956	PAVED NATIONAL RD B/LOG MAINTANANCE	-	-	-	-	-	-		-	-
113	0957	CONSTRUCTION OF 2ND NILE BRIDGE	5,500,000	458,334	893,524	-	-	1,398,142		2,750,000	50
113	0958	REHAB. OF DISTRICT RDS IN 12 DISTR	100,000	8,333	16,667	-	-	25,000		50,000	50
113	1031	GULU-ATIAK-NIMULE ROAD	85,500	7,125	14,250	-	-	-		21,375	25
113	1032	ARUA-KOBOKO-ORABA-VURA ROAD	100,000	8,333	16,667	-	-	21,375		46,375	46
113	1033	HOIMA-KAISO-TONYA ROAD	20,000,000	1,666,667	3,249,180	-	-	5,084,099		9,999,946	50
113	1034	MUKONO-KATOSI ROAD	960,000	80,000	160,000	-	-	240,000		480,000	50
113	1035	MPIGI-KABULASOKE-MADDU ROAD	960,000	80,000	160,000	-	-	240,000		480,000	50
113	1036	MBALE-MAGALE-BUMBO ROAD	1,000,000	83,333	162,459	-	-	-		245,792	25
113	1037	MBARARA-KIKAGATI ROAD	1,500,000	125,000	250,000	-	-	375,000		750,000	50
113	1038	NTUNGAMO-KITUMBA/MIRAMA HILL ROAD	100,000	8,333	16,667	-	-	25,000		50,000	50
113	1039	IMPROVEMENT OF KAMPALA-ENTEBBE ROAD	1,440,000	120,000	240,000	-	-	360,000		720,000	50
113	1040	KAPCHORWA-SUAM ROAD	100,000	8,333	16,667	-	-	25,000		50,000	50
113	1041	KYENJOJO-HOIMA-MASINDI-KIGUMBA ROAD	960,000	80,000	160,000	-	-	240,000		480,000	50
113	1042	NYENDO-SEMBABULE ROAD	960,000	80,000	160,000	-	-	240,000		480,000	50
113	1044	ISHAKA-KAGAMBA ROAD	100,000	8,333	16,667	-	-	25,000		50,000	50
113	1056	TRANSPORT CORRIDOR PROJECT	320,260,000	-	15,054,107	-	-	-	46,782,000	61,836,107	19
		TOTAL	411,265,680	7,583,592	29,236,411	-	-	16,619,614	53,838,718	107,278,335	26

Source: IFMS

Table 2.6: Performance Report Data for Education sector against the IFMS Releases and Expenditures, for July-Sept 2008

VOTE	PROJECT	PROJNAME	July- Sept releases(IFMS) MFPED	Performance report figure July- Sept	Variance - Releases	July-Sept expenditure (IFMS) totals	Performance report expenditure	variance-Expenditures	Comments
013	0176	CHILD FRIENDLY BASIC EDUCATION	24,634,000	24,634,000	0	21,447,517	21,447,517	0	IFMS amounts released and expended tallies with the performance report
013	0191	REH.NAT.HEALTH SERV.&DEPT.TRAIN.INS	640,476,000	639,976,000	500,000	578,109,868	586,500,000	-8,390,132	IFMS expenditure varies from the amount in the performance report and is short by 8,390,132.
013	0210	WFP/KARAMOJA	172,434,000	172,434,000	0	172,434,000		172,434,000	Data on expenditure unavailable in the performance report
013	0897	DEVELOPMENT OF SECONDARY EDUCATION	3,315,173,000	3,315,173,000	0	3,138,619,712	3,315,173,000	-176,553,288	IFMS data and the performance report data differs by a variance of -176,553,288=
013	0942	DEVELOPMENT OF BTVET	795,668,000	795,668,000	0	536,965,197	323,270,027	213,695,170	The amount spent as per the IFMS is above the amount reflected in the performance report by 213,695,170
013	0943	EMERGENCY CONST.& REH.PRIM.SCHOOLS	689,743,000	689,743,000	0	661,116,248	289,622,000	371,494,248	The amount spent as per the IFMS is above the amount reflected in the performance report by 371,494,248
013	0944	DEVELOPMENT OF PRIM.TEACHERS'COLL.	1,352,104,000	967,247,849	384,856,151	731,574,991	931,998,750	-200,423,759	IFMS receipt recorded is over the performance report amount by 384,856,151 and expenditure is less by 200,423,759.
013	0949	ADB III POSTPRIMARY EDUC & TRAINING	1,352,400,000	1,352,400,000	0	1,352,400,000	1,352,400,000	0	IFMS amounts released and expended tallies with the performance report
013	0971	DEVT TVET P7 GRAD. ENROLLING INSTIT	566,575,000	566,575,000	0	494,026,968	566,575,000	-72,548,032	IFMS expenditure varies from the amount in the performance report and is short by 72,548,032.
013	0984	RELOCATION OF SHIMONI PTC & PRI.SCH	869,613,000	869,613,000	0	341,917,357	944,807,310	-602,889,953	IFMS expenditure varies from the amount in the performance report and is short by 602,889,953.

Source: IFMS; MoES Performance Report July –September 2008

Chapter 3: Physical Performance

3.1 Agriculture

3.1.1 Introduction

The BMAU undertook monitoring work in the agricultural sector during the one month period – 9th November – 5th December 2008. A second monitoring visit was made to the Good African Project in Kabale during 16th – 17th December 2008 when the BMAU escorted members of Parliament to assess progress in project implementation.

Scope of monitoring

The focus of monitoring work in this quarter was the National Agricultural Advisory Services (NAADS) Programme conducted in a sample of seven implementing districts namely: Kabale, Kasese, Bushenyi, Masaka, Kayunga, Mpigi and Kapchorwa. The choice of districts to monitor in this quarter was based on a number of criteria including:

- Geographical spread – Kabale, Kasese and Bushenyi in Western Uganda; Masaka, Kayunga and Mpigi in Central region; and Kapchorwa in Eastern region. Monitoring efforts in the first quarter had concentrated on Northern Uganda (Arua and Nebbi) hence this region was not covered in this round.
- A combination of remoteness and ease of access to districts
- A balance of districts that had been among the first to benefit from NAADS – Kabale, Bushenyi and those that benefitted much later – Kayunga, Mpigi
- Specific requests by MFPED Top Management to check on progress by the Good African Tea Ltd in Kabale and concerns raised by farmer groups on utilization of NAADS funds in Kapchorwa.

Objectives

The main objective of the monitoring exercise was to assess progress in disbursement of funds to NAADS during the first and second quarter of FY 2008/09 and programme implementation at the district and within the lower local governments. The exercise also involved assessing progress in implementation of the new NAADS guidelines and the challenges that were being encountered by the district and sub-county staff. The findings were triangulated and validated by the CAO, District and Sub-county NAADs Coordinators, District Agricultural Officers, District Veterinary Officers and farmers.

3.1.2 National Agricultural Advisory Services

"Old NAADS"

The National Agricultural Advisory Services (NAADS) was launched in 2001 as a 25-year programme that sought to increase farmer access to information, knowledge and technology through decentralized extension with increasing private sector involvement. The first seven years were dedicated to piloting and testing the approach to derive best practices for adoption. Implementation started in 2001 in six trailblazing districts – Kabale, Kibale, Mukono, Soroti, Tororo and Arua. The programme expanded to 10 additional districts in 2002/03- Bushenyi, Busia, Iganga, Kabarole, Kapchorwa, Kitgum, Mbarara, Wakiso, Luwero and Lira; 5 new districts in 2003/04 – Hoima, Kamuli, Mbale, Nakapiripiti and Rakai; and 8 additional districts in 2004/05 – Apac, Kumi, Masaka, Moyo, Rukungiri, Yumbe, Kanungu and Bugiri. Other districts have since been covered as they come into being such that the programme now covers the entire country. During the FY 2007/08, a concern was raised by policy makers about NAADS not meeting the needs of the intended beneficiaries and hence was temporarily suspended.

"New NAADS"

The Cabinet passed a series of resolutions for restructuring NAADS which have been concretized as the NAADS New Implementation Guidelines[2]. Implementation of NAADS resumed in this financial year 2008/09 following these new guidelines which were still in draft form at the time of this monitoring survey. The objectives of the new NAADS are to:

i. Enhance commercialization of farms through supporting various farmer types;
ii. Increase farm incomes through integration of production, post-harvest value addition, and agro-processing;
iii. Increase farm household food security;
iv. Harmonize with the Prosperity for For All (PFA) principles.

In the new NAADS, the following principles feature that have great implications for resource use and sector performance:

- NAADS will utilize existing public/government extension workers in coordinating the programme and offering technical advisory services
- Advisory services will be provided by frontline extension service workers.
- Public Private partnerships (PPPs) will be established along the value chain where necessary to link farmers to marketing and agro-processing
- Community based procurement will operate at parish and sub-county level.
- Services will be targeted to 4 categories of farmers:
    - Demonstration farmer: hosts a demonstration site for other members of farmer group(s) to learn about new technology;
    - Lead farmer: has successfully transferred the knowledge from the demo to his own farm and shown improvement in productivity of his enterprise;
    - Model farmer: Is at take-off stage to commercialization with potential to earn Shs 20m annually;
    - Nucleus farmer: is purely commercial and employs professional management.

Findings

There were variations in the budget and physical performance between the sampled districts therefore the findings for each district are presented separately and emerging issues for NAADS synthesized at the end of the report.

[2] NAADS, 2008.

I. KABALE DISTRICT

Monitoring efforts in Kabale focused on the NAADS programme in general and the Good African Tea Programme specifically. Overall, NAADS is being successfully implemented in the district generally following the new NAADS guidelines. However, they were still several challenges that hinder proper implementation of the programme especially at the sub-county level that require action.

a) NAADS

Kabale District has been implementing the NAADs programme since 2001 following the enactment of the NAADs Act in the same year. To date, NAADs has been implemented in all 20 sub counties including 17 rural sub counties and 3 divisions of Kabale Municipality.

Releases

It was found that all the budgeted funds for Q1 for FY 2008/09 for NAADS activities in the district had been released. The district received 380,129,000 shillings as first quarter release plus 218m which was the funds meant for Q4 of FY 2007/08 when the programme was temporarily suspended. At the time of the visit, which was in the middle of the second quarter, the district had not received the Q2 funds. However, the 218m from the previous financial year which was received in late September 2008, was rolled over to finance some of the activities in Q2.

The district complained of the one month lag in receipt of funds which slows implementation of the NAADS activities. At the time of the visit in the middle of Q2, only 70% of the Q1 activities that were planned by the district had been implemented overall. The late release of funds from the central level to the district also affects the pace at which activities are implemented at sub-county level. For example, funds for Q1 were received late in Kamuganguzi sub-county in small tranches during August – October 2008 such that by the end of Q1, the sub-county was only able to use 16% of the resources and rolled the rest to Q2. Even at the time of the visit in the middle of Q2, approximately 12m of 17.9m received in Q1 had been utilized. About 82% of the planned activities in Q1 had been implemented in Kamuganguzi sub-county.

A number of constraints were mentioned relating to the late releases including the return of unused funds at the end of Q4 to Treasury which could have been meaningfully used by the district if the releases had been timely; physical performance is slowed greatly by the late releases and inability to plant according to seasons. **To address these challenges, it was recommended that: 1) Releases should be timely and 2) Releases for two quarters are done once so that only two tranches that are released every year. This would allow farmers to undertake the seasonally based cropping activities and also ease the accounting burden by the district. 3) Come 30th June, committed funds should not be taken back to the Treasury but rather voted against the unfinished work in the district.**

Physical performance

Two sub-counties (Kamuganguzi and Kitumba) were visited in Kabale district to assess the physical performance arising from the disbursements during Q1 and Q2 and the challenges that were being encountered.

Kamuganguzi Sub-county

Kamuganguzi Sub county is located approximately 10km from Kabale district headquarters and is comprised of 7 parishes. The NAADS programme started in the sub-county in FY2002/03 and on average 70 farmer groups register per[3] year with approximately 1,980 beneficiaries. As mentioned above, the sub-county was still using Q1 funds. Other than the late release of funds, expenditure was slow because the sub-county had first to select the farmer categories as per the New NAADS Guidelines and also train the community based institutions in procurement procedures. Frontline extension worker also had to be contracted.

By the middle of Q2, the sub-county had identified 42 demonstration farmers, 42 lead farmers and 5 model farmers for targeting. The monitoring team verified through reading of minutes and progress reports as well as farmer visits that the following key outputs had been achieved among many others during Q1 and Q2:

- 36 demonstration farmers given 3 bags of Irish potato cuttings, 2 kg of fungicide and 12 kg of fertilizer each.
- 9 demonstration farmers for vegetables given a spray pump, 3 tins cabbage, carrot and cauliflower seeds and half liter of Ambush each.
- Training of farmer groups on the New NAADS Guidelines and encouraging them to form high level farmer associations.

It was planned that the other lead farmers and model farmers would be reached in the subsequent quarters.

Kitumba Subcounty

The sub-county is about 7km from Kabale Headquarters and is comprised of 5 parishes. Expenditure was low in Q1 as the period was dedicated to procurement of frontline extension worker, farmer institutional development and mobilizing farmers to form the farmer categories as given in the new guidelines. The monitoring team found that several outputs had been achieved by the middle of Q2 including:

- Procurement and distribution of 1200 one day old chicks (local breed) each at 1,500/=
- Distribution of 900 one day old layers each at 2,600/=
- Distribution of 1,000 grafted orange seedlings each at 2,500/=
- Procurement of 2,000 one day old broilers each at 1,500/=
- Procurement of four Billy goats from South Africa each at 700,000/=

[3]Farmer groups are registered every year

- Procurement of 62 bags of feeds worth 3,000,000 (three millions) of different categories each of 70 kg at 49,000/= .
- Procurement and distribution of apple trees.

For verification, the monitoring team visited some of the farmers who had benefitted from these items during the period July-November 2008. Box 1 below provides the findings from the farmer visits.

Box 1: NAADS transforms households in Kabale

Mr. Kemani Elinewo in Kabira village is a Demonstration Farmer who had received 50 apple seedlings during late October 2008 and was about to plant them. The farmer had another plantation of apple trees that he had received from NAADS two years ago that were already fruiting. He indicated that each tree is able to produce apple fruits worth 350,000/= in every season. Because of the high income obtained, he had launched into grafting the apple trees and was selling grafted apple seedlings to all the other group members and neighbours, each at 4,000/=.

Mrs. Jasper Tugume in Ishamuguro village belonging to Butulwaga Tutugukye Women's group, is a Lead farmer who had received 400 one day layers and 3 bags of feeds each of 70 kg during the first week of November 2008. She complained that the feeds provided only support the enterprise for 3-4 weeks and then she has to find more feeds which she cannot afford. She suggested that consideration should be given for NAADS to help farmers with at least10 bags of feeds.

Mr. Louise Bamwaga in Rushambya village is a Demonstration Farmer belonging to Bushuro Abatungi Benkoko Group. He got 100 one day old local chicks in late October 2008. He was given two bags of feeds. He complained that the cost of feeds was too high and suggested that the Government could subsidize the cost of feeds or at least provide a half of the total required feeds for any poultry enterprise. He indicated that the process of forming Kabale Poultry Farmers Association had been initiated and requested that the Government should provide equipment for the association to set up a hatchery and processing machine for feeds.

Each member in Mr. Bamwaga's group of 9 females and 7 males contributes 1,000/= per month for co-financing. The group has made savings such that they had been able to buy 5 shares in a SACCO, each costing 20,000/=. They expectedto get profits on their shares which they will plough back into their group activities. Because of the profits made from NAADS activities since 2004, Mr. Bamwaga had managed to pay school fees for his children, topped up personal finance to build a residential house and had started the process of building 5 poultry houses.

Source: Field Visits

Challenges and recommendations

There were several challenges that were identified that negatively affect budget and physical performance in Kabale district. These challenges could be categorized into two sets: those specifically relating to operationalization of the new NAADS guidelines and others of a general nature. In some cases, recommendations were provided by the respondents that are indicated in bold.

Challenges associated with New NAADS guidelines

1) The continuous change in NAADS guidelines every after a few months disrupts planning and achievement of concrete outputs.
2) There are difficulties faced in implementing the new NAADS guidelines i.e. there are varying prices for the same technology input because each parish has its own procurement committee which gets suppliers at different prices; the distinction between the different farmer categories is not well understood; the prices at which service providers provide technologies are much higher than the market prices. Hence farmers find it difficult to pay back to their groups at the procurement prices as expected in the integrated support for farmer groups (ISFG) approach.
3) The new guidelines were noted to have made it much easier for corruption incidences especially with the introduction of community procurement. In cases were there are no improved animals in the community, the community members connive and share the funds. *For example, local suppliers who were also farmers in one of the parishes in Kitumba sub-county collected goats in the village and pretended that they had been procured by the procurement committee. After being verified by the district people, the owners picked their goats and they shared the money*.
4) The abolishment of the private extension workers by the new guidelines has created a huge staffing vacuum for delivering NAADS at district and sub-county level. The ratio of extension workers to farmers was found to be 1:4000 which indicates that agricultural transformation can not take place with such limited outreach. **To address the issue of understaffing, it is recommended that short-term contracts for private extension workers should be re-instated, introduce assistant NAADS Coordinators and convert all local government agricultural officers into NAADS staff.**
5) Most local suppliers and community based selection committees have very low capacity to procure and supply good quality technologies. Most members of the community based selection committees are illiterate and hence unable to read procurement reports and guidelines which are in English which is a major hindrance. **It is recommended that the community based selection committees be scraped and the procurement process operates as with the old NAADS.**
6) The approach of the new guidelines of serving the identified categories of farmers has led to low farmer participation in NAADS programmes as many farmers think that it is individual benefit and they will never benefit. For example, previously 45 farmers would turn up for learning at a demonstration plot in Kamuganguzi subcounty; with the new guidelines, less than 25 participate at a demo. This is a major challenge for sustainability of the group approach in agricultural service delivery in the coming years.

General constraints

1) Funds are received late on the district account. But even when it is received, the advice note comes much later, usually a time lag of two weeks after the money has been received. This results in disparity between flow of funds and crop planting seasons. NAADS releases should not be treated as wages but releases once in larger tranches.
2) Most of the motorcycles and vehicles used to carry out NAADS work are obsolete
3) Too much paper work to prepare financial reports. This is a strain especially at the sub-county level where there are no sub-accountants. The NAADS Coordinators were not trained in accounting procedures.
4) NAADS Secretariat is understaffed and hence cannot meet the coordination requirements at the district. Internal auditing and monitoring of the NAADS programme remains a key challenge.
5) Too much political interference in procurement of goods and services at sub-county level.
6) The sub county NAADs coordinators and extension workers are paid very low salaries when compared to the volume of work they undertake. **The salaries and incentives of these sub-county personnel should be raised through short one year contracts**.
7) The record keeping system at the sub-county was found to be poor. In the two sub-counties visited, there were some minutes for the procurement processes but no progress reports of the work done.
8) The production area was never restructured and hence has no proper department to ensure smooth implementation of agricultural programmes at sub-county and in the lower local governments.
9) High taxes on animal feeds. **It is recommended that agricultural inputs should be tax exempted.**

Gender issues

1) NAADs sub county coordinators were given big motorcycles which females can't ride.
2) Many women participate in NAADS trainings but few ever become leaders. They often decline leadership positions. Also when parishes are requested to send one representative to sub-county committees, they tend to send men. For example in Kamuganguzi sub-county, only one out of twelve members on the Executive Committee is a female.
3) The NAADS guidelines are gender-blind – it is implicitly assumed that all farmer categories are males. There is need to have specific interventions to target female farmers.

b) GOOD AFRICAN TEA

Background

Good African Tea project is located in Kachwekano, Kitumba sub-county, Kabale district. It was started in April, 2008 with the aim of setting up tea nurseries, mother gardens and mobilize farmers to take up tea farming in Kabale. The project operates on about 3 hectares of land and is run in partnership with NAADS secretariat and Kabale district local government. Its funding is supposed to be through the NAADS secretariat.

During this quarter, BMAU was provided with information about recent disbursements to Good African Tea project and requested to check progress in project implementation. In his communication to the NAADS Secretariat on 1st September 2008, the Chief Executive Officer (CEO) of Good African Coffee (a sister project) indicated that the exercise of planting tea cuttings in the tea nursery at Kachwekano, the distribution of tea plantlets to the registered farmers and planting of demo gardens in Kabale was set to begin early September 2008. He requested for 218,600,000/= to be released and this money was released. The funds were to be utilized as follows:

- Formation of Kabale Tea Growers Cooperative Unions in six target sub-counties (68,600,000/=)
- Transportation of plantlets and tea cuttings from Igara and Mabale Growers Tea Factories in Bushenyi and Kyenjojo districts (100,000,000/=)
- Preparing land to establish mother/demonstration gardens (80,000,000/=).

Progress in NAADS implementation

Financial performance

In July 2008, Shs. 232,139,000 was released and has been spent on Good African Tea project activities. A second release requested for by Kabale District Local Government of Shs.190,000,000 was released in November 2008 by NAADS for procurement of seedlings. These funds were still at the district awaiting collection by the project by the time of the monitoring visit.

The district officials expressed ignorance of the request made by CEO of Good African Coffee saying that the company was not yet a legal entity since the MoU was yet to be concluded and had no authority to request for funds. If indeed the 218m shillings had been disbursed, there was no evidence of this money having reached the district especially since most of the stated activities have not been implemented due to shortage of funds. The monitoring team did not have opportunity to talk to the CEO of Good African Coffee to verify this information. It is recommended that this issue should be further investigated by the Auditor General to avoid multiple channels of funds disbursement.

Physical performance

The following activities have been implemented since project inception:

- Land preparation, shed construction and planting of cuttings in nursery bed.
- Two million plantlets have been procured to be planted in March 2009. So far, only 120,000 tea cuttings have been procured from Igara Tea Factory and are in the nursery. In addition, another 120,000 tea plantlets were procured from Mabale Tea Growers in Kyenjojo, outside the target total of two million plantlets, and are still awaiting distribution. Each plantlet was purchased at 250/= but the supplier has not been paid yet.
- Uganda Cooperative Alliance (UCA) attempted once in some sub-counties to sensitize farmers about formation of cooperatives but the exercise was not successful mainly because UCA was shunned by communities as it did not work with or consult the district or NAADS offices. The two target sub-counties visited by the monitoring team – Kitumba and Kamuganguzi – confirmed this problem and indicated that the process of forming cooperative unions had not started yet.
- The activities going on currently are filling poly-pots with soil prior to planting, stacking them in the nursery beds, and topping them with sub (red) soil. Farmers have offered their

fields for tea planting and so far, 5,000 hectares of land have been measured in the 6 sub-counties of Kitumba, Kamuganguzi, Bufundi, Rubaya, Butanda and Bubaale where tea planting is going to take place, with the support of the NAADS programme. Farmers are gradually being sensitized about proper agronomic practices.

- Have received 11 rolls of shed netting which has been used to cover 600 square meters of nursery beds. They are awaiting shed netting to cover 8000 square meters more of beds from Bolton Uganda Limited.

Implementation Challenges

There are a number of challenges hindering improved financial and physical performance of the project:

1) Delays in release of funds and inadequate releases stifling project progress; For example, Igara Tea Factory has stopped supplying tea cuttings because they procured on credit by the project yet other major buyers like Basajabalaba pay cash.
2) Farmers who were highly receptive of the programme at inception are beginning to lose morale due to slow progress of project. No farmer has received seedlings yet.
3) Too much bureaucracy in procurement procedures
4) No MoU to clearly spell out the responsibilities of the Kabale District Local Government, NAADS and Good African Tea. Process of preparing one has been going on since April 2008 and has never been concluded by PPDA. Presently, NAADS works with Good African Tea as private service providers which makes monitoring of progress very difficult.

Tea cuttings ready for distribution to Farmers

Uncovered sheds awaiting purchase of nets

5) Excessive rains erode soils in already prepared polypots that are awaiting seedlings and are under uncovered sheds. Repeated refilling results in increased operational costs.
6) When it started off, Good African Tea had a labor force of about 500 workers; however, currently there are only about 50 workers due to irregular flow of funds. The farm operations manager said that a workforce of at least 200 workers would be ideal.

7) The initial target was to finish planting by November, 2008 but this will probably stretch to January, 2009 because of the delays. The target of two million plantlets to be distributed in one season does not seem feasible either; it seems more probable that they will be distributed in two seasons.

Recommendations

1. PPDA needs to first track the preparation of the MOU for this project to spell out responsibilities of public-private partnership and reduce unnecessary bureaucracies.

2. Auditor General's office to check out the releases made to this project to ensure that there is no leakage of funds. In addition there is need to have a value for money audit for some expenditure items.

3. UCA should work closely with the District Local Government and NAADS to kick start the process of formation of cooperative unions.

4. Timely release of funds in adequate volume and in line with the seasons is required

II. KAPCHORWA DISTRICT

Background

A special request was made by MFPED Top Management for BMAU to investigate the issues raised by NAADS beneficiaries in Binyinyi Sub-county in Kapchorwa District regarding the mismanagement/lack of transparency in programme management. Most of the problems raised were said to have occurred in the FY 2006/07 including sell of technology bulls, some groups not receiving their goats, others receiving substandard technologies, bribery and favoritism in awarding of contracts, malpractices in election of chairmen for farmers fora and faulty procurement processes.

Approach to investigation

The BMAU Staff investigated the matter during 1st – 3rd December 2008 monitoring visit. A courtesy call to the office of CAO Kapchorwa revealed that such problems as reported in Binyinyi sub-county were also common to Sipi Sub-county and previously to Kawoowo Sub-county, both of which were visited. Intensive discussions were therefore held with the following offices/officials:

1) CAO Kapchorwa
2) Kapchorwa NAADS Coordinator
3) LCIII Chairmen for Binyinyi, Kawoowo and Sipi sub-counties
4) Sub-county Chiefs for the three sub-counties
5) Sub-county NAADS Coordinators in the three sub-counties
6) Binyinyi Chairman Farmer Fora (implicated in letter)
7) Sample of affected farmer groups
8) Beneficiary farmers
9) Volunteers

In the exercise, some volunteers from nearby sub-counties who heard about the visit by the MFPED team volunteered information regarding the issues under investigation. The team learnt that an internal audit had been carried out by the District in the affected sub-counties and some actions taken against some of the culprits. Other audits had been done by private firms from Kampala sent by MFPED and NAADS Secretariat but no action had been taken yet.

Findings

Binyinyi Sub-county

Overall, most of the allegations made by Chesang David Sande (who could not be traced and is possibly a fake name) on behalf of Binyinyi farmers about the mismanagement of NAADS programme were found to be true[4].

1. Kapteng Sisters and Brothers Women's group were allocated an improved bull in 2006 which was received by a neighbour/Secretary for Production then named SoyeKwo Jackson as the group had not constructed a shelter. Overtime, when requested to hand over the bull, Mr. Soyekwo refused and sold it off (the bull) during 2008. He has been recalled by the Sub-county Chief to answer the charges and chart a way forward to no avail.

2. Kaptoyoy Integrated Farmers Association (KIFA): Was allocated 25 goats during FY 2007/08 and received 20, the supplier being the current LCIII Chairman. 5 goats were not delivered. The supplier wanted to give the group money valuing each goat at 30,000/= which the group has refused as the current price is over 70,000/=. The group insists to be given goats, a matter that has been handed to the Sub-county Chief.

3. The Project Manager for Kaptoyoy Integrated Farmers Association (KIFA) reported that his group and many others first had to give a kickback to the Chairman Farmer Fora Mr. Tiken Francis before they could assess technologies. This results in suppliers not undertaking all the

[4] There are however two caveats to the findings: 1) NAADS has been highly politicized in Kapchorwa to the extent that the programme is seen as a gateway for preparing ground for the 2010/11 elections at all levels through favouring some people in the distribution of technologies. 2) Local people do not know of any other conflict resolution mechanism, hence they have resorted to writing anonymous letters to de-campaign their opponents.

contracted tasks and doing shoddy work in order to cut costs. The technologies such as goats are distributed abruptly before sufficient farmer training has been done resulting in early death

4. The procurement guidelines were not being strictly followed in the sub-county during FY 2006/07. Some technologies were given out without first going through the sub-county as required by the old NAADS guidelines.

5. The farmers in Binyinyi contributed co-funding for FY 20007/08 equal to 1,910,000/=. The 2% required by the sub-county was 1,270,000/=. It is not clear where the excess 640,000/= was put as it is not reflected on the NAADS Sub-county bank accounts.

6. The previous technical officers for Binyinyi sub-county including the NAADS Coordinator, currently posted to Kaptanya sub-county, Sub-accountant and Sub-county Chief who has also been transferred, connived and misappropriated NAADS funds during FY 2006/07. After thorough investigations by the district, which identified lack of teamwork between the LCIII Chairman, Sub-county Chief and other technical officers, these officers were transferred to other sub-counties.

7. It was reported that Mr. Rogers Chemoges in Koswa Village, Teswo Parish received a bull from NAADS two years ago and has since sold it off. The matter was referred to police by the sub-county officials.

8. The selection of lead, demonstration and model farmers which would have ordinarily been done by the parish committees, is politically manned such that the deserving farmers are left out while the ones without the required qualifications are selected. By the time of the monitoring visit, the district had sent a team of officials to the sub-county to verify this matter.

Sipi Sub county

The CAO Kapchorwa requested the BMAU team to visit Sipi sub-county which also has similar problems as those in Binyinyi sub-county. NAADS implementation in Sipi sub-county started in FY 2006/07. The programme has faced major constraints since inception and hence less outputs have been realized. The following major challenges were identified as constraining NAADS implementation in sub-county since 2006/07:

1. Political interference: Decision making and implementation is greatly constrained by the dividing politics of the Chairperson of Procurement from FDC and the Chairman Farmers fora from NRM. Since 2006/07, it is difficult to make any substantive decisions regarding NAADS as these two officials continue to conflict. The sub-county council has been completely alienated from the NAADS process.

2. The performance of the NAADS programme was rated by the sub-county technocrats and politicians below 50% since its inception.

i. In FY 2007/08, 130 pigs of 4-6 months were distributed to farmers. They were procured locally, and because of the poor quality, most of them became stunted and died. Only a few conceived.

ii. 124 goats were locally procured in the same year and distributed. Some died and many did not produce offsprings.

iii. Most demonstration sites were left in the hands of individual farmers who abandoned them as they were given insufficient inputs and training.

iv. The LCIII Chairperson reported that some technologies were not brought to headquarters before distribution. For example, 21 goats were given out in FY 2007/08 but this was not done in a transparent manner; the animals were not brought to the sub-county for quality assurance as provided for in the NAADS guidelines.

v. Nothing much has been accomplished in FY 2008/09 due to the changing guidelines that are not properly understood by the implementers. The farmers who were selected at parish level under the guidance of the NAADS Coordinator were considered to be unqualified. The council was not given chance to vet the names which were sent directly to the CAO.

vi. 6 Community Based Facilitators were properly trained during this FY to expedite the NAADS programme at community level. However, on disagreement with the Sub-county NAADS Coordinator over allowances, they were immediately replaced without a justifiable reason. This has led to loss of institutional memory for implementing the programme.

Conclusion and Way Forward

From the above enumerated challenges, the two sub-counties Binyinyi and Sipi in Kapchorwa will continue finding difficulty in effectively implementing the NAADS programme if these issues are not addressed. The CAO working closely with the RDC and LCV Chairperson have taken steps to solve the problems with some degree of success. For example, the interchange of key technical officials between sub-counties has helped in breaking the cycle of resource mismanagement. Internal audits have also helped in recovering some of the lost resources and technologies.

However, the process of solving the problems in these two sub-counties can be fast tracked by doing the following:

1. The NAADS secretariat management should immediately intervene
2. If these challenges persist, MFPED should suspend disbursements to the two sub-counties for a period of two quarters to allow for proper investigations and capacity building for effective implementation of the NAADS. During the period of suspension, the following should be done:

i. Intensive training of parish and subcounty Community Based Selection Committees (CBSC), Farmer Fora, politicians and beneficiary farmers on the new NAADS guidelines and particularly the correct procurement procedures.
ii. Further scrutiny in the above issues by the Auditor General's office and taking action where appropriate.
iii. Establishment of conflict resolution mechanisms within the district at the various local government levels. Matters should be referred to the district level only when the affected sub-county has failed to take appropriate action. Similarly, the district should refer to the NAADS Secretariat and the centre only after failing to arrive at a concrete decision and action steps.

III. KASESE DISTRICT

Background

In the district of Kasese, the BMAU visited 2 sub-counties where NAADS activities were at various stages of implementation. The sub-counties visited were Kitswamba and Karusandara. In these, some of the farmers that have benefited from NAADS and had been supported for enterprises this financial year 2008/2009 were visited. Some of the enterprises that are under implementation include: goat rearing, horticulture (mangoes, pineapples and citrus) and rice growing.

Progress in NAADS implementation

Financial performance

Kasese district received a total of Shs 375,545,000 in two batches as quarter one release. Although the amount was as requested by the district, the release came late with a time lag of one and a half months. In addition, the district received a late release of Shs.218,573,000 for Q4 of 2007/2008 that had earlier not been released due to the suspension of NAADS activities. The Quarter two funds for 2008/2009 had not been released as yet. The late release of funds affected the pace of programme implementation within the district. At the time of the visit, during the second quarter, about 70% of quarter one activities and 30% of quarter two activities had so far been implemented.

Physical performance

The new NAADS guidelines were appreciated by the district technical staff as they were said to be helpful in reducing middlemen in procurement processes who hike prices of goods unrealistically. The approach of community procurement is good especially where good quality breeds were available. Bringing the Community Based Selection Committees down to parish level is likely to enhance transparency in the procurement process as farmers are actively involved.

The team visited some of the beneficiaries of the technologies this FY. Beneficiaries of horticulture in Kitswamba sub-county had been identified through a number of criteria including:

- Land availability – minimum of ½ acre for pineapples and ¼ acre for oranges and mangoes (equivalent to 25 trees). Farmers were encouraged to combine land pieces to reap economies of scale.
- Commitment to good management practices
- Ability to water crops during the dry season

Plans are underway in the sub-county to link farmers to large processing plants, possibly financed through the NAADS Secretariat. Hence farmers are being encouraged to produce on a large scale in order to attract investors. The farmers that are already accessing ISFG were in the process of forming marketing associations with a membership of 100-200 farmers.

It was found that about 40% of the farmers in the two sub-counties were involved in NAADS activities,with the rest not accessing any form of extension. This is due to the fact that many farmers do not belong to any farmer group yet this is the mode of operation of this programme for delivering services. For farmers in NAADS, participation has increased in accessing microfinance from SACCOs for initiating or expanding enterprises. However, to some farmers, the mode of repayment of microfinance and ISFG funds was not yet clear as exemplified by the case study in Box 2 below:

Box 2: Case study of constraints in repayment of ISFG by farmers

Mr Samson Ndengyeye in Ngando village, Kanamba Parish, Karusandara sub-county received 10 goats during this financial year and he is aware that he has to pay back. This is what he had to say:
"I am a member of Bisa Brotherhood Association which has 20 members. Recently I received 10 goats and I was told by the extension workers that I have to pay back to my group. I plan to pay back 10 goats and not cash as NAADS is telling us. They told me that each goat was procured at 80,000/= which means I have to pay back 800,000/= to my group. The price that is quoted is too high and if I were to pay back in cash, I am only willing to pay back 400,000/=. First of all, no animal drugs are given to us when the goats are sick. I have to buy these drugs and feed the animals. These expenses should be considered in the repayment terms. If 5 goats die due to diseases, I cannot pay back 10 goats. We shall have to discuss this issue with my group and agree on the repayment terms. The NAADS programme should sensitize farmers clearly on these funds and how we should pay back".

Source: Key informant Interview, Karusandara Sub-county, Kasese District

Unweeded demonstration pineapple Garden in Kitswamba sub-county

The rice and pineapple farmers were satisfied with the quality of seeds/planting materials but their main concern was on weeding expenses which were noted as unaffordable. Farmers lacked funds to hire sufficient manpower to weed the gardens resulting in low yields. Unweeded demonstration gardens are not a good example for farmer learning. Linking farmers to SACCOs to enable them access funds to address this challenge could be a possible solution.

There were examples of good technology uptake particularly among the lead and model farmers. For example, Mr. Kiggundu received 80kg of rice from NAADS in Sept 2008 to plant 2 acres. He planted an additional 4 acres of rice using his resources to buy the improved rice seeds.

Rice growing in Kasese

Implementation Challenges and suggested solutions

The following challenges were noted as constraining NAADS implementation in Kasese district:

1. Untimely release of new NAADS guidelines in the midst of implementing an annual workplan which disrupted implementation.
2. The New NAADS guidelines are still not well understood and are interpreted differently at the various levels. For example, there is lack of clarity on criteria for farmer categorization even among the NAADS Coordinators at district and sub-county level. **There is need for comprehensive training of all the relevant stakeholders on the various aspects of the New Guidelines to ensure uniformity in perception**.
3. Exclusiveness of the new NAADS (serving 6 farmers per parish) leading to disintegration of farmer groups. **The approach of categorization of farmers should be reviewed to ensure that the programme is more inclusive than exclusive**. **A proportion of funds should be earmarked to demonstrations that benefit all farmers.**
4. As a consequence of lack of cohesion among farmer groups, cofunding of NAADS by farmers was on a declining trend. For example, in Kitswamba Sub-county, farmers were supposed to co-fund a sum of Shs.1,466,311 for this FY; by the middle of Q2, only Shs.200,000 had been realized and this is not expected to rise. No money had been contributed for cofunding in Karusandara sub-county.
5. The community based procurement system is challenged by the high illiteracy levels as the members of the procurement committees are unable to grasp the technicalities in the procurement processes.
6. In some sub-counties, some inputs like improved pigs and goats are not readily available. This presents a procurement challenge as parish committees buy from technologies from friends even when they are not good quality.
7. Subject matter specialists are very few. The entire district has only one District Veterinary Officer, one District Agricultural Officer and one District Fisheries Officer to certify quality. They are spread too thinly yet procurement cannot be completed unless they show up to approve quality.
8. Late release of funds from the centre not marching the cropping seasons. **It was recommended that release of funds should be timely in July and the money for procurement of technologies should be given lump sum for at least two quarters**.
9. Poor repayment of ISFG funds due to lack of clarity on repayment terms and procedures. **The terms of repayment need to be clearly specified by the NAADS Secretariat so that beneficiaries know how and when to payback.**

10. Delay of releases from the district to the sub-counties. Often money delays at the district for 2-3 weeks after receipt due to absence of signatories and delays in transfer from the general account to the NAADS account.

IV. BUSHENYI DISTRICT

Bushenyi is one of the largest districts in Uganda with 27 sub-counties and 2 Town Councils.

Progress in NAADS implementation

Financial performance

In their plan, the district requested for Shs 337,705,000 to cover Q1 activities but received Shs. 509,206,000. The district in addition received Shs 337,705,000 for the 4^{th} Quarter of FY 2007/08. The district received funds in excess of their budget because of presidential pledges. There was also a Shs 400,000,000 disbursed directly from the NAADs Secretariat to create a link between farmers with the Mountain View Firm to supply coffee seedlings to the sub counties of Igara, Shama, Buhwezi and Kyamunga S/C to 38 farmer groups.

Physical performance

The monitoring team visited and verified outputs from both the mainstream NAADS programme and the activities financed under the Presidential Directives. For the mainstream NAADS Programme, most sub-counties had embarked on the procurement processes, farmer institutional development and sensitization and had not yet implemented the bulk of the activities. It was estimated that about 10%-20% of the activities in Q1 and Q2 workplans had been implemented and the rest would be carried over to Q3 and Q4.

The team visited Kyamuhunga sub-county which received Shs 17m for quarter 1 and 18m of the previous fourth quota. Funds were received late in mid September which led to slow implementation of the NAADS programme. Procurement had not started yet as farmers and other stakeholders were still being sensitized about the new NAADS guidelines. The sub-county was also waiting for the district to short list the services providers as instructed in the new guidelines. However, there was a direct intervention in the sub-county from the NAADS Secretariat where 120,000 tea seedlings were supplied to 38 farmers. Tea seedlings were also supplied in other sub-counties.

Major progress had been made in implementing the presidential interventions including:

- procurement of a heifer for Mrs. Rwabutwago
- procurement of a solar system, inverter, water 400 litre boiler and installation of gravitational water system for expanding Mr. Muhoozi's fish farm. The finances have helped the farmer install support power for 24 hours which is necessary for fish incubation. Presently, production is at 50,000 fish fry per month; with the new installations, the target is 100,000 fish fry per month. These are sold to farmers in Uganda and in the region at 200 Shs each.
- procurement of inputs for expansion of a tea nursery project of Mr. Batuma amounting to shillings 29 millions. With the expansion of the nursery shed, the farmer will able to produce 1m seedlings instead of the current 300,000 and it is planned that 400,000 tea seedlings will be distributed free to farmers

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Fish fry incubator at Muhoozi's farm **Mr. Muhoozi shows the water boiler system**

- African Tea Estates received 150,000 tea plantlets and other inputs which has enabled them expand production to 500,000 plantlets per year. They were planning to sell the seedlings to farmers at a subsidized rate of 300 each.

Implementation challenges and suggested solutions

1. The lack of Memorandum of Understanding (MoU) between beneficiaries of the presidential initiatives, the NAADS Secretariat and District makes implementation difficult and unclear. *"If the beneficiary farmer produces fish fry after getting a subsidy, how do we regulate the price? How do we ensure that he does not exploit the farmers? This is like enriching one individual. Many beneficiaries think that this is a gift from the President and hence no need to give back to the other farmers"* commented the Bushenyi NAADS Coordinator. **It was proposed that in future, MoUs should be prepared between the relevant stakeholders before the start of the intervention**.
2. Different interpretation of new guidelines between the technocrats and politicians. **More sensitization is needed on the same**.
3. Lack of transparency and objectivity in the selection of the various categories of farmers as few people are involved in the process in the parish committees. It was found that some of the technologies were being taken by the officials on the parish procurement committees as there is no guidance in the guidelines that bar officials from being beneficiaries. **There is need for a more participatory process in farmer selection that involves all farmers and the guidelines need to be more clearer on who should or should not be a beneficiary**.
4. The budget for NAADS coordination and operations has remained low despite the dramatic increase in the overall resource. For example, 12m that was given to the district for coordinating 29 sub-counties in the entire FY and involving both technocrats and politicians in the monitoring exercises is too small for facilitating proper supervision of the programme. **There is need to revise upwards the money allocated to NAADS coordination**.
5. The current formula of dividing total resource allocated to the district equally among all sub-counties irrespective of the number of parishes in any given sub-county has greatly constrained programme implementation. Some sub-counties have 4 parishes while others have 11 implying a need for a larger allocation. **The resource allocation formula should be revised to ensure that allocations are by number of parishes rather than sub-counties**.

6. Insufficient research on tea especially with regard to crop varieties and diseases. There are no good tea clones resulting in low yields and poor quality tea. The extension workers are not aware of the most prevalent diseases or how to deal with them. **The defunct East African Tea Research Institute in Fort Portal should be rehabilitated and equipped to deal with these challenges**.
7. Extension workers lack knowledge in modern practices in fish farming. Even Fisheries officers are ignorant of good practices in this area. **There is need for further practical training of fisheries officers and extension workers in modern fish farming**.
8. SACCOS and commercial banks are not an appropriate mode of financing for large scale farmers who need long-term financing due to their small loan amounts and short pay back period. **There is need for large scale farmers to be linked to institutions that provide long-term financing for agriculture to facilitate large scale investments**.
9. Most technologies that are currently being disseminated under NAADS are unresearched and hence the needs for high productivity are not properly known. Many animal breeds die because of limited knowledge of their technological needs. **The country needs to step up research in all agricultural fields**.

V. MASAKA DISTRICT

Background

In Masaka, NAADS started in the financial year 2003/2004 in 3 sub-counties. Today the program covers the entire district - 23 sub-counties. In addition to holding discussions with the district leadership, the team visited 2 sub-counties namely Kalungu sub-county that has 10 parishes and Kabonera sub-county with 7 parishes.

Progress in NAADS implementation

Financial performance

This financial year, Masaka received all the budgeted funds for quarter one equivalent to 450,661,000/=, although the money was received late in two batches. The Quarter two funds – Shs 400m – was received and was on the district account at the time of the monitoring visit. The money could not be disbursed because of the late provision of the advice slip from the NAADS Secretariat. This was reported as a common problem in all the sampled districts which slackens the disbursement and timely use of funds by the lower local governments. The district had also received the quarter four FY 2007/08 release equivalent to 404,051,000/= which was 92% of the funds that had been budgeted for.

The district was showing a very low absorptive capacity as only 20% of the Q1 funds had been used and the rest was still unused. This was associated with the difficulties in implementing the new guidelines especially the process of setting up the community procurement system and selecting the farmer categories. Both sub-counties that were visited (Kalungu and Kabonera) had received their Q1 allocations as well as the Q4 funds for FY 2007/08 allocations.

Physical performance

Physical progress was very low in the district. It was estimated that only 20% of the activities in the Quarter 1 workplans of most sub-counties had been implemented. The sub-counties were in the process of selecting farmer categories and kickstarting the procurement processes. Farmers had been selected for the different farmer categories under ISFG and their names were awaiting approval by the Council. It was anticipated that by the end of Q2, all the planned activities for Q1 and 50% of quarter two activities would be done, although this did not seem feasible due to the slow implementation process. The team visited some farmers and NAADS beneficiaries in Kalungu and Kabonera sub-counties who had received some advisory services in this FY and were awaiting ISFG support. There was no evidence of any procurement being undertaken in the sampled sub-counties yet. There were still many challenges facing NAADS implementation as discussed below.

Implementation Challenges

1. The exercise of farmer selection in Masaka district has been rather difficult with a lot of political interference. Political leaders especially councilors manipulate the farmer selection process to include themselves when they do not meet the selection criteria. In other cases, they use their influence to push through their unqualified political supporters. A case in point was in Kalungu sub-county where, when names of the selected beneficiaries were presented to the Council by the sub-county NAADS coordinator, some politicians eliminated 10 of the 60 selected people and replaced them with their own. A similar case was reported in Kyazanga sub-county. The district leadership had set up a mechanism to resolve these problems.

2. Most extension workers lacked up to date knowledge and skills regarding the improved technologies that they are supervising. **The government should work out a mechanism for providing refresher courses to all extension workers and community development officers to enable them implement NAADS effectively**.

3. There is limited knowledge among farmers on how to link with SACCOs and using microfinance in a useful manner. **Farmers should be trained in microfinance management in agriculture and formation of strong SACCOs**.

4. The high cost of inputs is negatively affecting farmer investments resulting in low returns. **The immediate needs of farmers were identified as seeds, fertilizers, improved animal breeds and animal drugs. Farmers too expressed need for training in the use of these inputs**.
5. Cofinancing is a problem as few people benefit from NAADS
6. Parish Committees are disintegrating as there is no incentive for work done. The spirit of voluntarism is fading away.
7. Illiteracy among members of community based selection committees slows the procurement processes tremendously.

VI. KAYUNGA DISTRICT

Background

The NAADs program is three years old in Kayunga District and started in four sub counties namely Busaana, Kitimbwa, Galilaaya and Kangulumira sub counties. Presently, the programme is implemented in all the eight sub-counties in the district.

Progress in NAADS Implementation

Financial performance

Kayunga district budgeted 800,000,000/= for FY 2008/2009. The district received the quarter one release of Shs 204, 000,000 and Q2 release amounting to Shs. 203,951,000. The Q2 release still lies on the district account awaiting the advisory slip from the NAADS Secretariat.

Physical performance

Implementation of the NAADS programme in Kayunga was rather slow, although the District NAADS Coordinator estimated 68% implementation of Q1 activities. The activities which were implemented by the time of the monitoring visit were sensitization of the stakeholders about the new NAADS guidelines, training and mobilization of farmers, institutional development, identification of farmers group and electing leaders in farmer forum for the year. Nothing had been procured except the 7 bicycles in Nazigo subcounty for extension workers.

Farmers had received training in different enterprises/activities and planned to procure inputs of coffee seedlings, pigs, Banana (Mpologoma) and also the promotion of fish farming in Galilaaya Sub County.

Implementation challenges

1. The delay in the implementation process was attributed to the late release of funds and constantly changing guidelines.
2. Farmers' attitude towards co-funding is very negative since they do not expect to benefit from NAADS technologies in the short term., it has also led to the collapsing of some groups.
3. Inadequate technical staff at the district and sub-county level to implement the programme effectively.
4. Actual releases do not march with planned expenditure thus distorting programme implementation. For example, in Kayonza subcounty according to their work plan, they planned to disperse 22 million in the first quarter but they actually received 6,904,000 million. Of this, 2.5 million was used to clear the debts of the fourth quarter of the previous FY 2007/2008.
5. Farmers lacked funds to implement the ideas and skills obtained from the NAADS programme. There is need to link microfinance access to the NAADS activities at farm level. Farmers should be helped to access soft loans for agricultural investments.

VII. MPIGI DISTRICT

Background
Mpigi district started late implementing the NAADS program during the last financial year 2007/2008. It started in 4 sub-counties and has now spread to the entire district covering 16 sub-counties in total.

Progress in implementation

Financial performance
Quarter one funds that were budgeted for amounting to Shs 269m were received by the district. For quarter two, 277 million was still on the NAADS district account awaiting the advice slip from NAADS Secretariat before disbursement can commence.

Physical progress
According to the work plan, about 90% of quarter one activities and 30% of quarter two activities had been implemented. The enterprises for this FY are: coffee, piggery, dairy, banana, local and exotic poultry. Advisory services were being offered in the 4 old sub-counties while development of terms of reference and discussion of the work plans was going on in the newly enrolled sub-counties.

Sensitization was carried out in the sub-counties of Kabulasoke and Budde. The councilors and opinion leaders were made aware of their roles in regard to NAADS program. Co-funding was being realized as planned; for instance, in Kammengo sub-county, they had realized 100%. Procurement of crop technologies of coffee and bananas could not be undertaken in this quarter as they are season bound. Procurement would be in the next planting season in March 2009.

Implementation challenges
1. Delayed release of funds to the sub-counties due to late provision of advice slip from the secretariat to advise on breakdown of the funds.
2. Councilors were not supportive of the program because they wanted to be involved and benefit financially. Some politicians were speaking negatively against the program and discouraging people saying it was not going to work especially the co-funding. **There is need of sensitization of the political figures in the district about their role in regard to the program so that they cease to be a constraining factor towards the activities of NAADS.**
3. There is no harmonization between the different government programs. For instance there is no clear cut difference between the NAADS and Prosperity For All programs. This has created a conflict on farmer categorization because one program says 16 farmers per parish and the other says 6. Communication channels are not clear on such issues which creates confusion among the implementers.
4. Sub-counties of varying sizes are allocated equal amounts of money. For instance; Kyegonza has 12 parishes and Budde has only 4 parishes. The allocation formula should be reviewed.
5. The changing guidelines are difficult to implement.
6. The procurement officer at the district is rather sluggish and the new guidelines on procurement have not been grasped.

7. The NAADS workers are under staffed. They need extension for each enterprise in accordance with the current guidelines.
8. The district NAADS coordinator has no vehicle which limits his movement and effectiveness.
9. Farmers are still skeptical about NAADS and have therefore not quite embraced it especially since it's a new program to most of the district. This is because many of the farmers, in the past have been cheated by other programs.

3.2 Education

3.2.1 Introduction:

The BMAU team assessed the progress in implementation of selected activities for quarter two. The team visited development projects in 12[5] districts. These projects included construction of School Facilitation Grant (SFG) projects, construction of seed schools, construction of USE schools, emergency construction and rehabilitation of primary schools reported in the MoES quarter one progress report, construction of technical institutes under the presidential pledge, construction of the health training institutions as well as the refurbishment of the ICT centre in Kyambogo. The team also followed up on the construction of technical, vocational education and training (TVET P7) graduate enrolling institutions and the Uganda Vocational qualifications framework (UVQF) of non residential buildings reported in the quarter one progress report. The findings are presented in the sections that follow.

3.2.2 Issues from First Quarter Progress Report (July-September 2008):

A number of activities implemented by MoES as reported in the First Quarter Progress Report (July-September 2008) were outside the submitted annual work plan. The following matrix summarizes the implemented activities that do not appear in the sector work plan:

Table 3.1Expenditiures on non-planned activities in education

Project code	Project activities	Actual physical progress reported	Actual expenditure in Ug.Shs	Comments
0971	Non residential buildings	Construction of 2 classroom blocks and 2 workshops at Gombe, Wakiso district	180,250,000	Was Q2 activity implemented in Q1
		Construction of 4 stance VIP for Kadogo CP, Mbarara distict	4,000,000	Not in work plan
		Purchase of constructional materials for Bowa CP, Luwero district	9,900,000	Not in work plan
		Purchase of construction materials for Iyolwa Technical School, Tororo distict	17,190,000	Not in work plan
		Installation of 3 phase electricity in DIT Building	13,213,538	Not in work plan
		National Water and Sewerage	12,613,661	Not in work plan

[5] The districts include: Wakiso, Mubende, Kabarole, Sironko, Soroti, Bushenyi, Buduuda, Tororo, Kibaale, Mbale, Kampala and Luwero

Project code	Project activities	Actual physical progress reported	Actual expenditure in Ug.Shs	Comments
		Cooperation (Water Installation for DIT)		
		Construction of 5 stance VIP latrine for Mubende CP	5,000,000	Not in work plan
		Installation of Electricity at Rukore CP	9,057,500	Not in work plan
312101	Non residential buildings	Construction of a carpentry/joinery workshop at Iyolwa Technical School	58,943,950	Not in work plan
		Supply of Library furniture to UCC Aduku, Lira district	24,272,600	Not in work plan
		Completion of UCC Soroti administration block	47,969,552	Not in work plan
		Rehabilitation of Kakira CP	13,405,030	Not in work plan
		Provision of furniture to UTC Bushenyi	12,000,000	Not in work plan
		Rehabilitation of Tororo Technical Institute	500,000	Not in work plan
0943	Non residential buildings	Mahempe primary School-Sironko District	39,622,000	Not in work plan
		Masuliita CU Primary School, Wakiso district	79,000,000	Not in work plan
		St. Charles Lwanga Primary School	21,000,000	Not in work plan

Source: MoES work-plan and progress report (July-Sept)

As was noted in chapter two, there were discrepancies in financial reporting between the IFMS records and the sector progress report. This further affirms the fact that the sector is not working according to the approved work-plan.

3.2.3 Emergency Construction and Rehabilitation of Primary Schools

The progress report indicated that MoES spent Ushs. 289,622,000/= on emergency construction and rehabilitation of primary schools during quarter one FY2008/09. Three institutions were sampled and visited to ascertain status of implementation as stated in the sector progress report. Table 3.2 below summarizes the findings:

Table 3.2 Status of rehabilitation of selected institutions

Institution	Reported activities done in Q1 by MoES	Funds spent	Status from field findings
Buddo Junior, Wakiso district	Rehabilitation of school Infrastructure	154,000,000	Received 150m through Wakiso district in Sept 2008. All rehabilitation started in Sept 2008 by Gerrick Construction ltd. Eighteen (18) student dormitories have been re-roofed and all asbestos sheets replaced with iron sheets. The dormitories have been repainted. The wiring has also been replaced. The Deputy headteacher's house had been rehabilitated and re-roofed, doors and windows replaced and installed with new toilet and bathroom facilities and a septic tank constructed. The house has also been re-wired and re-painted. The students dining hall is also being expanded. They had removed the partitions and are in the process of re-roofing it.
Mahempe Primary School, Sironko district	Construction of 2 classrooms, 2 VIP latrines and provision of 33 seater desks	39,622,000	This money was NOT received by the school nor had it been received by the district. NO construction of classrooms had taken place. NO desks have been supplied to the school. NO VIP latrines constructed at the school as reported in the progress report. The school has mud and wattle structures

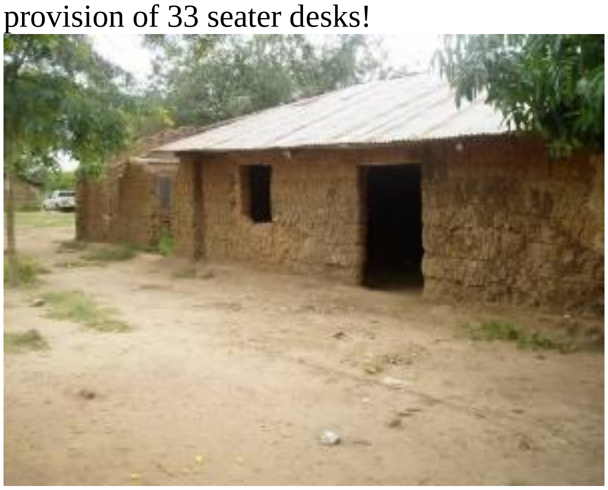
			part of which had collapsed. The school has one usable pit latrine for all students and staff. The school actually closes whenever it rains.
Masuliita C/U Primary School, Wakiso district	Construction of 4 Classroom blocks, 2 blocks of 5 stance latrines & water harvesting system	79,000,000	They had NO official communication from MoES about this offer. The school had NOT received this money and none of those activities has been done as at the end of Q.2 No construction had taken place.
St. Charles Lwanga Primary School	Renovation and re-roofing of a 4 classrooms, office and store blocks	21,000,000	Not Visited by the Monitoring Team

Source: MoES progress report (July-Sept 2008), and BMAU field findings


Part of the renovated dormitories at Buddo Junior


The students' dining hall that is being expanded at Buddo Jr

The pictures below show the status of school structures of Mahempe P/S where 39,622,000/= is reported to have been used (July-September 2008) to Construct 2 Classrooms, 2 VIP latrines and provision of 33 seater desks!


Part of the classroom block that had collapsed


The inside of the classroom at Mahempe P/S

Apart from Buddo Junior, the rest of the schools reported on as having benefitted under the emergency construction and rehabilitation of primary schools were not part of the Work plan for the education sector and do not appear in the First Quarter activities. It is also worth noting that

Sekanyonyi P/S which is allocated 195,000,000/= whose work was scheduled to start in the first quarter in the work plan is not reported on.

3.2.4 Other issues under primary education

(a) Capitation grants for Primary schools:

The Pre-Primary and Primary function was allocated a total of 34.62bn. Government has endeavored to provide the UPE capitation grants to all districts. The challenge is that these funds are remitted to districts late. This has continued to present huge implementation challenges to the districts and school administrators. By the time of the monitoring visits for Q2 (November, 2008), many schools reported receiving only 48% of their UPE capitation grant entitlements. The administration of Masuliita P/S, for instance, was found in a crisis meeting because they could not raise money for exams and school reports two weeks to the end of the term as funds had not been received.

(b) School Facilitation Grant (SFG).

The monitoring team noted that all construction under the SFG in districts visited had not started. Districts attributed this to the long procurement procedures as well as late receipt of funds for advertisements. Most of the districts visited had not awarded contracts while some had not even advertised. The quarterly disbursement of funds was an issue because districts have to accumulate these funds on their accounts for months before they can have enough money to contract out the work. This has delayed construction of schools under the SFG that normally starts during the Q3 in most districts.

(c) The Unit Cost for Construction of SFG Projects

The Ministry of Education received a presidential directive to ensure that all construction under SFG does not exceed Ushs.14m per class. According to the unit cost analysis carried out by MoES, out of the 52 districts eligible for SFG, only 9 districts submitted work plans complying to this unit cost. This poses serious implementation challenges for those districts that submitted work plans above the unit cost of Ushs.14m.

Many districts argue that the unit cost did not take into consideration the unique and area specific peculiarities. Some districts are finding it a big challenge to use this unit cost for construction in hard to reach areas. Districts with mountainous terrain such as Sironko, Mbale, Bundibugyo, Bududa and Bushenyi have schools located high up in the mountains. Construction of schools under the SFG arrangement in those areas is very difficult and often cannot be completed on schedule as few contractors accept to take up contracts in these places.

In difficult terrain, vehicles transport the building materials only to certain points and people carry them from there to the sites. In Sironko district, there are many such schools where materials are transported by people on heads and sometimes by donkeys up in the mountains. Contractors are charged Ushs 2000/= to carry 10 bricks up in the mountains.

Some districts such as Sironko have weak soils (landslides) that necessitate reinforcing the structures. These factors make construction of schools in such areas more expensive than in other places.

The unit cost also affects the construction of schools in municipalities. With urbanization and demand for land, municipalities have to start planning for construction of storied structures. However, MoES had not produced plans for storied structures in municipalities. Secondly, storied structures are very costly and would require a different unit cost. In addition construction of teachers' houses in municipalities has not been approved.

The directive further required districts to procure three-seater desks of hard wood at a unit cost of Ushs.45,000/= inclusive of taxes down from 75,000/=. Many districts are finding this figure to be on the lower side and may make furnishing of SFG constructions difficult.

(d) Creation of new districts

The creation of new districts had led to stalling of some projects, when funds are retained by "mother districts" although the projects are located in the new districts.There were cases of stalled construction projects, for instance under ADB funding. When Buduuda district was created from Mbale district during FY 2006/07, some structures that were being constructed by Mbale district with ADB funding were left incomplete to date. It was revealed that funds for these projects were remitted and received by Mbale district. The same situation obtained in Sironko district.

3.2.5 Development of Secondary Education:

(a) Capitation Grant for Secondary Schools:

Just like UPE, USE and Seed Secondary Schools visited complained about the late release of capitation grants. Head teachers of the secondary schools visited reported having received 48% of their capitation grants entitlements. Table 3.3 summarizes proportions of capitation grants received for the secondary schools visited:

Table 3.3 Proportion of capitation grants received by selected Secondary schools

School	Proportion of Capitation grant received
Mpanga S.S, Kabarole district	48%
Kichwamba Technical Institute, Kabarole district	50%
Buduuda S.S., Buduuda district	48%
Bumasifa Seed School, Sironko district	48%
Kahinja S.S, Kabarole district	43%

This is affecting the operations of the schools as they are incurring debts from suppliers. Some suppliers are inflating the prices since it is anticipated that their payments will be delayed. This poses another challenge to the USE schools since their counterparts (the private schools) can pay for the same services in cash on the prevailing market prices.

(b) Construction of Seed Schools

Government continued to construct seed secondary schools this financial year in those sub counties where none existed. A number of these seed schools now have at least 2 classrooms, an administration block, a pit latrine for staff and at least 4 stances for students (2 for girls and 2 for boys). The USE schools are congested and it was clear that most of them will have no space to accommodate students for S.1 during the coming academic year beginning January 2009. Other implementation challenges are summarized in box 3 below:

Box 3: Challenges faced by secondary seed schools

Institution	**Status of implementation.**
Shitumi Seed School, Buduuda district	• There were complaints that the contractor is very slow and absent from the site most of the time. There was poor quality work evidenced by some cracks on the floor and part of the roof that is leaking after repairs.
Bumasifa Seed School, Sironko district	• Construction started in 2007 with 2 classrooms and an administration block that has 4 offices and a staff room. However, the 2 blocks have multiple cracks everywhere. The cracks have been fixed 3 times but the problem has persisted. In 2008 they put up 2 more classrooms with a toilet of 4 stance pit latrine. However, they did not separate the males from females. The verandah of this new building is already cracking. The buildings were handed over without connecting them to the national grid. The administration block is incomplete (no staffroom and no book store) The new building has not been furnished and toilets for teachers have not been done. Contractors were last at the site in June 2008.
Bukedi S.S. (Seed school), Tororo district	• Construction started in March 2007. 4 classrooms with an administration block have been constructed. The work was shoddy with the first block together with the administration block already having cracks both on the floor and the walls. The locks were poor and do not lock. The windows had no fasteners. The ceiling was left incomplete and office furniture for HM was not supplie
Kisiita Seed Secondary school, Kibaale district	• Construction started in February 2007 and by June 2007 the classrooms, administration block and students toilets were usable. In October 2007 construction of the second block together with teachers' houses started. These were handed over in April 2008.


Shitumi Seed secondary School


A cracked floor at newly constructed seed school at Bukedi S.S

Seed schools are however facing additional challenges regarding the teaching of science subjects as many lack laboratories. Many of them have received science equipment and chemicals that they are simply storing. It is suggested that construction of science laboratories and libraries for the seed schools should be high on the agenda. Additionally these could also double as classes where dire need exists.

© Construction of USE schools

Government intends to construct more facilities in over-enrolled USE schools. However construction in schools that were identified to benefit for additional facilities has not started. Construction of additional classes has lagged behind the increasing numbers of students causing worries of accommodating S1 students due to be admitted January 2009. Work in all the six schools[6] visited, had not started.

In some districts however, some USE overenrolled schools are implementing the double shift system. This means that teachers report to schools early (6.45 a.m) and leave schools late (7.00 p.m). The huge numbers of students are putting a lot of pressure on the few available teaching and learning resources. There are inadequate classrooms, laboratories, libraries and schools have no halls. Teachers do not have breaks for resting between the shifts. This has a bearing on the quality of education being delivered in such schools.

3.2.6 Development of BTVET

Ushs 3.13 bn was provided for the development of Business, technical and vocational education and training (BTVET) under Universal post primary education and training (UPPET) programme this FY. In the MoES sector work plan, a number of activities were scheduled to start in the first quarter. Out of the nine institutions that were supposed to have been worked on in that quarter, the monitoring team visited three. Works in Nalwire Technical Institute in Busia district; and Mubende Technical institute, in Mubende had not started. Work of completing a library block at UTC Elgon in Mbale had commenced and the sub structure of the block was ready.

[6] The schools included Bulucheke S.S. in Buduuda; Buduuda S.S.; Kahinja S.S.and Mpanga S.S both located in Kabarole district

Sub Structure at UTC Elgon for the Library Block

Under development of BTVET, there are a number of activities reported in the First Quarter Progress Report of July - September 2008 submitted by MoES to MFPED. The monitoring team visited four institutions, and confirmed that the activities had actually been done. Table 3.4 below summarizes the findings.

Table 3.4: Verification of reported progress of implementation in 4 selected institutions

Institution	**Reported activities done in Q1**	**Funds spent**	**Progress of implementation**
Iyolwa Technical Institution , Tororo district	Tendered for construction	58,943,950/=	Received 58,943,950 in August 2008 and the process of awarding the contract was ongoing.
Completion of UCC Soroti Administration block	Block reported to be under completion	47,969,552/=	The administration block was actually completed. However, the beneficiaries had complaints about the plan of the building which was not meeting their user needs
Provision of furniture to UTC Bushenyi	Furniture reported to have been provided	12,000,000/=	Ushs 12m was received by the institute. Furniture was made by the diploma and certificate students themselves. The wood work was done by the department of civil engineering. The administration used the money to buy wood, steel and angle bars and other materials. The materials were enough to make 120 two-in-one desks.
Rehabilitation of Tororo Technical Institute	Pit latrine reported to have been rehabilitated	500,000/=	The pit latrine was rehabilitated. Since it was an emergency the school administration had borrowed money and rehabilitated the pit latrine which MoES re-imbursed .

One of the chairs made by the students of Bushenyi UTC

The completed administration block UCC Soroti

Findings indicated that government is not paying for utilities in BTVET institutions. This poses a big challenge both for the management of the institutions and for training of students. This is because some of the training courses such as electrical engineering, mechanical engineering, ICT, computer training require use of electricity which in turn increases expenditures on power. Additionally, government is not taking care of the costs for training materials in these institutions. Kichwamba Technical Institute for instance is spending Ushs 10 million per year on training materials.

(a) Development of TVET, P7 Graduate Enrolling Institutions and UVQF

The team also visited community polytechnics (CP) and Directorates of Industrial Training (DIT) that had been reported in the ministry's progress report. Table 3.5 gives the details of the findings.

Table 3.5: Verification of reported progress of implementation in selected technical institutions

Institution	Reported activities done in Q1	Funds involved	Status of implementation.
Gombe CP, Wakiso district	Construction of 2 Classroom blocks and 2 workshops a	180,250,000	The school received 180,250,000 and Construction started in October. A block of three classrooms and another block of 2 workshops had been put up. **Impressive structures showing value for money have been put up in Gombe CP.**
Mubende CP	Construction of 5 stance VIP latrine	5,000,000	Mubende C.P is located within Mubende Barracks. Funds for construction of a 5 stance VIP latrine were received. However, implementation had not started because of the rainy season.
Bowa CP, Luwero district	Purchase of Constructional Materials	9,900,000	Received funds in August 2008. They had constructed a 2 classrooms block and a dormitory block of 2 rooms that was at wall plate level.
Iyolwa Technical School, Tororo district	Purchase of Construction materials	17,190,000	Received the 17,190,000 in August 2008. By the time of the visit they had spent a good part of it to install solar in the workshop worth 3.2m, also procured a stencil duplicator and a typewriter for the institute worth 3.53m. They also procured sewing machines for the tailoring and garment cutting department worth 1,500,000/= and other items for the MV section worth 1,300,000/=. The capentry and joinery department also procured vices worth 800,000/= and wood for the workshop benches. By the time of the visit, they had balances of up to 5m on their account.
DIT[7] Building, Kampala	Installation of 3 phase electricity	13,213,538	The DIT building was commissioned on 14th October and was found under use. The building had water and was connected to the 3 phase grid. The administration, however, did NOT confirm whether the 68,897,051 for

[7] DIT is the Directorate of Industrial Training

DIT Building	National Water and Sewerage Cooperation (Water Installation for DIT)	12,613,661	Extra work was received. This money was also not reflected in the first quarter expenditure returns for FY 2008/09.
DIT Building	Extra work	68,897,051	

3.2.7 Presidential pledges:

Ushs 10bn was provided to implement the first phase of the Presidential pledges during FY 2008/09. These funds are to be remitted to the districts as SFG. Nineteen (19) schools are to be covered this FY 2008/09. Information from MoES indicated that all funds to cover the presidential pledges for this FY 2008/09 have been sent to the districts. Funds should be on the accounts of the benefitting institutions however in some cases this money is still on the consolidated accounts of the districts.

While the instructions for the presidential pledges were standard as to what was to be offered, the beneficiary institutions are coming up with requests to change the plans. For instance Birembo Technical Institute is pressing for teachers' houses, instead of the classrooms, dormitories and workshops that were listed as pledges.

There are also districts that are still keeping the money for the presidential pledges because of the problems created by the new unit cost.

The monitoring team visited two of the institutions, Kichwamba technical college and Birembo Technical institute.

(i) Kichwamba Technical College

The Technical College had received Ushs 161 million in two installments paid to them through Kabarole district. The total budget for rehabilitation and new constructions for this FY 2008/08 is Ushs. 655million. By the time of the monitoring visit, construction had not started. This was attributed to the delay in receipt of drawing plans and approved bills of quantities (BoQs) from the MoES. The college had however, developed own BoQs for all the rehabilitation work, which also need approval of the education ministry.

Complaints were raised about the transfer of funds through the districts. This in itself is causing a lot of bureaucratic delays for the construction and rehabilitation process. It was suggested that these funds should be sent directly to the accounts of these institutions just like it is with institutions under Development of TVET P7 Graduate Enrolling Institutions and UVQF.

(ii) Birembo Technical Institute

A total budget of 222,000,000 was provided for the construction of new classrooms, dormitories and workshops at the institute. Kibaale district had received 84 million as SFG in two releases. District officials of Kibaale were still holding on to these funds. They were yet to calculate the percentage for Birembo Technical Institute.

Clarity however, has to be made to districts that have SFG activities which at the same time have to implement presidential pledges, since the funds are channeled through the same vote. Kabarole and Kibaale district officials (who have to implement construction at Kichwamba and Birembo Technical Institutes respectively) had some confusion regarding this money. Some argued that the funds for the institutes were only a certain percentage of the total SFG remittance which they had to compute and subject to every quarter release. If this confusion is not cleared these districts may end up using the funds for the implementation of presidential pledges to undertake their own SFG projects.

3.2.8 Rehabilitation of National Health and Departmental Training Institutions:

Construction under the rehabilitation of national health and departmental training institutions started and is on schedule. GoU with support from EU funding allocated Ushs 12.6 bn this FY 2008/09 for the construction and renovation of laboratories, workshops, classroom blocks and hostels in 15 health training institutions of Lira, Masaka, Kabale, Mulago, Jinja, Arua, Kuruva, Ibanda, Virika, Rubaga, Mengo, Ngora, Nsambya, Kiwoko and Kibuli. Out of these, the monitoring team visited 5 institutions to assess the progress of implementation. Box 4 below summarizes the findings:

Box 4: Progress in rehabilitating selected national health training institutions

Institution	Status of implementation.
Virika School of Nursing, Kabarole district	▪ The work is contracted to M/S Dott Services. A storied building housing a classroom, computer laboratory, and a hall is being finalized. A boy's hostel has also been completed.
Nsambya School of Nursing, Kampala district	▪ Construction by Excel Construction ltd started in October 2007 and will be completed by March 2009. A 17 room boy's hostel has been constructed. An administration block that also had a computer room with five offices for tutors and a skills laboratory was being finalized.
Mengo School of Nursing, Kampala district	▪ Construction was done by Excel construction Ltd. A 2-storied building for a boys' hostel and an administration block have been put up. The administration block has 4 offices, one staff room, a room to be used as a resource centre and is equipped with toilets and a bathroom. At the time of the monitoring visit, the contractors were working on the ceilings and partitioning offices for the administration block.
Rubaga School of Nursing, Kampala district	▪ Construction is done by Complant Construction company. A boy's hostel has been constructed. By the time of the monitoring visit they had started on the finishing touches. The wiring and plumbing had been done and they were starting on the painting for the hostel block. Two other blocks are being constructed.
Mulago School of Nursing and Midwifery , Kampala district	▪ Works were contracted to M/S Complant Construction. A three-storied 600 girls' hostel has been renovated. It has been repainted and plumbing redone. New sinks and toilets seats as well as new mirrors for the entire building have been fitted. However, the contractors complained that the BoQs did not require them to work on the wiring system for the entire building. It is too old and needed to be replaced. The flat roof also needs to be changed because it was causing leakages. The kitchen also needed to be rehabilitated. However these are not going to be fixed. ▪ A new block of 5 classes, a resource centre and a computer laboratory had also been put up. ▪ The old administration block constructed in 1954 has been re-roofed. The floor has been redone and some of the doors and windows have been replaced. Complaints were raised that the wiring system for the whole building is very dangerous and needed to be replaced. However it was not part of the BoQs.


Administration block under completion at Nsambya school of Nursing

3.2.9 Other Challenges:

1. MoES had submitted a recruitment plan to Ministry of Public Service, and Ushs 9bn had been provided to recruit 3000 teachers. However, MoPS has taken long to give MoES a go-ahead to start on the recruitment process. There were fears that MoES will not be able to interview, recruit, post and get all these teachers on the payroll before the end of the FY.

It is recommended that to expedite the recruitment process, teachers who have undergone teacher training and passed teaching practice with very good grades should be asked to register with the Education Service Commission and be deployed. This should apply mainly for subjects where there is a shortage of teachers such as Mathematics, English, Sciences and languages such as Kiswahili etc. In subjects where there are many teachers qualifying in teaching such subjects as Luganda, History and CRE, a criteria should be developed to recruit the best among applicants. Otherwise the process of subjecting them to interviews of 30 minutes by ESC is time consuming, expensive and delays the whole recruitment process.

2. The list of districts with hard to reach areas is not exhaustive. There is a strong feeling that the list should be reviewed. In addition, the criterion for the hard to reach districts needs to be revised so as to enable them recruit, post and retain teachers.

3. Payment of VAT resources and arrears for Donor funded projects: The sector has been unable to pay accumulated VAT commitments of Ushs 3.6 bn under the ADB II project, for example. ADB III requires a total of Ush. 11.5 bn for VAT which cannot be catered for under the FY 2008/09 budget. To this end, Government should consider a waiver of tax on school construction.

3.3 Energy

During the quarter the following projects were reviewed namely**:** Jinja Storage Tanks, Bujagali Interconnection Project, Decommissioning of Aggreko Kiira Thermal Power Plant, Mpanga Mini Hydro Electricity Power (HEP), Bugoye Mini HEP, Mobuku Mini HEP, Maziba Mini HEP, Kisizi Mini HEP, Nyagak Mini HEP, WENRECO Operation, UETCL Operation, and the Energy for Rural Transformation (ERT) Health and Water Projects in West Nile.

3.3.1 Jinja Storage Tanks

Background

The Jinja Storage Tanks were constructed in 1975 but began operation in 1977. They were constructed in order to ensure sufficient fuel reserves in the country for at least one year. The purpose was to ensure fuel availability in case Uganda which is landlocked was cut off from the sea and thus access to more fuel. Jinja Storage Tanks (JST) consist of three tanks each with a capacity of 3 million litres, one each for Petrol, Diesel and Kerosene. Given the current high national fuel consumption due to population growth and economic development, the Tanks can now only store 18 days worth of fuel. In January the Kenyan Crisis led to inability of fuel trucks to enter the country and thus a nationwide shortage of fuel. At the time of the crisis the Jinja Storage Tanks were empty. The reasons given were several including poor state of repair of tanks and fraudulent disposal of fuel.

To avert future fuel crisis Parliament recommended that the Jinja tanks be repaired and filled with fuel. MFPED released 668 million shillings to Ministry of Energy and Mineral Development (MEMD) in May 2008 to carry out repairs on the tanks. These activities were scheduled for the FY 2007/8 but they were rolled over to FY2008/9.

Findings

To date the repairs on the tanks have not been undertaken, yet funds to undertake the repairs were released in May 2008.

The standby generator for the plant is down, there are some leakages on the tanks, two of the four pump switches are non-operational.

Dilapidated storage tanks

Some of the outlet pipes with leakages

Challenges

There are dissenting opinions about the need to have the tanks repaired. The JST management claims that the leakages are minimal and do not impede Government from refilling them with fuel. In addition, MEMD claims that the storage tanks are to be part of the Uganda-Kenya oil pipeline and Uganda has contributed the storage tanks as their contribution to the pipeline. Therefore there is no need to undertake the repairs as the company constructing the pipeline may desire to re-design the storage tanks thus wasting the funds spent on repairs.

Recommendations

- MFPED should call a meeting of key stakeholders to resolve the differing opinions.
- MEMD should urgently repair the storage tanks and have them filled with fuel while negotiating with the pipeline operators. They should be functional as originally designed.

3.3.2 Bujagali Inter-Connection Project

Background

The Bujagali Hydropower Project (BHP) is a 250 megawatt power-generating facility presently under construction. Construction on the BHP began in June 2007, it is expected to be commissioned in 2011. Bujagali HEP generated power shall be evacuated and transmitted to Kampala and Tororo on an associated independent transmission system from that of Kirra and Nalubale. UETCL has commissioned the construction of the associated Bujagali Interconnection Project which is 95Kms of power transmission lines that shall link Bujagali to Kawanda near Kampala; Kawanda to Mutundwe; Bujagali to Nalubale; and Bujagali to the Tororo line in Jinja.

On 28 June 2007, the African Development Fund approved a loan of US$28.63 million to finance part of the cost of the Bujagali Interconnection Project(BIP). The Japan Bank for International Cooperation (JBIC) agreed to finance the remaining US$28.63 million in November 26th 2007. GOU made US$17.45 million available towards the Resettlement Action Plan.

Findings

UETCL contracted a Construction company JYOTI (an Indian Construction company) to construct the Bujagali Interconnection Line (BIL) in April 2008. ADB pays Jyoti directly upon receiving invoices from Jyoti approved by UETCL and MEMD. GOU released the entire US$ 17.45m (35 billion Uganda SHS) for the Resettlement Action Plan (RAP) to MEMD in May 2008. Commencement of the BIL was June 2008 and end date is June 2010.

Ground leveling being done for the Kawanda substation

UETCL committed itself to provide JYOTI right of way and way leaves (vacant possession of the land) for construction of the transmission lines by June 2008. UETCL formed a Project Implementation Unit called Bujagali Implementation Unit (BIU) to undertake the task of carrying out the Resettlement Action Plan (RAP) in order to avail the vacant possession of the land to JYOTI by June 2008. Therefore the Bujagali Interconnection is in two phases and two contracts by UETCL. The RAP to be implemented by the BIL of UETCL and the Construction of the Transmission lines by JYOTI.

(a)The Resettlement Action Plan

This was to be completed in June 2008 in order for JYOTI to commence the transmission lines construction with vacant possession of the land. The RAP is approximately 65% complete and is six months behind schedule. Table 3.6 details out the progress in resettlements.

Table 3.6: Progres in resettlements for the Bujagali Interconnection project

No	Planned Activity	Quarter Target	Actual
1	Bujagali- Nalubale 5 kms line	100%	92%
2	Bujagali – Tororo 3 kms line	100%	92%
3	Bujagali-Kawanda 75 kms	100%	55%
4	Mutundwe-Kawanda 15 kms	100%	70%

The RAP land acquisition process is in three phases: disclosure, agreements and payments. Activity on all three phases is still on-going (see Table 3.7).

Table 3.7: Progress in acquisition of land for resettlements

No	Planned Activity	Quarter Target	Actual
1	Disclosure	90%	73%
2	Agreements	90%	66%
3	Payments	90%	50%
	Total	**90%**	**50%**

(c) Bujagali Interconnection Project.

Jyoti commenced construction works in June 2008 and claims to be ahead of schedule (Table 3.8). The Towers are being manufactured in India and are on schedule. Leveling of Kawanda substation ground is slightly behind schedule due to disputes with the sub-contractor.

Table 3.8: Progress in construction under the Bujagali interconnection project

	Planned Activity	Works done to date	Quarter Target	Actual
1	**MUTUNDWE-KAWANDA 132KV line**	Cross check survey done; Preliminary Soil investigations and Sitting of towers. However, construction works halted/ stopped due to land dispute.	90%	73%

2	**KAWANDA-BUJAGALI 220KV LINE**	Checked survey on 63km of the line land.	90%	66%
3	**BUJAGALI T-LINE 132KV**	Survey of Nalubale 3 km complete.	90%	50%
4	**220kv/132kv SUBSTATION: KAWANDA**.	Leveling almost complete. Delay of 2 days due to dispute with subcontractor.	90%	50%
5	**Procurements**	Transmission towers construction in India on schedule. Towers have been tested and first consignment shipped. However, consignment has been held by URA awaiting waiver from MoF.		

Challenges to the Bujagali Interconnection Project

- Reasons given for the delay in completing the RAP are land disputes exacerbated by delays in execution of duties by the Chief Government Valuer and Administrator General. A number of entities have complained that the compensation being offered is not commiserate with the value of the land. This includes Metha Sugar works and Tea Estates. Their argument is that the land was valued in 2006 and these are the rates UETCL wants to compensate at, although the value of land has greatly appreciated since then. In other cases land cannot be purchased because of lack of proof of ownership of land. Other cases are pending confirmation of proof of ownership by Office of the Administrator General.

- Jyoti's main challenge is that no vacant land had been handed over for possession. It has therefore had to change its work plan so as to work with land that comes into its possession, while working simultaneously with the RAP. In the case of the Mutundwe-Kawanda line which UETCL had handed over 'vacant possession" a land owner stopped progress of work claiming that he had not been compensated.

- A shipment of transmission line towers has been held up in Jinja by URA. Jyoti needs to produce Commitment forms from MFPED waivering them from Tax obligations before the shipment is released. Jyoti has contacted MFPED but they are yet to get a response.

- There are disputes between sub-contractors and Jyoti. The Subcontractor leveling the land at Kawanda substation refused to continue works claiming that the actual works was 100% more than what Jyoti was paying for. The case was arbitrated by BEL and UETCL engineers. The subcontractor had called UETCL and BEL to arbitrate. This is against procurement practices and suggests interference of supervisors with sub-contractor.

Recommendations

- Hold high level meetings with JYOTI, MFPED, MEMD, URA and subcontractors to resolve VAT issues. Where meetings have been held, implement the resolutions.

- UETCL should facilitate the office of Administrator General and Chief Government Valuer to complete their tasks. This may be in form of acquiring additional human resource and field work expenses in order to fast track the process.
- MEMD, Ministry of Lands, MFPED and that of Justice should intervene in the land disputes with the large estates and other land owners. This is in order to fast track UETCLs legal possession of the land.
- In future HEP projects Transmission lines are best undertaken by the developer.

3.3.3 Mpanga Hydro Electric Power

In May 2008 GOU/ERA awarded South Asia Energy Management Systems Inc (SAEMS) a US-based firm the concession to develop a 18MW HEP station at Mpanga to generate power onto the main grid. The power will be sold to the Ugandan grid under a long-term BOOT Power Purchase Agreement. The HEP is expected to cost approximately $27 million and is to take about 21 months to construct.

The HEP is located on Mpanga river in Kamwenge district. The project consists of a weir (reservoir dam), a 1.8 Km canal along the contour, a 160 meter drop penstock and a generation power house.

Findings

Mpanga HEP construction began in February 2008. It is due to be commissioned in March 2010. SAEMS sub-contracted VS Hydro a Sri-Lankan based company in an EPC (Engineering Procurement and Construction) contract.

Works are proceeding on schedule. The works so far executed are approximately 50%. Table 3.9 shows the progress in implementation.

The company has had the additional works of construction and upgrading 9kms of district roads in order to ease the ferrying of man-power and materials to site. SAEMS has also had to contract a consultant team to restore the endangered Cycas plant.

Table 3.9: Progress of implementation for the Mpanga HEP components

No	Planned Activity	Quarter Target	Actual
1	Power House	100%	80% Turbine on site but awaits completion of construction work of power house and connection to Penstock.
2	Penstock	100%	70% Materials on site and assembling ongoing.
3	Head Race (Canal)	100%	60% Complete
4	Dam (reservoir)	100%	5%. Sobertra demobilizing and await a new sub-contractor.

	Total	100%	50% completed

The headrace canal under construction at Mpanga

Environmental Issues

Mpanga gorge where the project is located, is the proposed site of a world heritage site of the Cycas tree. It is the only place in the world where the Cyas plant (claimed to be a 6million year plant that was food for dinasours) exist naturally. The construction works clearing has necessitated clearing of large areas of this plant. Moreover Mpanga gorge was previously scarcely populated due to its lack of access roads. Construction of roads is going to lead to population migration into the area which may lead to further destruction of the plant.

There is no major resettlement for the HEP project since the project is on communal dry season grazing land in a remote area. However there had to be compensation for lost farming lands and crops lost during the opening of roads. The construction has had to be adapted to make leeway for cattle access to watering points.

Challenges

- The contractor has experienced several thefts from the security guards dispatched to guard the HEP premises.
- Heavy rains in the past four months' rainy season delayed work. Daily heavy showers necessitated ceasing construction work for at least 3 hours daily for the past three months.
- The project location is remote and the access roads are either in poor condition or non-existent therefore SAEAM has had to upgrade a community access road of 9kms to district road status in order to access the site. This included compensation of land which was costly.
- VS Hydro procures cement and other lime products from Hima Cement. There is an access road of about 39 Kms that would enable the contractor have shorter access to Hima, which is non-motorable. Presently the contractor must use the existing district and national roads to

Hima which is 150kms away. This makes transporting of materials to site un-necessarily expensive.

A large number of persons have forwarded claims on the project site land which are unsupported by documentary evidence, yet they are demanding compensation. A number of these claims may be fraudulent.

Recommendations

- GOU, Kasese and Kamwenge district should upgrade the Mpanga-Ruziba road to make it motorable.
- SEAM and VS Hydro should ensure that minimal damage is done to the existing cyas plants.

3.3.4 Mobuku (Kilembe Mines) Hydropower station

Background

Mobuku HEP is situated on the Mobuku river in Kasese district close to Kasese town and Hima Cement factory. It is the first in a series of three potential HEP stations sites. The HEP station was constructed in 1950's by Kilembe mines to supply the mining operation with electricity. It has installed capacity of 5MW. Kilembe mines ceased its copper mining operations in the 1970's and did not require all the electricity generated. Currently it requires only 1.8MW of its 5MW for its foundry, water pump and timber treatment plant. The Electricity Regulatory Authority (ERA) and Kilembe signed an agreement for Kilembe Mines to supply the national grid with 3 to 4 MW.

Findings

To date the HEP station is functional and has supplied the main grid with 3 to 4MW of power for this FY as per agreement.

The power station and turbines are aged and require rehabilitation and upgrading. The power station was due to be rehabilitated and upgraded this FY.

Penstock for Mobuku power plant (Kilembe)

Challenges

- The equipment is old and requires revamping. Spares are difficult to purchase. The company wishes to rehabilitate and upgrade the station but lacks the financial resources.
- In adequate staffing levels. A number of workers at the station have resigned due to poor remuneration. (Mobuku Power Station is the only income generating project in Kilembe Mines operations). Therefore funds generated from the HEP are used to finance other non-profit generating operations of the company.
- This year alone five persons have drowned in the headrace canal while attempting to draw water from it. Security barriers such as barbed wire fences have not been successful in prohibiting the community from drawing water from the canal.

3.3.5 Bugoye Hydropower Project

Background

Bugoye HEP is situated on the Mobuku river in Bugoye Subcounty in Kasese district close to Hima Cement Factory and Kasese Town Council. Tronde Energie a Norwegian engineering firm was awarded the concession to build, own, operate and transfer (BOOT) Bugoye HEP for 30 years in a Power Purchase Agreement with GOU. Bugoye HEP when completed will have an installed capacity of 13 MW. Bugoye is one of a series of 3 HEP dams planned to exist on Mobuku river. The concession to develop three HEP dams in series along Mobuku river were previously awarded to Kilembe Mines. Kilembe Mines Investments due to financial constraints failed to develop two of the HEP potential sites of Mobuku 2 (Bugoye) and Mobuku 3.

In November 2007 an agreement was signed between GOU and Tronde, for the latter to construct a 13 MW dam on Mobuku river. The total project cost is approximately US$55 million. The Norwegian Government gave Tronde 60 million Kroners (approx 5.5 $US million) as a grant to GoU to be offset from the total project cost of the HEP station.

Findings

Bugoye HEP construction began on 15th January 2008. It is due to be commissioned on 15th August 2010. Tronde subcontracted 4 companies to undertake implementation of the works: Norplan to undertake the RAP; NOREMCO a Norwegian company to undertake the civil works, MARVEL also a Norwegian company for electrical works and ABB to supply turbines and generators. Tronde awarded the works piece meal, and not as an Electrical Procurement and Construction which proved very expensive.

Tronde works on Bugoye is currently 2 months behind schedule. However Tronde has been in negotiations with the contractors to accelerate the works in order to complete within the agreed time. This shall be done by the three contractors fast tracking the work. Noremco for example is due to import improved machinery such as bigger faster batching machinery.

Financial closure is not yet completed due to several stringent requirements by the financiers. However the mother company Tronde Power Company is financially secure and is able to advance the project funds to enable works continue until such a time as the financial closure is completed with the financiers.

The RAP is almost completed at 90%, with a 10% allowance for payments that are pending proof of ownership documentation and transfers. It has further been delayed by the need to aquire more land. The RAP completion has been delayed by 5 months.

Kilembe Mines which previously owned the Bugoye (Mobuku 2) concession has been on good terms with Tronde. They have sold Tronde the extra land required for the project and have also availed various maps and surveys that Tronde requires to execute the project. They have also shared vital hydrological and socio-economic information that may affect the project.

The works so far executed are approximately 50% (Table 3.10). There are five sections of the HEP plant. The dam (reservoir), headrace (canal) tunnel (through the hill), penstock and the power house. The works however have been contracted in terms of type of works and not sections, that is civil works, electrical works, supplies of turbines and generator and construction of transmission lines.

Headrace canal under construction at Bugoye power plant

Tunnel under construction

Table 3.10: Progress in construction of Bugoye Hydropower project

No	Planned Activity	Quarter Target	Actual
1	Financial Closure	127%	90%
2	RAP	100%	90%
3	Civil Works	35%	30%
4	Electrical Works	40%	40%
5	Turbines/Generator	40%	40%
6	Transmission Lines	0%	0%
	Total	100%	50%

Challenges

- VAT issues are still problematic despite several high level meetings. This has led to cost overruns. The problem is exacerbated by sub-contractors who are not VAT exempt and demand for payments with VAT inclusive.
- Financial closure has been delayed due to stringent demands by financiers.
- The Kenyan crisis in January delayed the procurement and delivery of machinery and other imported inputs.
- Land acquisition has delayed the project by about 5 months. The main problem is the delays in processing documentary evidence of ownership of the land by the Land Board in the district.
- Geological survey has been problematic, as erroneous geological survey results were handed to the contractor and this has necessitating redesigning the project. The redesign necessitated procurement of more land, which has led to project delays of at least 5 months.
- The company has experienced a large number of petty thefts of construction materials by the locals with in the vicinity.

Recommendations

Resolutions of the high level talks that have been held between MEMD, URA and MFPED over VAT issues, should be effected.

3.3.6 Maziba Hydropower Station

Background

Maziba HEP is situated on Maziba river in Kabale district close to Kabale Municipality. It has an installed capacity of 3.5MW. It was constructed in 1970's. It was operated by UEB until 2001 when the institution was disbanded. It was then handed over to UEDCL and consequently UMEME in 2001. The HEP station completely collapsed due to heavy silting of the headrace. The HEP station was handed back to UEDCL in 2006 and was due to be rehabilitated and upgraded this FY.

Findings

To date the HEP station is non functional. Guards have been posted to the station by UEDCL to secure it from looters.

MEMD states that preliminary surveys are ongoing and that Maziba shall be rehabilitated and upgraded in the FY 2009/10.

Non-operational machines at Maziba mini HEP

3.3 7 Kisiizi Hydropower Project

Background

Kisiizi Hospital is a Church of Uganda owned and operated Private Not for Profit Hospital. It is located in Nyarushanje sub-county in Rukungiri district. Since 1950 it has operated a mini HEP for generating power, for factory use and later for use by the Hospital. The current operational power station turbine was installed in 1985, it was replaced in 2000. The new turbine has a lifespan of 25 years.

The current HEP station generates 60KV sufficient to supply the hospital needs. In 2000 GOU and Kisiizi Hospital discussed the possibility of expanding generation capacity with an additional 300KVA to be sold to the neighbouring community of Nyarushanje sub-county using an independent grid (Kisiizi is approximately 32 kms away from the main grid).

On 25th August 2004 an agreement was signed between government and Kisiizi hospital for Kisiizi Power House to generate, transmit and distribute power to the Nyarushanje community. The total project cost is approximately US$900,000 dollars. REA provided a subsidy of USD 416,000 towards the project (approximately 45% of the cost). Kisiizi hospital is to provide the remainder. Kisiizi Hospital is raising the remaining funds from “friends of Kisiizi Hospital” mainly from England. The management does not wish to get into debt over the Power House and therefore work is based on the inflow of funds from donors.

Water diversion point at Kisiizi power plant

Findings

The President Commissioned the Kisiizi HEP station on Sunday 16th November despite the powerhouse non-completion.

Total works done so far is approximately 85% (Table 3.11). The revised commissioning date is January 2009, conditional on obtaining the required finances.

Table 3.11: Progress in expansion of Kisiizi HEP

No	Planned Activity	Quarter Target	Actual
1	Power House	100%	95% Turbine on site and awaits connection to Penstock.
2	Penstock	100%	70% Materials on site, waiting for assembling.
3	Head Race (Canal)	100%	100% Complete.
4	Transmission and distribution lines	90%	80% All materials on site but Transmission and distribution line yet to be installed. Prepaid meters on site, but yet to be installed.
	Total	100%	85%

Challenges

The HEP station construction is mainly dependant on goodwill donated funds from individuals. It therefore does not have strict timelines since construction work is based on inflow of funds.

Recommendation

GOU (REA), MEMD and Kisiizi Hospital should have discussions on how to fast track the completion of works and commissioning of the Power Station.

3.3.8 Nyagak Hydropower Project

Background

Nyagak HEP is situated on the Nyagak river in Nebbi district close to Paidha Town Council. West Nile Rural Electrification Company (WENRECO) was awarded the concession to build own operate and transfer (BOOT) Nyagak HEP in a Power Purchase Agrement with GoU. Nyagak HEP when completed will have an installed capacity of 3.4 MW.

WENRECO obtained a Worldbank loan to construct the 3.4 MW dam. The total project cost is approximately US$ 14 million. REA provided a subsidy of USD$ 8.5M towards the project. WENRECO contracted CKD Export a Czech construction company to construct a dam. CDK in turn sub-contracted Sobertra an Italian contraction company to construct the dam.

Findings

Nyagak HEP construction began in November 2006 and was due to be commissioned in December 2007. Upon failure to meet the deadline, a new commissioning date was set for September 2008. By the time the team visited the dam, only 48% (Table 3.12) of the work had been executed. There are five sections of the HEP plant, the Dam (reservoir), headrace (canal) tunnel (through the hill), penstock and the power house. A new date of commissioning has been set for June 2009.

Table 3.12: Progress in construction of Nyagak HEP

No	Planned Activity	Quarter Target	Actual
1	Power House	100%	80% Turbine on site and awaits completion of construction work of power house and connection to Penstock.
2	Penstock	100%	70% Materials on site and assembling is on-going.
3	Head Race (Canal)	100%	60% Complete.
4	Tunnel	100%	0%
5	Dam (reservoir)	100%	5%. Sub-contractor Sobertra are de-mobilising from dam site, and new subcontractor VS Hydro is yet to mobilize.
	Total	100%	50%

Delays on works have been blamed on Sobertra the sub-contracted company. They were awarded the EPC contract (Electrical Procurement and Construction) but have failed to deliver on time. This is attributed to lack of technical capacity of the company. The company has been penalized (charged liquidated damages) and the contract revised. Sobertra is to continue with the headrace, penstock and power house. VS Hydro (who are constructing Mpanga HEP) have been awarded the contract to complete the construction of the dam and tunnel. Construction delays, redesign and introduction of new sub-contractor has increased the project cost by an extra 4 million dollars.

Delays on the tunnel and consequently commissioning have been partially attributed to an erroneous geological survey which reported that there was sufficient strength rock in the hill to tunnel through. On drilling, it was discovered the rock strength was insufficient and would therefore require the opening and exposure of the hill. This necessitated another lengthy survey and an Environmental Impact Assessment by NEMA. It contributed to delays in works execution as design and therefore contract had to be revised. The Kenyan Crisis in January 2008 and shortage of explosives also contributed to delays in execution of works.

Recommendations

- GoU (REA), MEMD, WENRECO should have discussions on how to fast track the commissioning of Nyagak. The population of West Nile was promised electricity for 24 hours after the completion of Nyagak in December 2008. To date, they have not received the electricity and as a result have longer load shedding hours. Koboko and Pakwach are yet to receive electricity as they have to wait for Nyagak HEP.

- GoU should not be involved in procurement of sub-contractors where a concession has been awarded to private entities. This will enable GOU to focus on its core role of supervision and insurer of risks involved with construction.

- GOU/MEMD should closely monitor and supervise the works of HEP contractors and concession holders.

- NEMA should closely monitor the 'open cutting of the hill to ensure that no major environmental hazards are caused.

3.3.9 West Nile Rural Electrification Company (WENRECO)

Background

In April 2003 GOU/REA granted WENRECO the concession to operate an independent grid that is to generate, transmit and distribute electrical power in the West Nile districts of Arua, Nebbi and Koboko for 20 years. REA handed over to WENRECO the existing electricity diesel generator, transmission and distribution lines from the disbanded UEB. Currently WENRECO generates electricity using a 750 KV HFO fueled generator. It was mandated to connect at least 4000 new customers by December 2007.

Findings

Since April 2003 WENRECO has purchased a new 1.5MW HFO generator which is located in Arua Municipality. It has installed over 300kms of new transmission lines in Arua and Nebbi. It has connected 1800 new customers since April 2003. WENRECO supplied Arua and Nebbi with electricity for 18hours daily from 6am to 12 midnight until December 2007 when load shedding set in.

The generator uses 130,000 litres of HFO per month. This is supplied by Total Uganda. On a number of occasions in 2008, Total Uganda failed to supply HFO. WENRECO had to contract other companies to supply the fuel, and the delays in supply of HFO resulted in power outages.

WENRECO experiences an average of 25% technical losses which is equivalent to UMEME's technical losses. It however has only 5% commercial losses which is much lower than UMEME's 20%. This is due to vigilant 90% surveillance and stiff penalties to culprits.

Challenges

- The delayed commissioning of Nyagak HEP has caused WENRECO major setbacks. Nyagak was due to be completed in December 2007 and thus enabling WENRECO to stop use of the HFO generator. The generator is old and is due for overhauling, it is constantly breaking down. The escalating price of fuel has made HFO power generation expensive, yet WENRECO is mandated by ERA to keep the tariffs stable.
- In January 2009 the generator shall require a 100% overhaul. This exercise will take 3 weeks and may necessitate a power blackout in West Nile for this period.
- The company has not been able to connect the mandated 4000 customers. This is mainly due to load capacity. The 1.5MW generator cannot accommodate that many customers. To date WENRECO is not connecting any new domestic customers, but industrial consumers because of peak load capacity. There are over 200 domestic customer applicants who have not been connected in Arua alone. Koboko has never been connected to the WENRECO electricity supply due to lack of primary lines.
- VAT refunds from URA to WENRECO are time consuming and adversely affect the companies cash flow. On several occasions WENRECO has requested MFPED/URA for Zero-rating status to avert these delays, but to date it has not received a response.
- Government institutions like the Army, Police, Prisons and Court have not paid their WENERCO electricity bills. WENRECO has disconnected them from power supply. There is however still an outstanding bill of at least 100 million. Non-payment of electricity bills by GOU institutions has affected the company's cash flow status. It is a deterrent to private investment into the public sector.
- WENRECO customers have complained that the tariffs charged are much higher than UMEME's.

Recommendations

- MFPED, ERA, REA, MEMD, WENRECO and CKD should have high level discussions to fast track the completion of Nyagak HEP.
- WENRECO and REA should commence the construction of transmission and distribution lines to and in Koboko in anticipation of Nyagak's completion.

3.3.10 Uganda Electricity Distribution Company (UEDCL)

Background

In 2001 GoU granted UEDCL the concession to generate, transmit and distribute electrical power in the West Nile towns of Moyo and Adjumani and in the municipality of Moroto. REA handed to UEDCL the existing diesel generators, transmission and distribution lines from the disbanded UEB. It was mandated to supply power for at least 6 hours a day in Moyo and to connect at least 370 new customers by 2008.

Findings

When UEDCL received the concession to generate and supply electricity in Moyo it inherited a 50 year old 250KVA diesel generator which is located in Moyo town. The generator uses 10,000 litres of diesel per month. UEDCL has installed over 250 new electricity poles in Moyo and supplied electricity for 4 hours daily from 7pm to 11 pm this FY. It has connected 200 new customers since 2001. UEDCL's tarrifs and connection charges are similar to UMEME's.

ERA in September 2008 delivered to UEDCL a new 750KVA diesel electricity generator which is yet to be installed. The new generator once installed shall enable UEDCL to generate electricity to Moyo for 12hours daily.

Challenges

- The old generator is constantly breaking down leading to numerous power blackouts. The customers insist that the power outages are due to diesel thefts by the employees of UEDCL and this has marred the reputation of UEDCL.
- There have been a number of power thefts particularly from welders. Often times the welders' equipment over load the system causing the lines to trip and cause power "blackouts."
- Customers have complained of the high bills and argued that these are not commiserate with the number of hours that power is availed during the month.

Recommendations

- ERA and UEDCL should fast track the installation of the new 750KVA generator.
- UEDCL should ensure close surveillance of the distribution lines to reduce electricity thefts. They should under-study WENRECO operation in Arua, and sensitize the public on power thefts.

3.3.11 Energy for Rural Transformation (ERT) Projects in West Nile

The ERT project is supposed to supply solar panels to selected education and health institutions, as well as water supply sources. The team visited five such institutions in the West Nile region.

- Nyapea Solar Water project
- Nyepea Health Centre IV (Holy Family Hospital)
- Zeu Health Centre 3
- Nyaravur Health Centre 3
- Packwach Health Centre 4

(i) Nyapea[8] Solar Water Project

Background

The construction of the water pump house started in 2006. When first constructed, water was pumped using a diesel generator. In March 2008, ninety six 120watt solar panels were installed under the ERT programme as a more cost effective source of energy compared to diesel.

Findings

The water pump station has been operational since March 2007 by diesel power and since June 2008 utilising solar energy. The diesel generator is still in the pump house and is used only as a backup source of energy when the solar power system fails.

The water pump station is yet to be commissioned due to contention over the water service operator. DWD insists that a private operator should operate the water supply. The sub county contends that because it will not be economical for a private operator, the sub-county water board should take on the responsibility. Currently the water supply system has 44 commercial taps however only 16 taps are functional. Users pay shs.25/= per 20 litres of water, and the turnover at the end of the month is about shs.450,000/=.

Recommendations

- The district and water management committee should urgently determine the operation and management of the water supply to ensure good governance in service delivery. The project should be commissioned and handed over to the water management committee.
- The communities should be sensitized to utilize water from Nyapea water supply. The sub county should make the other taps accessible in order to increase community access to safe while generating more revenue.

(ii) Nyapea Health Centre V

Background

Nyapea HC IV is a private hospital not for profit, founded and operated by the Catholic Medical Bureau. It has a capacity of 139 beds and three resident doctors. The hospital already had 6 solar panels used for operating the fridge and lighting the general ward and operating theatre. The ERT Health programme assessed Nyapea as a remote HC4 far from the grid that required lighting.

Findings

Under ERT the HC4 received 4 solar panels in September 2008. Two were to light the maternity ward and the other two were to operate a vaccine storage fridge. The team found that the solar panels were in place and functional.

[8] Nyapea is in the proposed Zombo district that has been curved out of Nebbi district

The lighting system was being utilized to light the maternity ward, however the fridge was not being utilized. The hospital claims the fridge was mis-located in the maternity unit. According to the technician the fridge was supposed to be in the OPD store which is far away from the immunization centres.

Challenges

- The solar panels were placed in a tree shade so do not make maximum use of the sun.
- The inverter that was installed has a small capacity of 600VA.
- There is no automated switch to change from solar to generator.
- No training was done on how to handle the equipment nor was management given circuit diagrams required for repairs and maintenance.

Recommendation

- Solar lighting panel should be relocated to an area with better sun light

(iii)Zeu Health Centre III

Background

Zeu Health Centre 3 is a government health centre, located in the new Zombo district formally part of Nebbi district 5 Kms from the Uganda/Congo border. It has a 40 bed capacity.

The health unit initially had only 2 solar panels used to light the maternity ward and general ward. The solar lighting system was provided by MoH/ADB. The ERT Health programme assessed Zeu Health Centre 3 as a remote health centre far from the grid that required more lighting for improved service delivery.

Findings

The health centre received a first solar energy package in 2006 from the Ministry of Energy and Mineral Development. The HC benefited from ERT1 and received additional 8 panels to light the OPD, Maternity and General ward and 5 staff houses and operate one fridge.

The solar system is functional and the Health unit staff appreciated it. It has reduced costs of fuel for lighting, batteries for radios and gas for fridge. Health staff are now able to attend to patients at night. Staff motivation and retention has greatly improved due to the solar lighting.

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Challenges

- There was no prior notice or communication before equipment was delivered. The system however was appreciated.
- The panels cannot supply enough power for the sterilization equipment.

(iv)Nyaravur Health Centre III

Background

Nyaravur Health Centre 3 is a government health centre, located in Nebbi district about 20 Kms from Nebbi Town council. It has a 20 bed capacity.

The health unit initially had 1 solar panel used to operate a radio call system. The ERT Health programme assessed Nyaravur HC3 as a remote health centre far from the grid that required lighting for improved service delivery.

Findings

The health facility received 8 solar panels for lighting and a fridge from the ERT project. The lighting was for the maternity, OPD and 2 staff houses.The solar system is functional and the Health unit staff appreciate it. It has reduced on the costs of fuel for lighting, batteries for radios and gas for fridge. Health staff are now able to attend to patients at night. Staff motivation and retention has greatly improved due to the solar lighting.

When the needs assessment for solar was undertaken there were only 2 staff houses at the HC. Since the assessment was undertaken two more houses were erected at the HC by the district. These new staff houses were not provided with solar lighting because they were non-existent by the time of the needs assessment.

Recommendation

- There is need to ensure a short time lapse between the needs assessment and implementation of projects. MoH and DDHS should liase with the District planning unit during needs assessments to ensure future projects are catered for.

(v) Packwach Health Centre IV

Background

Packwach Health Centre 4 is a government health centre, located in Nebbi district in Packwach Town council. It has an operating theatre, OPD, maternity ward, and general ward and 6 staff houses. It has a 60 bed capacity and one resident doctor.

The ERT Health programme assessed Pakwach HC4 as a remote health centre far from the grid that required lighting for improved service delivery.

Findings

The HC received 8 solar panels, for lighting 6 residential houses, maternity ward and theatre. The solar system was installed in March 2008. When the solar system was installed some residential buildings and the OPD were still under construction by the district. As a result to date the OPD solar system is not installed nor is the fridge. However all uninstalled solar equipment is stored in the HC.

3.4 Health

3.4.1 Introduction

The Unit monitored the progress of implementation of the budgets and work plans for Primary Health Care (PHC) activities in 14 districts selected from South Western, West Nile and Eastern Uganda. The districts visited include: Ntungamo, Rukungiri, Kabale, Bushenyi, Mbarara in South Western Uganda, Nebbi, Arua, Maracha-Terego, Yumbe and Moyo in West Nile; and Soroti, Amuria, Katakwi and Namutamba in Eastern Uganda. Monitoring focused on progress of implementation of capital development activities and procurement and distribution of drugs under the non wage recurrent expenditure and the credit line supplies by National Medical Stores (NMS).

The team also monitored PHC allocations to Regional Referral and General Hospitals situated in the districts visited. Regional Referral hospitals receive capital development funds while all hospitals are required to spend 40% of the PHC non wage recurrent allocations on procurement of drugs. The team monitored the progress of implementation of the Support to the Health Strategic Plan Project Phase II in South Western Uganda.

Other projects under the MoH were not monitored during the quarter owing to the fact that capital development funds were disbursed to the MoH by Mid November 2008 following delayed submission of the annual workplan and the performance contract for FY 08/09.
The districts visited were purposively selected from the three regions of the country. Any Regional referral Hospitals and General Hospitals located in the districts sampled were included in the sample in addition to the fact that it was not visited during the quarter 1 field monitoring.

3.4.2 FINDINGS

(a) Support to the Health Sector Strategic Plan Phase II
The Government of Uganda acquired a loan amounting to US$ 25 million, to strengthen Reproductive health services in the region. To that effect, 39 health facilities are to be rehabilitated, remodeled and equipped by the project, in the districts of South Western Uganda including: Mbarara, Isingiro, Ntungamo, Bushenyi, Rukungiri, Kababe, Ibanda, Kanungu and Kiruhura. Since the start of the FY, African Development Bank has released US$ 2,354,558.76 while the Government of Uganda has released UShs 570,000,000. By the time of the monitoring visit (mid November), construction activities were ongoing although most were behind schedule. Actual descriptions of the progress of works are described under each of the five districts[9] visited.

(i) NTUNGAMO DISTRICT

Between July and October 2008, the district received UShs 169,262,000 for PHC non wage activities; and Ushs 18,618,000 for the months of July-November. No capital development funds were released for the month of October. Following the re-allocation of the funds in the health sector, the district's development budget was reduced from the FY budget estimates of UShs 191,096,070 to UShs 102,385,736 (46.4% reduction). As a result, the district has resolved to implement only two activities: renovating an OPD at Kigaga HC II and completion of a maternity ward at Nyabushenyi HC II.

[9] Districts visited included Ntungamo, Rukungiri, Bushenyi, Kabale and Mbarara

By the time of the visit, the district had not finalized the Bills of Quantities and had not invited bids for the proposed construction works.

Out of the non wage recurrent expenditure allocation, the district procured drugs worth UShs 54,800,000 from a local Pharmacy. Under the credit line, drugs worth UShs 51,324,180 were ordered from the NMS of which only drugs worth UShs 16,986,700 were delivered. The order was placed in June 2008 and was delivered on 15 September 2008 with a total of 30 items not supplied.

The district reportedly experiences minimal stock outs of essential drugs due to timely procurement of PHC drugs from prequalified suppliers. In addition, the district has put in place a drug management initiatives including weekly reviews of stock levels at health facilities within the district and establishment of drug management committees.

Challenges to the implementation of PHC activities in the district

Delays by NMS to supply credit line drugs. It was noted that although drug distribution performance by NMS has improved, there are still delays of up to 3 months from ordering to delivery.

(ii) RUKUNGIRI DISTRICT

The district received UShs 118,423,000 for non wage recurrent expenditure between July-November 2008 and UShs 88,424, 000 for capital development for the months of July- November 2008. No capital development funds were released to the district for the month of October.

The district planned to undertake the following capital development activities: construction of OPD at staff house at Kikarara HC II; completion of OPD at Ndago Health Centre II; completion of OPD at Ngoma HC II; completion of OPD and staff house at Kabuga HC II; construction of staff houses at Bugangari HCIV; construction of OPD at Nyabitete HC II and construction of OPD at Kitimba HC II.

The budgeted projects correspond with the MoH’s Transfer plans for Rukungiri District. The PHC development budget estimate for Rukungiri was UShs 253,718,341 but following the budget re-allocations, it was reduced to 176,848,049 which correspond to a 30% reduction of the district’s budget. Although the bulk of the deduction was on medical equipment and not construction of health facilities, the district is expected to reprioritize in view of the re-allocations. By the time of the visit, BOQs had not been finalized and there was no indication of how soon bids for construction works would be solicited.

The District leaders noted that they had been alerted by the MoH of the budget re-allocations and had been advised to stay solicitation of bids until the budget revision was effected. They further observed that it was unlikely that construction works would be finalized during the FY and intended to carry the planned works forward into FY 09/10. Due to recurring challenges with priority setting, preparation of BOQs and procurement for services, carrying forward construction works has become a common practice in Rukungiri and many other districts countrywide. The tendency is to award contracts about the fourth quarter, commit the funds and implement the activities in the proceeding FY.

Rukungiri like several other districts usually awards contracts in the fourth quarter of the FY, commits funds and the projects are carried forward into the following FY. There is however a challenge of duplication with these projects. For instance construction of a staff house at Bugangari HCIV which is currently ongoing was contracted out last FY. The same project is reflected in the MOH transfers as new works for FY 08/09. The same project was also reflected in the draft work plan for Rukungiri District.

Challenges to the implementation of PHC activities in the district

- *Transport:* at the time of the visit (Mid November), the district Health Office had no vehicle which was regarded as a major constraint for coordination and supervision of PHC activities in the district. HC IIIs received motor cycles in 2000 which have broken down and need replacement. The HCIIs received bicycles procured under the Global Fund grants in 2004 but these too have broken down and need replacement.

- *Low Staffing levels:* Attracting staff has remained a major challenge to the district partly due to remoteness. Midwives and medical Doctors are the worst affected category.

- *Funding constraints:* There has been no substantive increase in funding for PHC in the district over the last 5 years. Inflation and operationalisation of new health facilities has strained the PHC resources.

- District Administration complained of lack of facilitation to supervise the works. They had no update on the status of works at each of the construction sites.

The monitoring team visited Bugunga HCIV, one of the facilities to be constructed in support of theb Health SSPII. Facilities planned include: an OPD, general ward, maternity ward, theatre and staff houses. Construction works started in October 2008. At the time of the visit construction of the maternity ward was at linton level; theatre was at beam level, general ward and general ward was both at linton level and the OPD was at foundation level.

Starts of Works at Bugunga HCIV: Mid November 2008

The team further visited Nyakajeme HCIII where the following facilities are to be constructed under SHSSP II: remodeling and construction of staff houses; construction of two double staff houses and installation of water systems. At the time of the visit one of the staff houses was at linton level while the other was at beam level. Construction of the 3 toilets was also ongoing.

Works were also ongoing at Kebisoni HCIV, also part of the support to the HSSIPII, where the following projects are planned: expansion of the OPD; construction of twin staff houses (2 in one); repairs of the theatre and repairs of the general ward. Excavation was ongoing for staff houses.

Status of Construction of Staff Houses at Kebisoni HCIV: Mid November 2008

Recommendation

SHSSP Secretariat should work closely with the district, and should facilitate the district to monitor projects in their region.

(iii) KABALE DISTRICT

The district received UShs 171,993,000 for PHC non wage for the months of July- October and 65,155,000 for capital development for the months of July- November. The district plans to undertake the following capital development activities: construction of OPD and staff house at Kiyebe, rehabilitation of Kabatunda HC III and construction of OPD at Shebeya.

As a result of the incessant delays that characterize NMS supplies, the district has resolved to by-pass NMS for procurement of PHC drugs. The district makes direct orders to Joint Medical Stores (JMS).

Challenges to the implementation of PHC activities in the district

- *Inadequate funding:* Funds disbursed to lower level health centres are minimal. Allocations to Health Sub-Districts were allocated to counties; these have been subdivided to correspond to constituents—without substantial increase in the allocations.
- *Low staffing levels:* Staffing levels in the district are estimated at only 34% of the establishment. The staffing challenges are complicated by the remoteness and rough terrain of the district.
- *Lengthy procurement delays:* It takes a minimum of 3 months from soliciting bids to award of contracts. The procurement process is not flexible enough to cater for emergences which characterize drug supplies in the health sector.
- *Lack of staff housing:* The district has several health facilities that have no staff housing and are located in remote areas without rentable housing. Attrition of health workers in such areas is high.

- *Non operational theatres:* The district has 6 theatres and all of them are non-operational. The reasons range from absence of medical officers, theatres not being completed to state of utilization, shoddy/poor workmanship; lack of running water and lack of adequate equipment. Some of the HCIVs have no access to electricity making use of theatres using generators expensive amidst inadequate funding.

The monitoring team visited one of the theatres at Kamwezi HCIV that was constructed by a local firm between 2001 and 2003 but has not been operational todate (November 2008). The theatre has developed cracks which were identified as early as 2005. The main reason for the non use of the facility is the poor workmanship..

Cracks in a Theatre at Kamwezi HCIV,

Kabale Regional Referral Hospital

The Hospital received UShs 125,295,282 for non wage recurrent expenditure and UShs 455,331,000 for capital development between July and October 2008. FY 08/09 is the first time the hospital is receiving capital development funds. The following construction activities are planned this FY: Procurement of a vehicle; rehabilitation of the pay ward, OPD and administration building; construction of a 3 storey staff residence and renovation of the plumbing system. Bills of quantities have been finalized.

The monitoring team noted that the Hospital was in the process of finalizing the preparation of bidding documents. A contract had been awarded for supply of a motor vehicle at US$ 60,000 and the hospital was awaiting the approval of the Solicitor General.

The hospital had procured drugs worth UShs 103,044,000.

Challenges to the implementation of PHC activities at the hospital

- *Under staffing*. Staffing levels are estimated at 40-45% of the establishment with doctors being the worst affected category.
- *Drug management*: NMS delays to supply certificates of non availability of drugs which affects

planning.

(iv) BUSHENYI DISTRICT

The district received UShs 240,375,000 for non wage expenditure and UShs 72,601,000 for capital development. The following capital development activities were planned for this FY: Construction of a maternity ward at Engaju HC II; construction of a surgical ward at Kabwohe HC IV, construction of Placenta pits in Kabira and Engaju, construction of pit latrines in Engaju HC II, Shuku HCIV, Kyabugimbi HCIV; and Kabira, Lumuli and Bugonji HC IIs. Bills of Quantities had not been finalized.

Support to the Health Sector Strategic Plan Project Phase 2
Construction works are planned at 6 health facilities in Bushenyi District including: Shuuku HC IV, Kihunda HC III, Katunguru HCIII under Lot 3; and Kakanju HCIII, Kyabugimbi HCIV and Kyeizoba HCIII under lot 4. Works are ongoing for projects under Lot 2 while construction of facilities under Lot 4 is expected to start in February 2009.

The monitoring team visited Shuuku HCIV where a theatre, maternity ward, senior staff house, and Doctor's house are under construction. Casting of the foundation base for the theatre and maternity ward had been completed; excavation had been completed for the staff houses.


Progress of works at Shuuku HCIV: Mid November 2008

Kitagata Hospital
Between the months of July and October the Hospital received UShs 81,901,000. By the time of the visit, drugs worth UShs 19.1 million had been procured from a local Pharmacy, and the hospital was adequately stocked. The hospital has instituted a drugs management committee which supervises drug use. An order worth UShs 10 million had been placed in July at NMS but by November 2008— it had not been delivered.

Challenges to the implementation of PHC activities at the hospital

- The hospital has a wide catchment area stretching from Rukungiri to Ntungamo which strains its limited resources.
- The hospital has no vehicle except the Ambulance that is also used for other activities.

- The hospital has never received development expenditure and has therefore not been renovated for over 20 years. The water and sewage system is completely broken and the hospital population uses pit latrines.

- The hospital is inadequately stocked with medical equipment and related consumables. For instance, the dental equipment is not operational equipment and the hospital lacks adequate beds.

- Delays in remittance of funds to the district from the centre compared to previous financial years.

(v) MBARARA DISTRICT

The district received UShs 106,934,000 for PHC non wage recurrent expenditure for the months of July-October and UShs 65,155,000 for capital development for the months of July- November 2008. The district planned to undertake the following activities: Construction of OPD in Biharwe HCII; construction of a maternity ward in Bubale HC III; pit latrine for Buzibwera HC IV and construction of a maternity ward at Kamushoko HC III.

Out of its PHC non wage recurrent expenditure allocation, the district had procured drugs worth drugs worth UShs 37,655,871 from Joint Medical Stores.

Challenges to the implementation of PHC activities in the district

- Staffing levels stand at 250 against the establishment of 600 excluding the Regional Referral Hospital. 50% of these are Nursing Assistants.

- Insufficient amounts of drugs, accommodation and medical equipment.

- Poor health seeking behavior. It is common to find people bypassing health facilities trekking to the hospital for minor infections. This has put a lot of pressure on the hospital.
- Irregular quality control and supervision by the MoH.

- High Staff attrition: the district is losing health workers to neighboring countries which reportedly offer better remuneration.

- Uncontrolled traditional medical practioners that take advantage of the unsuspecting public.

Support to the Health Sector Strategic Plan Project Phase II

Four health centres are to be supported under the SHSSP II project in Mbarara District including: Kinoni HCIV, Bugamba HCIV, Nkayojo HCIII under lot 1; and Bukiro HC under lot 2. By the time of the budget monitoring visit (November 2008), works had started at Kinoni HCIV and Nkayojo HCIII.

The monitoring team visited Kinoni HCIV where construction was ongoing on a Maternity ward, general ward, Outpatient Department, double staff house, a single staff house and an attendant shelter. The existing theatre is to be remodeled. Excavation for major facilities had been completed; block work for the sub structure of the staff houses was in progress; casting concrete for foundation walls for the Outpatient Department was in progress, block work for the maternity ward was complete and concrete foundation for the general ward was also complete. Although there was commendable progress, works were behind contract schedule.

(b) PHC activities in West Nile Region

The monitoring team visited Nebbi, Arua, Yumbe, Maracha-Terego and Moyo districts.

(i) NEBBI DISTRICT

The district received UShs 164,089,000 for non wage recurrent expenditure for the months of July-October and UShs 55,847,000 for development expenditure for the months of July-November. The district planned to undertake the following development expenditure activities: completion of OPD at Pakwach HC IV which started in FY 06/07; and construction of staff houses at Therur and Abong HC II. PHC development funds had not been spent and the district had not solicited bids for the works. Completion of Pakwarch HCIV was ongoing using funds from last FY. The District's development budget was reduced from UShs 204,266,376 to 93,077,942 following the MOH reallocations. The district has secured a grant from JICA amounting to 141 million for purchase of medical equipment.

Using Quarter 1 funds, the hospital procured drugs worth UShs 58,405,103 on procurement of drugs from Joint Medical Stores. During the quarter, the district received credit line deliveries for orders made in FY 07/08. The district orders for drugs once every month and are not in position to identify which orders are being honored. By the time of the visit no deliveries had been made for orders placed in FY 08/09.

Challenges to the implementation of PHC activities in the district

- *Delays by NMS to supply drugs.* The District Administration reported delays by NMS in supplying proforma invoices and distributing drugs. The district is required to make monthly requests but are frustrated by the delayed deliveries.
- *Limited funding*. The funding levels have remained the same despite the high inflation which has eroded the purchasing power. In addition, donor projects are being phased out in preference to donor support and integration. However these interventions are not re-directed to PHC.
- *Health units constructed but not operationalised.* The district constructed health facilities which have not been equipped and are therefore not functional. The team visited Padwot Midyere HCIII where a maternity ward was completed in 05/06 but has not been equipped. Similarly, a maternity ward was constructed at Pamiya HC III –and remained virtually unequipped.
- *Low Staffing levels:* The District has only one Medical Doctor against an establishment of 11 Doctors. Doctors resigned and the district has failed to attract any Medical Doctors despite several advertisements in the media.

Nebbi Hospital

The Hospital received UShs 85476000 for non wage recurrent expenditure between July and October. By the time of the visit, the hospital had procured drugs worth UShs 25.5 million from JMS; and had ordered and received drugs worth UShs 20 million from NMS.

Challenges to the implementation of PHC activities at the hospital

- *Poor state of physical infrastructure.* The hospital has no running water as the plumbing system has completed collapsed. Men share toilet facilities with women. Because of the breakdown of the water and sewage system, the district Administration is contemplation closing the hospital to avoid an outbreak of infections.
- *Low staffing levels:* The Hospital has no Medical Officer. The Hospital Administration has requested a retired Medical Officer to stop-gap. There are several other health workers at the hospital who are due for retirement. The district commission reportedly has no funds for running advertisements.

(ii) ARUA DISTRICT

Between July and October 2008, Arua received UShs 133,069,000 for non wage recurrent expenditure and UShs 48,633,000 for development expenditure between July and November. The district intends to undertake two capital development activities: Completion of a semi detached staff house at Vurra HCIII and construction of a staff house at Ajia. By the time of the visit, the district had spent only UShs 8,215,336 on capital development activities.

The district last received drugs worth UShs 36,201,396 on 25 September 2008 from NMS. The drugs delivered lacked the 6 tracer drugs including cotrimoxazole and paracetamol. The only anti-malaria drug supplied was Coartem for children. No Quinine and Fansidar were supplied. No deliveries were made between February and June 2008. The main concern is that even when no deliveries will be made; certificates of non availability are not supplied on time. This leaves the district in false hope that drugs will be supplied.

Challenges to the implementation of PHC activities in the district

The budget estimates for construction are far lower than the actual costs. As a result projects are not completed but carried forward into the following FYs. The allocations are described as unrealistic and do not take into account distance, remoteness and soil texture.

Late releases: Works stall because funds are released late.

Lack of concensus on PHC Development priorities: The District Administration complained of lack of consultation by the MoH in the selection of health facilities for construction. For example Arua District Officials complained that all capital development projects undertaken in the last 2 years are located in Vvura County, imposed onto the district—usually due to lobbying by the Politicians.

(iii) MARACHA-TEREGO DISTRICT[10]

The district received a total of UShs 114,828,332 for PHC non wage for the months of July and October and UShs 48,866,000 for capital development for July- November. However the district received only UShs 4,452,000 for the month of November as capital development.

The district was originally allocated UShs 180 million for development expenditure. The District had planned to construct a semi detached staff houses each at Wanti HCIII in Terego County and at Kamaka HC II in Maracha County. In addition, the district planned to procure medical equipment worth UShs 75 million.

By the time of the visit, the district leaders had not yet received the communication on budget re-allocations and were continuing with the prior implementation plans. The bills of quantities had not been finalized and the procurement department reported that they had not received any notification to prepare bids for the construction works.

Since the start of the financial year, the district has only received drugs worth UShs 13,909,883 under the credit line. Because NMS does not specify the order date, the district could not ascertain which order had been honored.

Challenges to the implementation of PHC activities in the district

Lack of a district council: Maracha-Terego district activities are approved by Arua District. The lack of a Council delays implementation of district activities. Currently there is a court injunction about the location of the district headquarters.

Low staff levels: The district has a staffing level of only 32.4% of the approved staffing norms. Recent efforts to recruit additional staff through the Arua District Service Commission were delayed by a court injunction. Candidates were short listed, interviewed and appointed but could not be offered employment. Following the intervention of the MoPS and MoH, the successful candidates are to be appointed and are expected to start work in the near future.

Arua Regional Referral Hospital

The PHC non recurrent expenditure annual budget is UShs 793,595,000 and UShs 1.62 billion for capital development. The district confirmed receipt of UShs 414,055,000 in Quarter 1 but no funds had been received for Quarter 2. The FY 08/09 is the first time the Regional Referral Hospital has received capital development funds and planned to construct a medical ward and a staff house, procure a vehicle and renovate the hospital water and sewage system.

The district administration has finalized bid evaluation for planned works. It was anticipated that construction works would start in January 2009. Construction was ongoing for a multi-million medical ward funded directly by the Ministry of Health. The first flow slab had been completed.

[10] The district office is temporarily located at Arua District Headquarters.

Construction of a General Ward at Arua Regional Referral Hospital


Drugs

The district has procured drugs worth UShs 116,627,250 from Joint Medical Stores and local Pharmacies. With regard to the credit line, by the time of our visit the district had received only one delivery against 3 orders placed at NMS in FY 08/09. In additional to delays to supply drugs, NMS deliveries are far lower than was requisitioned averaging about only 30% of the orders. Despite these challenges, the hospital rarely runs out of stock of essential drugs. This is attributed to timely procurement of PHC drugs and stringent drug management practices. The Hospital has a drugs and therapeutic committee which checks requisitions, stocks and dispensing records.

(iv) YUMBE DISTRICT

The district received UShs 105,312,000 for PHC non wage for the months of July- October and UShs 85,476,000 for the months of July- November. The district planned to complete the OPD at Mongoyo HCIV; renovate the OPD at Yoyo HCIII; completion a maternity ward at Matuma HCIII; construct an OPD in Kochi HCIII; and complete an outpatient department at Locogbo HCII. Bills of quantities for the planned construction works had not been finalized and the district had therefore invited bids for the construction works.

Challenges to the implementation of PHC activities in the district

Low staffing levels: The district has only 3 out of 5 Doctors as per the establishment. However due to remoteness, it is becoming increasingly difficult to attract medical staff. For instance the district currently has no laboratory personnel—having advertised and failed to attract candidates. Related to the above, the district has no Radiographer to run the newly installed x-ray machine, which is therefore not in use. At the time of our visit the district had placed an advert for 42 health workers.

Financing: Most Health Centre IIs have been upgraded to HCIIIs but still got funds meant for HCIIs. For example, Midigo Health Centre which was upgraded from a HCIII to a HCIV status in 2006 still receives funds meant for HCIIIs. In addition, there are several newly constructed health facilities which receive no funds from the MoH. These are funded from the PHC non wage allocations. The Health Centres include: Abiriamajo HCII and Okuya HC II which were constructed in 2006 by International Rescue Committee (IRC). Apayo and Locongbo were constructed by NUSAF but are not operational due to lack of equipment.

Yumbe Hospital

The district has received UShs 85,454,400 for non wage recurrent expenditure for the months of July-October 2008. The hospital receives no capital development funds. Out of each month's release, the hospital spent UShs 12,100,000 for procurement of drugs (36%) of the total allocation. The hospital last received credit line drugs in July 2008 worth UShs 21 million. This was against 3 orders amounting to UShs 80 million which were placed in February 2008, April 2008 and July 2008 respectively. Because of the pending deliveries, the hospital has not made any new orders during the financial year. Between July and November 2008, no delivery was made.

Health workers acknowledged receipt of the top up allowance.

Challenges to the implementation of PHC activities in the hospital

- *Accumulated arrears*: The hospital is claiming arrears in the region of UShs 213 million arising from non release of PHC non wage recurrent expenditures between FY 2004/05 and 2007/08. The hospital administration is in the process of preparing necessary documentation to request payment of the arrears.
- *Low Staff levels:* Staffing levels stand at 73% of the establishment which is rather impressive although key staff are pursuing postgraduate studies. Posts for such individuals are filled but the incumbents are not available. Worse still, the Hospital Administration has no guarantee that such individuals will return to the hospital on completion of their studies. The Medical Superintendent is the only Medical Doctor at the Hospital.
- *Dilapidated Hospital Facilities*: The hospital is in need of urgent rehabilitation. The water and sewage system is broken down and out of use.
- *High Fuel Costs*: The hospital is run on thermal generators. However due to the escalating fuel prices, fuel costs are so high that the district is unable to implement several of its recurrent activities.

(v)MOYO DISTRICT

Moyo Hospital

The hospital received UShs 85,560,000 as non wage recurrent expenditure for the months of July-October. The hospital does not receive capital development funds. Out of the total allocation, the hospital has procured drugs worth UShs 24 million. The hospital acknowledged an improvement in NMS' performance. Out of the 4 orders made this financial year, 2 have been delivered. The hospital experiences minimal stock outs. The hospital has an active drugs and therapeutic committee comprised of a Medical Officer, in Charge and a Dispenser who monitors stock levels and dispensing of essential drugs.

Challenges to the implementation of PHC activities at the hospital

- *Procuring services:* The District contracts committee has made it difficult for the hospital to hire cleaning services. The hospital budgeted for UShs 2 million a year for cleaning services. The district contracts committee has rejected this amount insisting that the threshold be raised to 3 million—which funds the hospital does not have.

- *Transport:* The hospital has only one operational ambulance. Other 4 ambulances (Maruti) are too weak for the mountainous terrain and have all broken down. The hospital has no other vehicles for carrying out hospital administration work. This has escalated the *cost of maintaining ambulatory services:* It is expensive to run ambulatory services for referrals from HC IIs, IIIs and IVs to the Hospital and from the Hospital to Arua Regional Referral Hospital. This is because of the distance, high fuel costs and the rugged terrain which increases maintenance costs for the ambulances. According to the hospital administration, if the hospital is to run the referral system as required by the MoH, they would require a total of UShs 40 million per annum.
- *Non release of funds:* The hospital did not receive the release for June 2008 amounting to UShs 21 million and as a result incurred debts as service providers were not paid. As a result the hospital was not able to observe the PHC guideline of spending 40% of the monthly releases for procurement of drugs.
- *High staff attrition:* In a bid to reduce the high staff turnover, the hospital runs an innovative incentive scheme which has proved expensive. Medical Doctors for example earn an additional UShs 300, 0000. All other health workers are paid an allowance out of the PHC non wage budget. This has helped to reduce the high staff attrition—but the challenge is sustaining the scheme.
- *Changing staffing norms:* Artisans, carpenters and plumbers have been removed from the MOH establishment—yet they are needed. The hospital has hired the former and are paid from the non wage recurrent expenditure allocations.
- *Poor health seeking behaviours:* The community has lost trust in lower level health centres due to non availability of health workers and drugs. It is common for people to by-pass lower level health centres and travel to the hospital for minor infections. This situation has led to increased workload for the hospital.

(C) PHC activities in Eastern Uganda

The monitoring team visited Namutumba, Amuria, Soroti and Katakwi districts.

(i) NAMUTUMBA DISTRICT

Namutumba is a new district that was created in Financial Year 2006/2007. Between the months of July and October 2008, UShs 77,241,000 was disbursed to the district for PHC non wage recurrent expenditure while UShs 37,231,000 was released between the months of July and November for capital development. The district first received capital development funds in FY 2007/08. Planned activities for FY 2008/09 include: construction of a staff house at Nabisogi HC II; renovation of the theatre at Nsinze HCIV, completion of maternity ward at Ivukura HCIII; and construction of a staff house and pit latrine at Magada HCIII. The tender for the construction of the staff house and pit latrine at Magada HCIII was awarded late last FY and the construction rolled into FY 08/09. By the time of the monitoring visit (early December 2008), the Bills of Quantities had not been finalized and therefore the district had not yet spent the funds for FY 08/09.

Out of the Quarter 1 release, the district procured drugs worth UShs 21,500,000. By the time of the visit the district was processing an order to procure drugs worth UShs 20,000,000. The district last received a consignment in July 2008, which was for the orders placed during the 2nd and 3rd quarters of last financial year (07/08). Delays to deliver drugs average between 2 and 3 months. The district has coped with the drug management challenges at NMS by first establishing what items are in stock at NMS (not necessary what they require) and based on the available drugs requisition for drugs from Joint Medical Stores.

Challenges:

- *Stock outs*. The district was experiencing stock outs of essential medicines notably coartem—an anti-malaria drug supplied by NMS. The district has no stores for medicines.
- *Low Staffing levels:* Approximately 40% of the staff posts are filled. There is currently no Medical Officer in the district (save for the District Health Officer), because the designated Officer for the district is currently pursuing postgraduate studies. The District ran an advert in the media in the recent past but did not attract any candidates.
- *Lack of ambulance:* A pick up that was being used as an ambulance was grounded for 6 months and was repaired only recently. Lower level health facilities too—do not have any means of transport. The motorcycles that were distributed by UNEPI to HC IIIs about the year 2000 have broken down.

- *Inadequate Infrastructure:* Only one HCIV that was constructed according to the MoH guidelines. The rest o the health centres (15) were constructed according to community standards and new structures are required at these facilities. There is a huge deficit of staff housing in the district where only 3 out of 15 health centers have staff housing
- *Non operational theatre:* A theatre was constructed at Nsinzi HC IV between 2001-2000 and was officially opened in 2004. However, the theatre has never been used due to poor design and poor workmanship. By the time of the visit—renovation and remodeling of the theatre was ongoing.

(ii) AMURIA DISTRICT

The district received UShs 86,367,000 for PHC non wage for the months of July- October and UShs 27,923 for capital development for the months of July- November 2008. The district planned to complete a Doctor's house in Kapilebyong HCIV, construct Morungatuny HCIII, fence Amuria HCIV and renovate the Doctor's house in Amuria HCIV.

The district advertised for works worth UShs 112 million corresponding to the Indicative planning figures. Although the budget re-allocations were effected in mid September, the district administration had not received any such information by late November. In addition, the releases for capital development to the district are very low compared to their budget.

The District had procured drugs worth UShs 43,834,171. There are hardly any drug stock outs in the district. The District health Office had introduced tight controls on drug management. The Internal Auditor is required to witness drug deliveries to the health facilities. In addition there are strong and functional health management committees that monitor drug use at health facilities. The district abides by the requirement of spending 50% of the PHC allocations on procurement of drugs.

Challenges to the implementation of PHC activities in the district

It is difficult to attract and retain staff. For instance Kapelebyong HCIV failed to attract a Medical Doctor to the unit. There are currently 2 Doctors in the whole district one being the DHO and the other is the Medical Officer in charge of Amuria HCIV.

(iii) SOROTI DISTRICT

During the months of July-October 2008, UShs 117,187,000 was released to the district for non wage recurrent expenditure while UShs 46,074,000 was released for capital development between July and November 2008. The district planned to complete a maternity unit in Bugondo HC III; construct a staff house each in Bugondo HC III; Serere HCIV; Atiir HCIII; Pingiro HC III; Tubur HC III, Dakabela HC III and in Kadungulu HCIII. Despite the several activities planned, the district has a construction budget of only UShs 100 million. A total of UShs 120 million was brought forward from last financial year due tol ate award of contracts. By the time of the visit contracts had not been awarded.

On drug management, out of the non wage recurrent expenditure release, the district had spent UShs 32,159,096 on procurement of drugs.

Challenges faced in implementation of PHC activities

- *Lack of medical doctors:* Two Doctors resigned in the recent past to take up more paying jobs in the private sector. The District Health Officer is currently pursuing postgraduate studies. At the time of the monitoring visit, the district was planning to advertise for the vacant positions.
- *Late releases*: The district cited delays by the MoFPED to release funds.
- Theatres constructed at Health Sub Districts are not operational due to shoddy works and structural design problems.

Soroti Regional Referral Hospital

- During quarter 1, the hospital received UShs 119,973,966 for non wage recurrent expenditure and UShs 421,460,000 for capital development against an annual budget of UShs 1,570,373,800 for FY 08/09. Planned capital development activities include: renovation of a Tuberculosis unit, renovation of therapeutic and feeding centre, construction of an OPD, extension of administrative building, repairs of water and sewage system, procurement of a minibus; purchase medical equipment for the Ear Nose and Throat unit and other medical equipment, and purchase of furniture.

Challenge of implementing PHC activities in the hospital

- The hospital delayed implementation of current FY activities awaiting board approval[11]. The hospital had no board for a period of four years. However owing to the fact that FY 08/09 was the first time the hospital was receiving capital development funds, it was considered appropriate to delay award of contracts to get approval of the Board of Directors.

[11] The hospital Board of Directors was appointed last FY and inaugurated early in FY 08/09

(iv) KATAKWI DISTRICT

The district received UShs 68,960,000 for PHC non wage recurrent expenditure for the months of July-October and UShs 27,923,000 for capital development for the months of July-November. The district planned to construct staff houses in Katakwi HCIV, Kapulani HC III and Ngarian HCIII. The Bills of Quantities have not been completed and consequently bids have not been solicited.

Credit line supplies for drugs are characterized by long delays. Delivery of orders takes on average 3-4 months. The district on average receives only 50% of the orders to NMS. Districts ran out of supplies of Coartem the first line treatment drug for Malaria.

Challenges to the implementation of PHC activities in the district

- Lack of dialogue on priorities for health infrastructure priorities between the MoH and the district.
- *Poor Communication* between MOH and the district. The district had not received the communication on budget re-allocations. Similarly, towards the end of last FY, the District never received all the funds allocated and yet no communication was received to that effect.
- *Drug stock outs:* Vaccine and gas supplies had stabilized but are currently experiencing erratic supplies. Some vaccines are out of stock—affecting immunization.
- *Low Staffing levels*:The district is in dire shortage of health workers especially Medical Officers and Midwives. Each of the 7 HC IIIs has 1 mid wife instead of 2 as per the establishment. Due to the scarcity of health workers, one of the health facilities is being managed by a volunteer midwife (retired). On two occasions the district advertised and has failed to attract any medical officers.

3.5 Industrialization

3.5.1 Introduction

The Uganda Investment Authority (UIA) is establishing Industrial Parks in the country. So far the authority is handling activities in Industrial parks in Namanve, Mbarara, Mbale, Luzira, Bweyogerere and Soroti. The UIA has managed to complete the purchase of Mbarara former Gatsby Land, completed the first phase of the Luzira Industrial Park road system, hired a Consultant for the Bweyogerere Road System, Started on the acquisition process for land in Gulu, and embarked on the process of Environmental Impact Assessment for Mbale and Soroti lands.

Luzira road surfacing, Consultancy for construction supervision, Bweyogerere road consultancy and Soroti Industrial Park land purchase should have been completed during Q1 if adequate funds had been availed.

This quarter BMAU monitored, Namanve Industrial Park, Luzira Industrial park, Bweyogerere Industrial Park and Soroti industrial park.

3.5.2 Progress in Implementation

(i) Namanve Industrial Park
The major activities for this quarter were implementing earthworks and major works**.**

Status

(a)Earth works

Earthworks is about 50% complete and so far Ushs.9.7 billion has been used. The project is estimated to be completed by April 30th 2009.

(b)Major works
The major works included 15km of road (sub grade level), and water supply (a reservoir, 15km asphalt, power drainage, telecom, sewerage treatment plant etc).

Prequalification documents have been prepared and sent to World Bank for approval. So far the Uganda Investment Authority has been working within a budget of 24 million dollars. UMEME has made detailed costing for the power line and substation. The two inputs are essential for the provision of adequate power to factories in the park and in particular the Quality Chemical Industries Ltd (Malaria and AIDS drugs factory) which has already been commissioned.

(ii) Luzira Industrial Park

In this quarter, a road system was expected to be in place, a road consultant hired, to supervise construction and a permanent power supply (construction of electricity supply line and substation). However, due to lack of funds which were supposed to be released by MFPED, these activities have not been done. The contractor for surfacing the Luzira industrial road system has already been recommended to the UIA by the Ministry of Works and Transport.

(iii) Bweyogere Industrial Estate

Design and Construction supervision, was supposed to be carried out last quarter but it has stalled up date. The plan was to gravel a 2.5 km road, which has not been done because of lack of funds.

(iv) Soroti Industrial Park

A clean land title for the Soroti industrial park and a valuation by the Chief Government Valuer are available. But further activities for this quarter have not yet been handled. Work is behind schedule due to lack of funds**.**

3.6 Roads

3.6.1 Introduction

The planned activities under this sector for the first two quarters of the FY are attached as Annex Table 5. Out of these, Projects/Programmes monitored for performance during the second quarter included: Construction of Kabale – Kisoro – Bunagana/ Kyanika road, Strengthening and Upgrading of Kampala – Gayaza – Zirobwe road, Emergency Repairs to Hoima – Parajwoki – Buseruka – Kabaale – Kaiso Road, and District, Urban and Community Access Roads (DUCAR) maintenance programmes in Bushenyi, Kibale, Mayuge, Mubende, Pallisa and Tororo districts. These were selected on the basis of level of capital investment, planned quarterly output, and value of releases during the first and second quarter of FY 2008/09, but excluding those that were monitored during the 1st quarter.

3.6.2 Construction of Kabale – Kisoro – Bunagana/ Kyanika Road

Table 3.13: Project Summary

Contract Number	RDP/HW/CS 013
Funding Agency	African Development Fund (89.5%) and Government of Uganda (10.5%)
Supervision Consultant	Mott MacDonald Ltd in Association with Kagga & Partners
Contractor	SBI International Holdings AG
Length of Road	100.257 Km
Works Contract Price (Original)	UGX 147,067,121,956
Commencement Date	22 March 2010
Original Completion Period	3 Years (1096 Days)
Revised Completion Period	1211 Days
Contract Time Elapsed	589 Days (48.6% Progress)
Works Payments Certified	UGX 14,938,883,831 (10.2% of original price)
Works Actual Payments	UGX 26,557,186,465 (18.1% of original price)
`Weighted Physical Progress	16.05%

(a) Scope of Works

The project entails construction works for the upgrading of a total of 100.3Km of the road linking Kabale – Kisoro – Bunagana/ Kyanika. This is from the existing Class C gravel road to paved road standard with an asphalt surface carriageway of 6.0m width and asphalt surfaced shoulders of 1.0m in the mountainous terrain and 1.5m in the flat terrain. The road connects Kisoro town to the international border with DRC at Bunagana, and the international border with Rwanda at Kyanika.

The works include construction of a 50mm asphaltic concrete surfacing, on a graded crushed stone base 200mm thick, on a graded crushed stone sub-base 200mm thick, on compacted gravel subgrade 300mm thick, including extensive fills, earthworks, rock excavation, rock-fills, gabion works, construction of bridges, construction of new cross and longitudinal drainage systems, and ancillary works including installation of traffic road signs, guardrails and road markings.

(b) Financial Progress

The project's financial progress was estimated at 18.1% of the original contract price as at end of October 2008. However cost overruns are projected from: increased cost of construction inputs like fuel, cement, bitumen, local and expatriate labor, plant, spares, metal products, and explosives; and increased measured quantities in earthworks and fills. The current contract price overrun as at end of October 2008 was 14 billion shillings representing 9.5% of the original contract price.

© Progress of Works

Progress of works was estimated at 16.05%, against a total progress of 18% projected in the work plans for the 1st quarter and 27% for the 2nd quarter, and a contract time progress of 48.6%. Therefore the project output even for the 1st quarter was not achieved, and the project far lags behind contract time progress (Table 3.14).

Table 3.14 Progress on the major activities

No.	Activity	% Progress
1.	Drains, culverts, lining, stonework and gabions	22.5%
2.	Clearing, earthworks, road sub-base and base	26.1%
3.	Prime and asphaltic concrete surfacing	0.01%
4.	Marker posts, guardrails, road signs, road marking, landscaping	0.03%
5.	Testing, Dayworks and Kyanika Link	17.78%
Estimated Physical Progress of Works		**16.05%**

Source: Contractors progress reports

(d) Observations During the Site Visit

The following observations were made during the site visit:

- Ongoing works included site clearance, fills in rock and borrowed material, earthworks for widening of the road, installation of culverts, construction of the different road pavement layers – the subgrade, sub-base and base – in sections, stone quarry works, gabion works, construction of culvert end structures and landscaping works.
- The contractor was fully mobilized on site with all the necessary equipment for the on-going works.

On-going earthworks and pavement construction works on Kabale – Kisoro – Bunagana road

- Only 56.5 Km out of the contracted 100.3Km had been handed over to the contractor due to land compensation issues that were yet to be settled.
- The Project employs 503 employees of which 11% are women, with 37% unskilled, 9% semi skilled, 10% skilled and 0% specially qualified. The HIV awareness programme which is part of the health and safety component of the project was also on-going with a clinic established at the camp site for free voluntary HIV testing targeting workers and the communities in the project surrounding areas including some selected secondary schools.

(e)Challenges and Setbacks Experienced by the Project

- Land acquisition issues have never been completed and therefore the Contractor has never got complete possession of the site. This is likely to cause delays in completion of works and also to introduce claims for prolonged partial handover of the site.
- The Contract has no approved revised work programme necessary for supervision and monitoring purposes.
- Delays in effecting of certified Interim Payment Certificates, which was introducing claims for interest that stood at 11.8m shillings as at end of October 2008.

3.6.3 Strengthening and Upgrading of Kampala – Gayaza – Zirobwe Road

Table 3.15 Project Summary

Contract Number	RDP/HW/CS 014
Funding Agency	International Development Association (IDA) Credit 3796-UG Grant No. H122-UG
Supervision Consultant	Norconsult International A.S.
Contractor	Energoprojekt Niskogradnja
Length of Road	44.4 Km

Works Contract Price (Original)	UGX 69,499,914,926 (US$39,499,136.09)
Commencement Date	30th March 2008
Supervision Contract Price	EUR 756,270
Original Completion Period	20 Months
Completion Date	30th November 2009
Contract Time Elapsed	214 Days (35.1% Progress)
Works Payments Certified	UGX 10,873,575,523 (15.56% of original price)
Works Actual Payments	UGX 10,873,575,523
Weighted Physical Progress	3.2%

(a) Scope of Works

The project entails road construction works for the upgrading and strengthening of a total of 44.3Km of the road linking Kampala to Zirobwe via Gayaza. The existing Kampala – Gayaza section is a Class II paved road that starts from Kalerwe roundabout on Bombo road and is to be strengthened and upgraded to Class I paved road status. The existing Gayaza – Zirobwe section is a Class C gravel road which is to be upgraded to Class II paved road status.

The works include construction of a road pavement with 200mm thick graded crushed stone base, on a lime stabilised sub-base 200mm thick, on compacted gravel subgrade 275mm thick, including swamp fills, earthworks, rock-fills, construction of new cross and longitudinal drainage systems, and ancillary works including installation of traffic road signs, guardrails and road markings. The urban section of the road from Kampala – Mpererwe will have an asphaltic concrete carriageway with surface dressed shoulders, while the rest of the road will have double surface dressing across the carriageway and the shoulders.

(b) Financial Progress

The project's financial progress was estimated at 15.65% of the original contract price as at end of October 2008 (including advance payment). Cost overruns were only projected from new costs related with obtaining land for new drainage channels. It was too early to make reasonable estimates for the projected cost overruns.

(c) **Progress of Works**

Progress of works was estimated at 3.5%, representing the total progress during 1st and 2nd quarters, against the 5% planned completion for quarter 1, and 35.1% contract time progress. Therefore the planned output for quarter 1 was not achieved, and the project far lags behind contract time progress (Table 3.16). The contractor had no revised work programme in place pending approval of the proposed design review.

Table 3.16: Progress on the major activities

No	Activity	% Progress
1.	Clearing and grubbing	24.8%
2.	Surface Water Drainage	4.2%
3.	Earthworks, Sub-base, Base	3.9%

4.	Bituminous Surfacing	0.0%
5.	Ancillary works	0.0%
Estimated Physical Progress of Works		**3.5%**

Source: Contractor's progress reports

(d) Observations During the Site Visit

The following observations were made during the site visit:

- Ongoing works included site clearance, filling of swamps in rock and borrowed material, earthworks for widening of the road, installation of culverts, and construction of the subgrade layer in some sections.

A newly filled swamp and ongoing earthworks on Kampala – Gayaza – Zirobwe road

- The Contractor submitted a design review proposal seeking to change material specifications for the sub-base from lime stabilized gravel to crushed stone. The design proposal was motivated by associated difficulties of procuring good quality lime and process challenges of stabilizing with lime. The crushed stone sub-base is a superior material to the lime stabilized gravel and therefore should give a stronger pavement at no additional cost to the project.
- The contractor was fully mobilized with all the necessary equipment either on site or at the Contractor's yard on Bombo road near the project area.
- The health and safety component of the project was on-going with a clinic established at the camp site (Busukuma) for free voluntary HIV testing targeting workers and the communities in the project surrounding areas

(e) Challenges and Setbacks Experienced by the Project

- The project was affected by delays in all initiation processes like contract signing, advance payment, commencement order and acquisition of right of way. The Contractor's mobilization process of key equipment and personnel also delayed by about 3 months.

- The section from Kampala to Gayaza and an additional 6Km between Gayaza and Zirobwe have never been handed over to the Contractor due unresolved land acquisition issues. This is likely to cause further delays in completion of works and also to introduce claims for prolonged partial handover of the site.
- The Project has no approved revised work programme, thus constraining supervision and monitoring activities.

3.6.4 Emergency Repairs to Hoima – Parajwoki – Buseruka – Kabaale – Kaiso Road

Table 3.17: Project Summary

Contract Number	GOU/HW/C003
Funding Agency	Government of Uganda
Contracting Agency	Uganda National Roads Authority
Supervisor/ Project Manager	Uganda National Roads Authority
Contractor	M/S Stirling Civil Engineering Ltd.
Length of Road	93.2 Km
Works Contract Price (Original)	UGX 7,542,596,600
Commencement Date	22 July 2008
Original Completion Period	6 Months
Contract Time Elapsed	101 Days (54.9% Progress)
Works Payments Certified	UGX 2,690,187,803 (35.7% of original price)
Current Actual Payments	UGX 4,866,543807 (64.5% of original price)
Estimated Physical Progress	40.6%

(a) Scope of Works

The Project entails emergency repair works on a stretch of 85.2Km connecting Hoima to Kaiso and Sebagolo landing sites on Lake Albert. The emergency works are a stop gap measure to the planned upgrading of the road in anticipation of increased traffic from commercial vehicles serving oil exploration activities in the area.

The works include bush clearing, earthworks for widening of the road, reshaping of the road by heavy grading, fills in swamps and valleys, full scale regravelling (150mm thick on 7m carriageway width), rehabilitation of the drainage system, ancillary works including installation of traffic road signs, and some minor refurbishment works on 2 bridges with timber decks

(b) Financial Progress

The project's financial progress was estimated at 64.5% of the original contract price (including 30% advance payment) as at end of October 2008. Project cost overruns are expected due to increased earthworks quantities, and additional works on 2 bridges along the road. Projected final costs had not been computed at the date of the site visit.

(c) Progress of Works

Progress of works was estimated at 40.6%, against a progress of 50% projected in the work plans for the 1st quarter and 50% for the 2nd quarter, and a contract time progress of 54.9%. Therefore the project output for the 1st quarter was not achieved, and the progress of works lags behind contract time progress (Table 3.18).

Table 3.18: Progress on the major activities

No	Activity	% Progress
1.	Bush Clearing	64.4%
2.	Drainage works including culvert installation	15.0%
3.	Earthworks	60.0%
4.	Grading	62.2%
5.	Re-gravelling	40.8%
5.	Ancillary Works	0.0%
Estimated Physical Progress of Works		**40.6%**

Source: Contractor's progress reports

(d) Observations during the Site Visit

The following observations were made during the site visit:

- Ongoing works included site clearance, road reshaping by heavy grading, gravelling and culvert installation.

A finished section, and an existing timber bridge on Hoima – Kabaale - Kaiso road

- The contractor was fully mobilized on site with all the necessary equipment and with 2 units working from either side of the road.
- It was observed that the unit rate of the construction works was 80.9 Million per Km (expected to rise), which was more than twice the average unit rate for similar works in

recent projects (Between 25 – 40m per Km). No explanation was readily available for this glaring difference because the procurement was done by RAFU (Road Agency Formation Unit) – UNRA's predecessor, which is now defunct. Given the cost of the project and the fact that the works are a stop gap measure pending upgrading of the road to paved road standards expected in 2 years, the project as an investment option bears many hallmarks of a 'white elephant'.

- It was also observed that the rehabilitation works proposed on the 2 bridges along the road, which include re-instating the timber decks with new timbers is not a suitable option for the kind of traffic with increased heavy commercial vehicles that is expected.

(e) Challenges and Setbacks Experienced by the Project

- UNRA's supervision staff had transport difficulties as they had to share the one pickup at the station with the rest of the administrative and maintenance activities under the station. Therefore supervision was not that effective on the ground. The agency is still in the process of procuring more vehicles to reinforce its operations nationwide.
- Land acquisition issues for drainage channels and offshoots have come up in several areas along the road. These are introducing new technical difficulties in draining the road and new compensation issues hitherto not foreseen.
- The contractor was having difficulties in obtaining authorization to use the gravel that is readily available in sections where the road traverses a game reserve. This was causing delays in the progress of works.

3.6.5: District, Urban and Community Access Roads Maintenance Programme

District, Urban and Community Access roads (DUCAR) make up 67,300 Km which represents 86.2% of the entire road network in Uganda. These constitute of 27,500Km of district roads, 4,800Km of urban roads, and 35,000Km of community access roads. However, they receive a less significant share compared to the national roads going by the budget allocations within the sector over the years. For example, the FY 2008/09 road sector budget allocations had UGX 102.8 billion for DUCAR compared to 948.68 billion for National Roads.

This financial year under the DUCAR maintenance programme, 23,000Km of district roads were planned for manual routine maintenance; 1,400km for district roads rehabilitation; 930km for district roads gravelling; 146Km for urban roads resealing; 476Km for urban roads gravelling; and 570Km for community access roads rehabilitation. During the 2nd quarter the DUCAR programme was monitored in Mubende town council and 6 districts including Bushenyi, Kibale, Mayuge, Mubende, Pallisa, and Tororo. Table 3.19 shows the respective summaries of work plans, releases and current status of planned outputs and expenditures. Also included below are the findings, challenges and recommendations:

Table 3.19: Summaries of Work Plans, Releases, Current Expenditures and Status of Planned Outputs in the Respective Districts Visited

District	Size of Road Network (Km)	Planned Activities for Quarter 1&2 FY 2008/09	Budget FY 2008/09 (Million Shillings)						Outputs as at end of Oct 2008		
			Annual	Planned at end of Oct 08/09	Releases at end of Oct 08/09	% Release Oct 08/09	Expenditure Oct 08/09	% Absorption at end of Oct 2008	Indicator	Status	Remarks
Bushenyi	1062Km	a) Routine maintenance, 1062Km b) Road bottlenecks on Kashenyi – Nyakyera (26.5Km), Kizinda – Kati (36.5Km), Rwentuha – Bugongi (11 Km), Kibingo – Nyeihanga (17 Km)	682.971	204.324	204.324	33.3%	43.892	21.5%	Km maintained Km	Nil 26.5Km	Activity commenced during week of visit Only Kashenyi – Nyakyera road was worked on using force account
Mubende	671.8Km	a) Routine maintenance, 450 Km b) Periodic Maintenance of Kigalama – Kamuli (17Km), and Kassanda – Kalamba (19 km)	407.230	135.744	153.313	38.4%	63.660	40.7%	Km maintained Km	Nil 1Km	Activity has not commenced Contracts for both roads were signed and work on Kigalama – Kamuli had commenced.
Mubende Town Council	43Km	a) Upgrading of Kabalega road (0.5Km)	85.500	28.500	20.570	24.1%	0.00	0.0%	%	0.0%	Contractor not yet on site
Kibaale	559.5 Km	a) Routine maintenance, 357.5Km b) Periodic Maintenance of Kigendo – Kasambya (14.8Km), Kiryane – Kururu – Bikara (10.5km) c) Bottleneck maintenance on Nganyi – Nyamarwa road (21.6Km)	432.000	141.726	141.726	33.3%	40.110	28.3%	Km maintained Km Km	31.5Km Nil Nil	Works started on Nkonko – Nalweyo road (31.5Km) Works still under procurement Works still under procurement
Mayuge	256 Km	a) Routine maintenance, 256Km b) Periodic Maintenance of	320.383	106.794	100.385	31.3%	27.111	27.0%	Km	Nil	Works still under procurement

District	Size of Road Network (Km)	Planned Activities for Quarter 1&2 FY 2008/09	Budget FY 2008/09 (Million Shillings)						Outputs as at end of Oct 2008		
			Annual	Planned at end of Oct 08/09	Releases at end of Oct 08/09	% Release Oct 08/09	Expenditure Oct 08/09	% Absorption at end of Oct 2008	Indicator	Status	Remarks
		Mayuge - Bukoba (16Km), Isikiro - Kabayingila (7km)							Km	Nil	Works still under procurement
		c) Buwaya – Mpungwe – Kyoga (18.5Km) – Outstanding works from FY 2007/08							%	98%	Works were near completion
Pallisa	405.7Km	a) Routine maintenance, 296.8Km	370.254	123.418	92.563	31.1%	28.794	25.0%	Km	Nil	Works had just commenced
		b) Periodic Maintenance of Kibale – Kamuge (9.0Km)							Km	Nil	Works still under procurement
		c) Bottleneck maintenance on Kadama – Dodoi – Kagumu (9.8Km), Kadama – Kabweri-Kakutu (13.4Km), Tirinyi – Bumiza – Bulangira (10.8Km)							Km	Nil	Works still under procurement
		d) Structural bottleneck maintenance of Pallisa – Olok – Apapa (10.5 Km)							Km	Nil	Works still under procurement
		e) Rehabilitation of Kadama – Kibuku – Buseta (16.5Km) – Labour based							Km	16.5Km	Completed
Tororo	491Km	a) Routine maintenance, 391.7Km	348.408	116.136	113.070	32.5%	20.090	20.4%	Km	8Km	Only one road worked on using force account
		b) Periodic Maintenance of Okor – Apokor (6.5Km), Akworot – Kajarao – Atiri (6.0Km), Katarema – Magola (9.0Km)							Km	Nil	Works still under procurement
		c) Road and Structural Maintenance of Nagongera – Merekit – Kidoko (19.9Km)							Km	Nil	Works still under procurement

(a) Field Findings

1. In all the districts visited, targeted outputs for quarters 1&2 were not achieved. Planned activities had largely not commenced in all the districts monitored except manual routine maintenance which was just commencing in some districts and nominal maintenance works in others.

2. On-going works in Bushenyi district included manual routine maintenance on several roads, and spot improvement using force account on Kashenyi – Nyakyera road (26.5Km).

Example of a district road in Kibaale district which is beyond maintenance and requires rehabilitation.

In Kibaale district, on-going works included routine maintenance Nkonko – Nalweyo road (31.5Km) with bush clearing done manually ahead of the planned mechanized maintenance using force account. In Mayuge district, on-going works included completion of outstanding works from FY 2007/08 for the periodic maintenance of Buwaya – Mpuga – Kyoga road (16Km). In Mubende district on-going works included manual routine maintenance on several roads, and periodic maintenance of Kigalama – Kamuli road (17 Km). In Pallisa district on-going works included completion of a labor based project for the rehabilitation of Buseta – Kadama – Busuta road (16.5Km) funded by DANIDA. In Tororo district, there were no on-going works, however 8 Km of TGS – Orioyi road had been worked on using force account.

3. In some districts visited it was noted that significant portion of their district road networks had deteriorated beyond maintenance levels and would require rehabilitation though this hadn't been planned for and was difficult to foresee in the medium term: Mubende – 33%; Kibale – 36%; Pallisa – 26.8%; and Tororo – 20.2%. In Mubende town

council 98.8% of the entire urban road network was not planned for maintenance both in FY 2007/08 and FY2008/09. This was done in order to prioritize upgrading of 500m to paved standards whose cost covers their Indicative Planning Figure for 2 years.

A collapsed culvert on a road recently maintained using force account in Bushenyi district

4. Releases for district roads maintenance were received on time in all the districts monitored though utilization was low due to lengthy procurement procedures. In Tororo district however, there was a discrepancy between funds received at the district and funds remitted to the works department. This could not be immediately explained though it was evident some of the funds had been diverted and therefore were not received at the works department.

5. It was noted in all districts monitored that the districts had not realized any additional revenues to compliment the central government conditional grants for road maintenance. All the districts were as such trying to reallocate funds for routine maintenance to manual maintenance using petty contractors and to force account as a coping mechanism of maximizing benefits in terms of good roads from the available resources.

6. All the 6 districts visited had a unit of road construction equipment, which were however in poor working condition in some districts like Kibale and Pallisa. The equipment were largely redundant due to limited authorization by PPDA on use of force account, and limited or lack of additional revenue in excess of the road maintenance conditional grants. It was also noted that the process of major repairs for the equipment done at the MoWT regional mechanical workshops is quite lengthy most times taking over a year!

TGS – Orioyi road in Tororo district which was worked on using force account

7. Women, youth, elderly and disabled groups were generally considered in all the districts monitored during the selection of petty contractors for manual routine maintenance. For example in Pallisa district, the labor based contract for the rehabilitation of Kadama – Kibuku – Buseta (16.5Km) was awarded to a women's group contractor, who completed it on time. However in Mayuge district, it was noted that women shied away from road works due to cultural perceptions and limited sensitization.

(b) Challenges

Challenges identified during the field visit include:

1. Low funding of local governments for the effective maintenance of district, urban and community access roads, which has led to the progressive increase of roads that are beyond maintenance (earmarked for complete rehabilitation) in all the districts visited.
2. Lengthy procurement procedures that made it impossible for major works to begin within the first 4 – 5 months of the financial year. This together with the fact that the period between September – November is a rainy season rendered a big portion of the road networks practically impassable. This challenge was common in all the districts monitored.
3. Price escalation of construction inputs like labor, fuel, cement and gravel had the effect of increasing unit costs for the different maintenance operations and the ultimate effect of reducing the fraction of the road networks maintained within the available funds.
4. Limited authorization by PPDA in the use of force account using funds for routine maintenance, which also renders the district equipment largely idle, yet with impassable

road networks. In several districts, the politicians held the view of replacing manual routine maintenance with force account as a more potent approach given the status of the roads.

5. Obsolete road construction equipment that frequently break down and thus increase maintenance costs, lengthy major repair regimes, and incomplete road equipment units were also identified as challenges in all the districts visited.

3.7 Water and Sanitation

3.7.1 Introduction

During Q2, five centralised projects and eleven districts for the District Water and Sanitation Conditional Grant (DWSCG) were monitored. Under Urban Water and Sanitation the projects monitored included Rural Towns Water and Sanitation Project, Support to Small Towns Water Supply and Sanitation Project and Energy for Rural Transformation. For Rural Water and Sanitation monitoring efforts focused on School and Community Water and Sanitation (IDPs) Project and the DWSCG. Under Water for Production, a dam in Abim was monitored. All projects monitored received full financial releases from July to November 2008 from the GoU FY2008/09 annual budget including arrears.[12]

The criteria for sampling projects and districts to monitor

- Projects that had benefited from significant investment through financing by GoU and Development Partners (DPs) with substantial expenditure intended for Q2.
- Projects that have the potential to serve a large number of beneficiaries including households, institutions and agricultural development.
- For Urban Water and Sanitation projects, where outputs should be 100% complete or near completion according to the Ministry of Water and Environment (MWE) reports were selected.
- For the DWSCG, districts that planned to complete outputs in Q2 were prioritised.
- Projects and districts were selected from a variety of geographical locations to represent the Northern, West Nile and Eastern Regions. Projects from other regions will be monitored in Q3.

Scope of monitoring and limitations

The monitoring focused on the status of project implementation/delivery compared with the expected output, financial data and the quality of the intervention according to a selection of the 'golden indicators.'[13] The monitoring tool was completed during interviews with officials from the Directorate of Water Development (DWD) and Local Government (LG) such as the Chief Administrative Officer, District Water Officers, Town Council Engineers and District Health Officers. Beneficiaries were also consulted where possible, particularly if the interventions were in schools to triangulate the information. A limitation is that this approach was not consistently used, as beneficiaries need to be organised in advance which is not possible for spot checks, and so much depends on their availability at the time.

[12] All financial data on budget performance has been sourced from the Integrated Financial Management System (IFMS) and figures quoted are in Ugandan Shillings (Ush).

[13] Water and sanitation has ten 'golden indicators' that are reported against on an annual basis. Of these, the BMAU monitoring tool focused on the aspects of access, functionality, sanitation, water quality, management and gender.

In addition, secondary data sources from MWE such as the Budget Framework Paper FY08/09, Ministerial Policy Statement (MPS) FY08/09, Sector Performance Report 2008, Q1 progress report on the performance contract and reports submitted by consultancy firms overseeing project implementation were used. However, a challenge of asymmetric information was encountered, as not all project components are reported by MWE to MFPED in the above mentioned documents, which limit the scope of monitoring. Hence, for two projects selected there were examples of incomplete outputs when the projects were nearly closed. The BMAU team had not intentionally selected these components of the project to monitor but became aware of the discrepancies during the field visits.

3.7.2 Field Findings for Vote Function Urban Water and Sanitation

(a) Rural Towns Water and Sanitation Project (code: 0154)

The project jointly financed by GoU and the African Development Bank (ADB), aims to construct water supply systems and basic sanitation facilities in seven rural towns, including solid waste management and latrine facilities in 178 primary schools. The project interventions are in Iganga (Lot 1), Mityana, Mpigi and Kigumba (Lot 2) and Apac, Nebbi and Pakwach (Lot 3). Monitoring efforts focused on the status of the piped water supply schemes and latrines (VIP and ECOSANS) in primary schools for Iganga, Apac, Nebbi and Pakwach.

(i) Budget performance

The total GOU budget including arrears for FY08/09 is 12.48 billion Ush. From July to November 2008, 10.25 billion Ush has been released, which represents 82% of the budget. Expenditure up to November 2008 was 78%, and so absorption has been fairly high.

Table 3.20: Summary of expected outputs and progress by location for Rural Towns Water and Sanitation Project

Location	Expected Output	Progress
Iganga	Piped Water Supply (PWS) scheme completed	PWS is complete and has been handed over to NWSC. 1,100 connections have been made. Some defects are remaining, e.g. leaks in the transmission line from Jinja (water source) to Iganga but the PWS is fully functional.
	Latrine facilities constructed in 22 primary schools	Latrine construction is complete and should have been handed over in Nov 08 but was delayed due to a collapsed latrine in one of the schools. Technical commissioning has been rescheduled to early 2009. Gender and equity concerns have been considered as there are separate latrines for girls and boys, and access for those with disabilities.

Apac Nebbi Pakwach	PWS scheme completed Latrines in schools completed	The PWS schemes are complete and have been handed over to the private operator, Jowa Engineering Services, but are only partially functional. In all three towns around 1,900 connections have been made. The construction of latrines was scheduled for Aug 08 and is still incomplete. In Nebbi and Pakwach the works have been of poor quality and a new contractor has been procured. DWD state works should be complete in Dec 08, but this seems unlikely as construction is significantly behind schedule and there were no works ongoing at the time of the monitoring visits.

Source: Field Findings

Completed reservoir tank (900 cubic metres) for the piped water supply scheme, Iganga

Unsatisfactory works for the construction of pit latrines in primary schools, Nebbi

Crumbling cement for incomplete latrines at Pakwach Girls Primary School, Pakwach

Bukyaaye Sanitary Landfill site is incomplete, Iganga

Access for PWDs to VIP latrines, Apac Modern Boarding School

Generator with no fuel and therefore no piped water supply, Nebbi

(ii) Challenges and Recommendations

- **Low quality outputs by contractors and failure to fulfil requirements**

Even though commissioning has taken place, the piped water supply schemes are only partially functional in Apac, Nebbi and Pakwach, as there are a number of unresolved defects and unfulfilled requirements. These have been reported but response by the contractor has been unsatisfactory. For example, in Apac and Pakwach, the contractor was required to provide a water testing[14] kit but has failed to do so.

The workmanship and management of the latrine construction in Nebbi and Pakwach has been poor, even though standard procurement procedures were followed by DWD. The contract had been awarded to Nino Engineering Company Ltd, but a new contractor has been brought on board. This has led to cost overruns on the project budget.

It is recommended that DWD places pressure on the contractor for the PWS scheme to fulfil requirements prior to the end of the defects and liability period in December 2008. If the contractor fails to meet the requirements penalties should be imposed. Likewise, DWD should penalise Nino Engineering Company Ltd. for the unsatisfactory works and attempt to recover costs. In such cases of poor performance, information should be made publicly available to improve regulation and ensure these firms are blacklisted.

- **Delay in project implementation and accrual of interest**

In Iganga, Apac, Nebbi and Pakwach project implementation was delayed. Payments were made late and the contractor has invoiced for interest. By the end of January 2008 interest of around 0.272 bn Ush was due on late payments.[15] However, IFMS data reveals that the GoU financial release in FY07/08 was greater than the budget. Likewise, for FY08/09 IFMS data shows that all releases from MFPED to MWE for this project have been made in full and on time.

It is recopmmended that once funds have been released, GoU counterpart payments are made on time by DWD to contractors to avoid additional payments of interest.

- **Irregular power supply**

In total around 1,900 household and institution connections had been made in Apac, Nebbi and Pakwach. Apac and Nebbi are connected to the national grid, although the irregularity of electricity supply means there is no piped water for substantial periods of time. In Pakwach and Nebbi there are generators but the operational costs of fuel supply have been a challenge, and so water supply is still irregular. The private operator is functioning at a loss.

IT is recommended that provisions should be made in the project to install solar panels and a backup generator in Apac. For future development projects the sustainability of energy supply needs to be considered in the feasibility study, and should be planned and budgeted for accordingly as a perquisite for gaining approval.

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[14] Water is supposed to be tested every two weeks but this last took place during technical commissioning in December 2007, which is a public health concern.

[15] Mott MacDonald Consultants Progress Report March 2008

- **Outstanding components of the project are incomplete**

Due to limitations in what MWE reports to MFPED, certain components that are part of detailed project agreements were not planned to be monitored. However, during the field visit it was clear that these components were incomplete and yet the project was due to close. For example, four hand pump boreholes had not been installed but were reported as a completed output in the consultancy progress report.[16] A DWD official explained this was part of the feasibility study but not part of the official agreement, which reveals clear disparities in information. In Iganga the sand fill waste site was also incomplete with no signs of works ongoing.

It is recommended that MWE provides complete project agreements and progress reports to MFPED to help reduce the risk of asymmetric information and increase transparency and accountability.

- **Ineffective gender mainstreaming in Water and Sanitation Boards**

Water and Sanitation Boards (WSB) have been established in Apac, Nebbi and Pakwach. However, the guidelines of appointing female members in key positions have not been observed in Apac.

It is recommended that efforts should be made by DWD to ensure that gender guidelines are enforced when a WSB and Water and Sanitation Committees (WSCs) are established.

(b) Support to Small Towns Water Supply and Sanitation Project (code: 0164)

This is a countrywide programme financed by GoU, DANIDA and GTZ under the Joint Partnership Fund, which started in 1999 and is due to be completed in 2013. The project aims to construct water supply and sanitation facilities, conduct community sensitisation and build the capacity of water authorities and systems operators.

Monitoring efforts focused on the completion of piped water supply schemes in Koboko, Yumbe and Kapchorwa.

(i) Budget performance

The GoU FY08/09 budget for this project is 6.76 billion Ush. There are no arrears on this project and releases from July to November 2008 are at 3.86 billion Ush, which represents 57% of the annual budget. This indicates that releases have been made in full and on a timely basis. Expenditure was at 76%, which is a fairly high absorption rate. However, in FY07/08, total MFPED releases to MWE for this project were 2.25 billion Ush, which represented only 72% of the budget and led to delays in implementation. The delays in release of funds were in Q1 and Q4 of FY07/08.

[16] Mott MacDonald Consultants Progress Report March 2008

Table 3.21: Summary of expected outputs and progress by location for Support to Small Towns Water Supply and Sanitation Project

Location	Expected Output	Progress
Yumbe	PWS scheme complete	PWS scheme was completed in Nov 07 and handed over to the Local Government (LG). Since April 08 water has been supplied but the PWS scheme is only partially functional as there are many defects remaining. A Water and Sanitation Board was formed with 20% female representation but there are no Water and Sanitation Committees for the public standpipes. Extension of the PWS scheme is incomplete. 100 connections have been made, serving only 0.5% of the population. Initially the LG was responsible for the extension and had received 2 million but this responsibility was handed over to the private operator, and so the LG's funds have not been absorbed. The private operator should have been in place by April 08. This was extended to the end of Q1 but neither DWD nor the LG has clear information about the delays.
Koboko	PWS scheme complete	No PWS scheme was in place. DWD procured a contractor to drill 5 production wells. Initial planning and surveying was inadequate so four of the five production wells cannot be used as they have low yields. They are also in close proximity to existing water sources and pit latrines, which violates MWE guidelines.
Kapchorwa	PWS scheme complete	The project was due to be completed in Sept 08 but has been delayed, due to the slow release of funds, bad weather conditions and prolonged settlement of compensation for land acquisition. The PWS scheme was constructed on community land and destroyed crops and existing infrastructure. Given that completion has been delayed, there were minimal signs of works in progress.

Source: Field Findings

(ii) Challenges and Recommendations

- **Low quality outputs by construction companies and poor response rate**

In Koboko one of the production wells drilled by the contractors in the village of Gbukenga was 50 metres away from two protected springs, which provides an important source of income for villagers who sell the water to local institutions. Due to the likelihood of damaging this water point, the construction company was forced to leave by the community.

The response rate for addressing snags under the defects and liability period is poor for areas that are a considerable distance from Kampala based construction companies. This was the case in Yumbe where defects in the PWS scheme arose as pipes were placed too close to the surface, which were unprotected and subsequently damaged during recent road works.

It is recommended that the supervision of private companies stepped up to improve on quality of outputs. There is need to enhance competition and open tendering in the consultancy sector.

CSOs should also be facilitated in their role of monitoring projects through the provision of information on activities and financial releases by MFPED.

Broken pipes placed too close to the surface and not protected, Yumbe

Protected spring used by villagers that would have been damaged by the construction of the production well, Gbukenga village, Koboko

- **Underfunded water stressed areas**

Koboko is an example of a water stressed area with high population growth that has received inadequate funding. The project dates back to 2003, when the PWS scheme was designed using a surface water source from River Kochi and some initial works were implemented. However, the total cost of the project at 7.2 billion Ush was not funded. Plans for project implementation stalled until there was civic action, in the form of protests, to provide piped water in 2007. The LG directly solicited funding support from the Japanese Embassy and 0.131 billion Ush has been received, but the total cost of the project remained unfunded.

Therefore, planning of future water and sanitation interventions, particularly for piped water supply schemes in towns and Rural Growth Centres (RGC) should consider demands of rapid population growth rates in the context of available resources, given how water stressed these regions are. Greater transparency is also needed from MWE is the choice allocation criteria for urban towns and RGCs to receive PWS schemes.

- **Over-centralisation of projects and lack of communication between DWD and Local Governmants**

In Yumbe and Koboko there were specific problems of communication and sharing of information between DWD, the contractors and the LG, where basic documents such as citing reports were not shared. This limits the supervisory role of the District Water Officers (DWO).

Communication between DWD and the DWO needs to be improved. This will help to promote accountability as expectations of project delivery will be clear to the beneficiary population. It would also promote ownership of the project once it is complete.

(C) Energy for Rural Transformation (code 0124)

This project that began in 2002 and is due to be completed in 2010, aims to address the constraints on water supply due to lack of sustainable power through provision of least cost energy solutions for mechanised piped water supply systems.

Monitoring efforts focused on the installation of an energy package (solar panels) in Yumbe, which are being used to power the piped water supply scheme.

(i) Budget performance

The GoU total budget for FY 08/09 including budgeted arrears is 0.35 billion Ush. From July to November 2008, 0.21 billion Ush has been released, which represents 60% of the approved budget.

(ii) Expected output and progress

The energy package should be completed with power being consistently supplied to operate the piped water supply scheme. The energy package was complete but with some defects and so the system was partially functional. For example in Delo pump house, from where the solar panel supply is controlled, the fuse had been broken for two weeks and the contractor was reluctant to travel to Yumbe for these repairs.

(iii)Challenges and Recommendation

The provision of sustainable energy supply is a positive step in addressing irregular power supply for areas not covered by the national grid. However, the solar panels are only functional for around 60-70% of the year, due to the rainy season or periods of cloudy weather. Therefore, the supply of a backup generator is recommended.

Broken fuse still not fixed by the contractor , at Delo pump house, Yumbe

Completion of energy package, Yumbe

3.7.3: Field Findings for Vote Function Rural Water and Sanitation

(a) School and Community Water and Sanitation (IDPs) (code 0158)

This project is fully funded by GoU and aims to improve water supply and sanitation facilities in Internally Displaced Peoples (IDP) camps through the provision of motorised water supply schemes. In FY08/09 one of the key aims of the project is to assess the functionality of piped water schemes that were constructed in FY07/08 in IDP camps. This component of the project was monitored in Porogali IDP camp, Pader and Palabek Kal IDP camp, Kitgum.

(i) Budget performance

The total GoU budget for FY08/09 is 1.90 billion Ush and there are no budgeted arrears. In total 0.92 billion Ush had been released from July to November 2008, which represents 48% of the budget, so releases were made in full and on time. Expenditure is recorded at 67% and the shortfall was due to the ongoing procurement process for the construction of six new piped water schemes in Northern Uganda.

(ii) Expected outputs and progress

It was expected that the motorised water supply schemes in both IDP camps would be functional. In both the IDP camps, water supply schemes are functional and the water has been tested to be clean and safe. Therefore, other than the low coverage of water supply, there are no significant challenges with the functionality of the PWS schemes.

Sign board for piped water supply, Porogali IDP camp,

Piped water taps functioning in Porogali IDP camp, Pader

(b) District Water and Sanitation Conditional Grant (code 0156)

This is a local government grant where funds are channelled to the districts directly from MFPED. Implementation of the grant was monitored in the districts of Pader, Kitgum, Gulu, Koboko, Arua, Iganga, Kamuli, Butaleja, Pallisa, Tororo and Manafwa.

(i) Expected outputs and progress

Outlined below is a summary of progress against expected outputs. Focus has been on hardware activities, which are physical outputs such as boreholes and public latrines, planned for completion in Q2. However, with the exception of Kamuli no other districts had recorded any physical achievements due to lengthy procurement procedures.

Table 3.22: Summary of physical progress against expected outputs in selected districts

District	Financial information (Ush) Jul to Oct 2008	Expected outputs for Q2 as indicated on DWSCG work plan	Physical achievement for FY08/09
Pader	Annual budget: 810,024,829 Release Jul –Oct: 222,686,000 27% release of total budget	1 Public latrine constructed 5 Shallow wells constructed 10 deep boreholes drilled 10 borehole platform casting and installation 10 Rain Water Harvest Tanks rehabilitated	No construction of hardware activities had started
Kitgum	Annual budget: 810,024,829 Release Jul –Oct: 392,427,000 48% release of total budget	10 deep boreholes drilled 1 ECOSAN latrine constructed	No construction of hardware activities had started
Gulu	Annual budget: 405,313,974 Release Jul –Oct: 111,426,000 27% release of total budget	5 shallow wells dug 4 deep boreholes 1 permanent well constructed	1 permanent well had been constructed a rollover from FY07/08. No other hardware activities had started
Koboko	Annual budget: 499,771,386 Release Jul –Oct: 137,393,000 27% release of total budget	2 public latrines 7 shallow wells 11 boreholes Piped Water Supply constructed 5 Rain Water Harvest Tanks in schools	No construction of hardware activities had started
Arua	Annual budget: 804,391,339 Release Jul –Oct: 221,137,000 27% release of total budget	1 Gravity Flow Scheme in Logiri 16 borehole cited and supervised 10 borehole re-assessed and rehabilitated	No construction of hardware activities had started
Iganga	Annual budget: 710,024,829 Release Jul –Oct: 195,194,000 27% release of total budget	1 public latrine 2 medium springs protected 3 deep boreholes drilled 1 borehole rehabilitated	No construction of hardware activities had started
Kamuli	Annual budget: 710,024,829 Release Jul –Oct:	2 public latrines 13 shallow wells 10 deep boreholes 1 Gravity Flow Scheme designed	-Borehole construction was underway -Works ongoing for 6 latrines – 1 was completed

District	Financial information (Ush) Jul to Oct 2008	Expected outputs for Q2 as indicated on DWSCG work plan	Physical achievement for FY08/09
	195,194,000 27% release of total budget	1 Piped Water Supply construction 4 Rain Water Harvest Tanks promoted 10 boreholes rehabilitated	-6 shallow wells had been dug, 4 were completed -Design for a PWS was underway -10 boreholes rehabilitated
Butaleja	Annual budget: 619,489,944 Release Jul –Oct: 170,305,000 27% release of total budget	1 public latrine 10 deep boreholes 15 borehole cited and supervised	No construction of hardware activities had started
Pallisa	Annual budget: 810,024,829 Release Jul –Oct: 222,686,000 27% release of total budget	34 deep boreholes	No construction of hardware activities had started
Tororo	Annual budget: 723,380,391 Release Jul –Oct: 198,866,000 27% release of total budget	10 deep boreholes 1 of Piped Water Supply designed	No construction of hardware activities had started
Manafwa	Annual budget: 810,024,829 Release Jul –Oct: 222,686,000 27% release of total budget	15 medium springs protected 12 boreholes drilled 2 latrines constructed	No construction of hardware activities had started.

Source: DWSCG work plans and field findings

During the first two quarters of FY2008/09 the majority of districts monitored had implemented software activities, such as identifying locations for water points, training Water and Sanitation Committees and carrying out sanitation campaigns. In certain districts such as Gulu and Pader activities from FY2007/08 were still being completed.

(ii) Challenges and Recommendations

- **Procurement Delays**

Of the eleven districts monitored, only Kamuli had made physical progress, due to starting the procurement process early. Procurement delays lead to inefficiencies related to low absorption of funds and a rush to complete activities at the end of the FY. In emergency situations, such as in Pader where new water points are needed for a population under transition, the District Water Officer (DWO)'s slow response leads to an over-reliance on Development Partners.[17]

[17] In FY07/08 of the 140 new water points constructed, only 18 were constructed by Pader LG

The coordination and streamlining of the procurement process has to be improved. Districts should be advised to coordinate amongst departments so that early procurement can take place. Public Procurement and Disposal of Assets could also consider streamlining the guidelines and retraining LG's on how to follow guidelines in a timely fashion. Districts should also be further supervised by DWD to ensure that appropriate personnel are in place.

- **Low staffing levels**

Delays are likely to be exacerbated by the low staffing levels of DWO officials, where not all districts are staffed according to MWE's human resource guidelines. In many cases DWO staff members were on long term study leave, or the LG was unable to recruit appropriate personnel. The creation of new districts which requires additional human capital has placed further strain on resources.

- **Duplication of activities by Local Governments and Development Partners**

In regions where there is significant involvement of Development Partners, such as Northern Uganda there are instances where interventions are duplicated in the same area.[18] There are also cases where a local government had received funds to construct a planned water point through the DWSCG, but this had been handed over to a Development partner.

Borehole drilling by UNICEF procured contractors in Dech Sub County, Kitgum

Failed drilling attempt 5 metres away from another failed site, by Kitgum DWO procured contractors, Dech Sub County, Kitgum

Case Study: Dech Sub-county, Kitgum District

The return area of Dech sub-county has a population of 40,000 with around 10-20 new people settling each day and no water point. In FY07/08, Kitgum District Water Officer (DWO) received funds to construct a borehole but nearly halfway through FY08/09 nothing had been done. The DWO procured a contractor that made two unsuccessful attempts, one of which was less than 5 metres away from another failed site (and so a low yield was expected). The DWO has handed over responsibility to UNICEF, where a contractor was found successfully drilling a borehole on a nearby location. The funds Kitgum DWO had received in FY07/08 have not been absorbed and it is not clear how they will be spent.

[18] WASH Cluster minutes obtained in Pader, Kitgum and Gulu highlight instances of duplication and the need for better coordination.

It is recommended that the coordination and regular attendance of different actors through established forums such as the Water Sanitation and Hygiene (WASH) cluster and Water and Sanitation (WATSAN) meetings is improved.

To increase accountability, districts should fulfil the requirement to publicise information on the release of funds from MFPED. This was only implemented in two out of the eleven districts sampled. It is also recommended that efforts to capture expenditure data for districts on the IFMS are expedited to facilitate monitoring. Furthermore, MWE should improve its regulatory function and Civil Society Organisations (CSOs) should be facilitated in their monitoring role through the availability of information on planned activities and financial releases.

- **Increasing and varying unit costs**

Unit costs have been rising continuously, beyond the rate of inflation and service delivery standards. The real per capita investment cost of the DWSCG has increased by 28% over the last 6 years.[19] Furthermore, the unit costs vary greatly amongst districts, and go beyond what can be explained by regional and infrastructural differences. For example, in Butaleja the unit cost of constructing a borehole is 11,732,490 Ush compared with 17,000,000 Ush in Pallisa.

Concern over rising costs has been expressed by MWE, MFPED and Development Partners. Two Value-for-Money / Tracking Studies have been undertaken and MWE has reported that recommendations are being implemented, such as open tendering and reviewing designs for improvement.[20] However, close monitoring of this is required.

- **Management and functionality of existing water points**

Water and Sanitation Committees should be trained to manage rural water points, including collection of community contributions for minor repairs. During the first year of operation the Water and Sanitation Committees (WSCs are generally active, after which many become dormant. This has contributed to the poor functionality of existing water points and the DWO covering the rehabilitation costs, where some districts still spend beyond the allowable proportion. Furthermore, in some districts such as Gulu no training of WSCs has been provided.

It is recommended that DWOs take responsibility for monitoring the status of WSCs and are required to report on this to the Technical Support Unit (TSU) or MWE. WSCs should also be trained on a regular basis.

- **Low sanitation coverage**

Sanitation is a cross-cutting issue, where interventions are supported the DWO, the District Health Office and the District Education Office (where schools are concerned). Experience from

[19] Water and Environment Sector Performance Report 2008, Ministry of Water and Environment, pg. 74

[20] Per Capita Investment Cost, Water and Sanitation Sector Performance Report 2008, Ministry of Water and Environment pg. 78

the field visits showed a tendency for each respective department to place responsibility on sanitation issues to another department.

The field visits demonstrated the importance of political support for the enforcement of sanitation. For example, Butaleja district recorded the highest improvement in latrine coverage. The strategy used, involved issuing “nuisance notes” to households without a latrine. After a grace period to take action had elapsed the police accompanied by a DWO official to ensure compliance. The result was a 25% improvement in latrine coverage. Underpinning the strategy was political support to increase latrine coverage.

Therefore further guidance on coordination between various district departments through revisiting the Memorandum of Understanding would be useful to clearly outline the roles and responsibilities. Enforcement of sanitation bye-laws also needs to be promoted through increased political support.

3.7.4: Field Findings for Vote Function Water for Production

(g) Kawomeeri dam in Abim (0169)

Once the dam is complete it will be used for agriculture, fisheries and livestock purposes.

(i) Budget performance

The total GoU budget for WFP is 7.5 billion Ush with no budgeted arrears. From July to November 2008 3.57 billion Ush had been released, which represents 48% of the budget. This shows that releases have been made in full and on a timely basis. However, actual expenditure has been low, with only 46% of the total released having been used.

(ii) Expected outputs and progress

Works commenced in September 2008. The project has a contract of 3.8 billion Ush and a 0.7 billion Ush advance was made on time as required. Security provisions had also been made to guard the equipment. There are no significant challenges to report.

Chapter 4: Conclusions and Recommendations

4.1 Conclusions

4.1.1Financial performance

It was evident that the absorptive capacity within the sectors was still low. On the other hand, massive diversion of funds was evident as performance reports from the education and water sectors differed from the IFMS records.

4.1.2 Physical performance

(a) Agriculture

- There is poor communication of the new NAADS guidelines to the local government officials, which is causing untold delays in implementation.
- The quarterly release of funds is inappropriate for the season –bound agricultural activities.
- The new community based procurement approach is prone to manipulation and abuse in areas where the district leadership is weak. This is resulting in either procurement of poor quality inputs or delivery of "air".
- The NAADS coordinators at the sub counties are over stretched and need more support to enhance effectiveness in implementation.
- The NAADS activities are not properly coordinated with those of the Rural Financial services programme.

(h) Education

- Poor communication between the ministry and local governments about planned project activities, and funding modalities for the presidential pledges
- The sector is operating outside the work-plan that was submitted to the Finance ministry.
- There was evidence of deliberate wrong reporting of progress of implementation for activities that were not carried out but were being accounted for.
- There was a problem of late releases of funds, particularly the capitation grants to the schools
- Construction activities are behind schedule because of the lengthy procurement procedures
- There was evidence of shoddy construction work. This may be a pointer that supervision is very poor.
- The creation of new districts is not being considered in the continued implementation of donor projects. Many such projects have stalled because funds are retained by the mother districts.
- The issue of unit costs proposed by the President have to be critically reviewed as they are negatively impacting on construction activities. For the supply of furniture, centralized provision may be an option.
- The VAT question is not yet resolved

(c) Energy

- Despite high levels talks between MFPED, URA, MEMD and the energy companies there were still unresolved VAT issues
- There are problems with compensation and resettlement of people around the project sites
- It was evident that communication between the Ministry of Energy and the beneficiary institutions and communities was not very effective.
- There are delays in construction activities due to contracting of sub-standard companies

(d) Health

- Budget re-allocations effected by MOH in mid September 2008, reduced capital development budgets for districts, on average, by 50%. This has affected procurement of equipment as well as construction of health facilities.
- Facilities at most of the general hospitals had broken down and in need of rehabilitation especially the plumbing systems. At Nebbi, Kitagata, Moyo and Yumbe hospitals water and sewage systems were completely broken. General hospitals have not been receiving development budget allocations.
- Inadequate equipping of health facilities resulting into non use of many newly constructed units
- Construction works were all behind schedule because of lengthy procurement procedures
- There was evidence of shoddy construction work and this was mainly affecting operationalization of the theatres
- The facilities still suffered drug stock-outs because of delayed deliveries by the NMS. However, in districts where management had sought for alternative suppliers and effective drug management systems, the problem had been contained.
- District health facilities, particularly the remote areas, suffered low staff levels that were exacerbated by high staff turnovers
- There was poor supervision of district activities by MOH. This was worsened by the fact that the district health officials were not adequately facilitated to monitor implementation of projects within their areas
- There was poor communication between MOH and districts resulting into uncoordinated investment decisions.

(e) Industrialization

- There was limited progress in works because of limited disbursement of funds

(f) Roads

- The works were all behind schedule because of lengthy procurement procedures, as well as compensation issues where companies were not accessing the required land.
- The delays and price fluctuations of inputs were resulting into untold cost overruns
- There was weak supervision of contracted companies by UNRA and this was resulting into shoddy work for a number of national roads.

- Maintenance of district, urban and community access roads was behind schedule and some roads have disintegrated to a state of rehabilitation instead. Unfortunately many districts are unable to use their idle road construction equipment due to limited authorization by PPDA.

(g) Water and Sanitation

Except for the Rural Towns Water and Sanitation Projects where some good progress had been attained the other projects were all behind schedule. For centralised projects the main challenges identified were:

- Low quality output by private contractors,
- Delays in project implementation,
- Underfunded water stressed areas,
- Irregular power supply,
- Over-centralisation of projects and
- Failure to incorporate gender guidelines in forming Water and Sanitation Boards.

For decentralised projects the main challenges identified were:

- Slow implementation due to procurement processes,
- Duplication of activities by LGs and development partners,
- Increasing unit costs,
- Poor management of existing water points leading to low functionality

4.2 Recommendations

4.2.1 Financial Performance

3. The Ministry of Finance should commission an investigation into the anomalies between the sector financial reports and the IFMS records.
4. To enhance the absorptive capacity of sectors, the Ministry of Finance should only disburse funds to those that have proof of '***readiness***' to spend e.g Feasibility study reports, Bills of Quantities etc. For these spending agencies, the disbursements should be adequate to complete the activity.

4.2.2 Physical Performance

(a) Agriculture

6. The NAADS secretariat should effectively educate all local governments and the public about the new guidelines.
7. The Ministry of Finance should disburse funds for agricultural production in two tranches instead of the quarterly disbursements.
8. The community based approach to procurement under NAADS should be properly supervised.
9. The NAADS sub county coordinators pay should be raised. In addition more staff may be recruited at this level.

10. The NAADS and RFS management must coordinate their activities through increased sharing of information.

(b) Education

9. Effective communication channels should be established between the education ministry and the local governments
10. The ministry of education should be penalized for operating outside the agreed upon work-plan, and the related deliberate wrong reporting of progress.
11. The issue of slow releases of funds to schools should be resolved
12. Future disbursements to the sector for construction activities should be based on proof of "readiness".
13. The sector should step up its supervision efforts to ensure value for money operations
14. Creation of new districts should be followed with amendments in coverage for donor funding to ensure that projects do not stall
15. The unit cost issue should be addressed adequately
16. The recommendations on VAT by the high level meetings that have already been held between the relevant stakeholders must be effected

(c) Energy

1. Implement the resolutions on VAT issues agreed upon during the high level meetings between MFPED, URA, MEMD and energy companies
2. Address issues of compensation and resettlement swiftly and decisively
3. Improve on communication between the Ministry of Energy and the contracted companies

(d) Health

6. To ensure non-stock outs of drugs, MoFPED and MoH should work out modalities of pre-financing NMS. This will require strengthening supervision of NMS by the MoH.

7. Prioritize equipping health facilities in FY 09/10 owing to the fact that the funds for procurement of medical equipment were re-allocated to provision of allowances to health workers this FY 08/09, yet facilities were already poorly equipped.

8. Government should consider re-centralizing recruitment of health workers and prioritize recruitment of additional health workers in FY 09/10.

9. Undertake a study on modalities for attracting and retaining health workers especially in rural health facilities.

10. Improve on the communication between MOH and the districts

11. Enhance supervisory activities at all levels

(e**) Industrialization**

There is need to expedite disbursement of funds to the programme

(f) Roads

10. Land acquisition issues need to be handled expeditiously so as to avail the entire site to the contractors and thus avoid further delays and associated claims.
11. MoWT should provide guidance probably in form of policy on the increasing new trend of compensation claims in areas where drainage channels and offshoots are constructed along public roads. This will also enable predictability of such costs and process times during project planning and costing.
12. UNRA together with the supervising consultants need to ensure constant presence of an up-to-date work programme as per the terms of contracts and as a way of enabling effective supervision, planning and monitoring activities. Given the size and nature of the Project, an extra vehicle should be availed to UNRA's supervision staff to enable constant presence on site and effective supervision of the Project.
13. Loss in project time arising from the Contractor's delay in mobilizing should be captured for computation of liquidated damages that may be used to offset future claims and project cost overruns.
14. The payment chain should be proactively streamlined with a view of minimizing delays in settlement of contract IPCs as a way of enabling the contractor to perform and pre-empting claims from delayed payments
15. The issue of elasticity of unit rates for road construction works needs to be addressed to avoid such exorbitant project procurements in the future.
16. The District, Urban and Community Access roads Investment Plan (DUCARIP) should be expedited to help overhaul the maintenance backlog in DUCAR, which represent 86.2% of the national road network.
17. MFPED and the Ministry of works, through The National Road Fund, which is scheduled for commissioning during FY 2009/10, should workout modalities of prudently increasing funding for DUCAR maintenance
18. Procurement law reforms aimed at reducing procurement lead time are necessary in order to enable year long road maintenance cycles and to regularize use of force account at local government level.

(g) Water and Sanitation

- Improve tendering processes for consultancy and construction companies; streamline and coordinate the procurement process;
- Ensure funds released by MFPED are spent by DWD on a timely basis to prevent delays and accrual of interest;
- Incorporate sustainable energy solutions in project planning as a perquisite for gaining approval;
- Increase transparency in the selection of urban towns and RGCs for PWS schemes;
- Improve participation and communication of DWOs in centrally managed projects;

- Improve enforcement of gender guidelines in Water and Sanitation Boards.
- Provide regular training for Water and Sanitation Committees and increase supervision;
- Enhance political support for sanitation bye laws.

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8. NAADS, 2008. New Implementation Guidelines. National Agricultural Advisory Services. Ministry of Agriculture, Animal Industry and Fisheries. Draft, *August 2008.*

Annexes

Annex Table 1

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES

ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY -NOV 2008

VOTE	PROJ ECT	PROJNAME	GOU Approved budget	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
010	0074	AGRIC. SECTOR PRG. SUPPORT PHASE II	299,000.000	134,801,000	11,675.805	45.000	9.000
010	0076	SUPPORT FOR INSTITUTIONAL DEV-MAAIF	2,298,280.000	1,128,101.500	101,107.297	49.085	8.963
010	0077	AGRICULTURE MARKETING SUPPORT WFP	60,000.000	30,000.000	14,600.000	50.000	48.667
010	0081	DEV.OF NATIONAL EARLY WARNING SYSTM	127,000.000	60,401.000	13,901.100	47.560	23.015
010	0083	FARMING IN TSETSE AREAS OF E.AFRICA	341,800.000	265,409.000	79,909.690	77.650	30.108
010	0088	NW SMALLHOLDER AGRIC DEVELOPMENT.	3,641,000.000	595,612.000	7,819.304	16.358	1.313
010	0089	SUPPORT FOR IRRIGATION	30,000.000	7,600.000	-	25.333	-
010	0090	LIVESTOCK DISEASE CONTROL	1,139,000.000	608,800.000	117,899.000	53.450	19.366
010	0091	NATIONAL LIVESTOCK PROD IMPROVEMENT	1,021,500.000	638,562.000	-	62.512	-
010	0092	RURAL ELECTRIFICATION-ERT-MAAIF	172,400.000	89,986.000	13,710.000	52.196	15.236
010	0094	SUPERVISION,MONITORING & EVALUATION	192,000.000	90,892.193	40,777.378	47.340	44.863
010	0097	SUPPORT TO FISHERIES DEVELOPMENT PR	5,816,000.000	1,191,362.998	14,173.036	20.484	1.190
010	0104	SUPPORT FOR TEA/COCOA SEEDLINGS	888,892.685	440,252.000	28,949.456	49.528	6.576
010	0106	VEGETABLE OIL DEVELOPMENT PROJECT	2,293,500.000	708,160.000	42,078.350	30.877	5.942
010	0968	FARM INCOME ENHANCEMENT PROJECT	1,436,200.000	162,145.000	20,199.648	11.290	12.458
010	0969	CREATION OF TSETSE & TRYPANOMIASIS	94,000.000	23,156.000	-	24.634	-
010	0970	CROP DISEASES & PESTS CONTROL	566,000.000	298,779.000	7,011.168	52.788	2.347
010	1007	TRANSBOUNDARY AGROSYSTEM MANAGEMENT	20,000.000	-	-	-	
010	1008	PLAN FOR NATIONAL AGRIC. STATISTICS	340,000.000	211,853.000	-	62.310	-
010	1009	SUSTAINABLE LAND MANAGEMENT PROJECT	100,000.000	58,072.927	-	58.073	-
010	1010	AGRIC.PRODUCTION MARKETING & REG	180,000.000	85,607.200	42,914.680	47.560	50.130
010	1011	DISSEMINATION NERICA &IMPROVED RICE	40,000.000	9,853.000	1,374.000	24.633	13.945
010	1012	FAO/TCP INTEGRATED PEST&DISEASE MGT	156,000.000	71,577.000	3,241.000	45.883	4.528

Annex Table 2

MINISTRY OF WORKS AND TRANSPORT

ANALYSIS OF RELEASES AND EXPENDITURES AGAINST THE BUDGET FOR THE PERIOD JULY NOV 2008

VOTE	PROJ ECT	PROJ NAME	GOU Approved budget	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
016	0261	8 DISTS. RD NETWORK - FEEDER RDS	528,000.000	232,000.000	230,111.600	43.939	99.186
016	0262	8 DISTS. RD NETWORK - GRAVEL ROADS	132,000.000	58,000.000	57,862.000	43.939	99.762
016	0263	8 DISTS. RD NETWORK - LABOUR-BASED	1,240,000.000	620,000.000	620,000.000	50.000	100.000
016	0264	AAMP REHAB. DISTRICT ROADS - ADF	1,424,000.000	616,000.000	616,000.000	43.258	100.000
016	0269	CONSTRUCTION OF SELECTED BRIDGES	1,194,311.641	589,155.000	304,051.000	49.330	51.608
016	0270	DEVT & STRENGTH QUALITY MANAGEMENT	988,000.000	422,000.000	304,051.224	42.713	72.050
016	0271	DEV'T OF INLAND WATER TRANSPORT	1,636,000.000	734,000.000	733,380.500	44.866	99.916
016	0274	FEEDER ROADS REHAB. NORTHERN UGANDA	4,132,000.000	2,058,000.000	1,638,025.081	49.806	79.593
016	0297	RDP - TRANSPORT MASTER PLAN	200,000.000	100,000.000	50,000.000	50.000	50.000
016	0304	REHABILITATION OF UPCOUNTRY STATION	422,400.000	185,600.000	145,714.114	43.939	78.510
016	0306	URBAN ROADS RESEALING	1,532,000.000	758,000.000	734,930.980	49.478	96.957
016	0307	REHABILITATION OF DISTRICT ROADS	6,600,000.000	2,900,000.000	2,377,584.740	43.939	81.986
016	0308	ROAD EQUIPMENT FOR DISTRICT UNITS	1,648,000.000	712,000.000	112,000.000	43.204	15.730
016	0316	SUPPORT EARTHQUAKE DISASTER VICTIMS	105,440.000	51,360.000	24,836.000	48.710	48.357
016	0320	UPGRAD. KAGAMBA-RUKUNGIRI ROAD	5,570,000.000	3,295,476.000	3,295,476.000	59.165	100.000
016	0417	REGRAVEL DISTRICT ROADS (STABEX)	335,600.000	141,400.000	124,544.700	42.133	88.080
016	0515	REH. OF BUGEMBE WORKSHOP	296,000.000	124,000.000	24,914.000	41.892	20.092
016	0901	STUD ON TRANSPORT REGULATORY AGENCY	95,360.000	43,840.000	43,098.000	45.973	98.307
016	0902	AXLE LOAD CONTROL	928,000.000	432,000.000	118,089.000	46.552	27.335
016	0936	REDEVELOPMENT OF STATE HOUSE	2,640,000.000	1,160,000.000	160,000.000	43.939	13.793
016	0951	E.A.TRADE & TRANSPORT FACILITY	500,000.000	250,000.000	215,659.692	50.000	86.264
016	0965	REDEVELOPMENT OF KYABAZINGA PALACE	1,852,000.000	838,000.000	88,000.000	45.248	10.501
016	0966	COMPLETION OF LATE GEN OKELLO RESID	515,200.000	228,800.000	28,800.000	44.410	12.587
016	0967	GENERAL CONSTRUCTION & REHAB WORKS	3,300,000.000	1,450,000.000	872,800.400	43.939	60.193
016	0995	COMMUNITY AGR INFRASTRUCTURE IMPROV	640,000.000	320,000.000	320,000.000	50.000	100.000
016	0996	SUPPORT TOURISM INFRASTRUCTURE DEV	1,054,653.000	513,913.333	513,913.333	48.728	100.000
016	1018	RRP-SUPPORT TO MOWT	6,213,600.000	2,748,400.000	422,554.906	44.232	15.375
016	1019	RRP-SUPPORT TO MELTEC	2,390,000.000	1,195,000.000	1,195,000.000	50.000	100.000
016	1045	INTERCONNECTIVITY IMPROVEMENT ROADS	8,740,000.000	4,170,000.000	2,640,977.223	47.712	63.333
016	1046	KYAPA-KENSORO ROAD	200,000.000	100,000.000	100,000.000	50.000	100.000

016	1047	REDEVELOP/REHAB UPCOUNTRY AERODROME	1,600,000.000	715,000.000	85,000.000	44.688	11.888
016	1048	INTROD & PRIV M.V.INSPECTION SERVIC	800,000.000	400,000.000	42,165.000	50.000	10.541
016	1049	KAMPALA-KASESE RAILWAY LINE STUDY	680,000.000	340,000.000	171,389.500	50.000	50.409
016	1050	NATIONAL TRANSPORT DATABASE	832,000.000	408,000.000	53,753.384	49.038	13.175
016	1051	NEW SHIP TO REPLACE MV KABALEGA	10,177,200.000	4,471,800.000	2,149,119.741	43.939	48.059
016	1052	REHAB & RE-EQUIPPING EACAA SOROTI	9,520,000.000	4,292,000.000	2,226,873.289	45.084	51.884
016	1061	CONSTRUCTION OF GOVT. OFFICE BLOCK	2,463,642.000	615,910.500	615,910.500	25.000	100.000
016	1062	KARAMOJA ROAD DEVELOPMENT PROGRAMME	-	-			

Annex Table 3

MINISTRY OF WATER AND ENVIRONMENT

ANALYSIS OF RELEASES AND EXPENDITURE AGAINST BUDGET FOR THE PERIOD JULY-NOV 2008

VOTE	PROJECT	PROJNAME	GOU	Releases-July Nov 2008	Expenditures July- Nov	Releases as % of approved budget	Expenditures as % of Releases
019	0124	ENERGY FOR RURAL TRANSFORMATION	350,000.000	210,804.667	129,060.500	60.230	61.223
019	0137	L.VICTORIA ENVIRONMENT MNGMT PROG.	1,710,100.000	741,978.000	388,725.445	43.388	52.390
019	0140	METEOROLOGICAL SUPPORT FOR PMA	525,000.000	237,798.000	140,588.332	45.295	59.121
019	0146	NATIONAL WETLAND PROJECT - PHASE 3	400,000.000	175,970.000	103,966.145	43.993	59.082
019	0148	NORTH EAST TOWNS WATER & SAN -BADEA	4,620,000.000	3,083,698.667	1,304,915.783	66.747	42.317
019	0149	OPER.WATER RESOURCE MGT -NILE BASIN	520,000.000	247,310.000	164,828.646	47.560	66.649
019	0151	POLICY AND MANAGEMENT SUPPORT	1,610,000.000	765,710.000	395,527.893	47.560	51.655
019	0154	RURAL TOWNS WATER - ADB	12,478,828.000	10,254,014.000	7,962,266.147	82.171	77.650
019	0158	SCHOOL/COMMUNITY SANITATION & WATER	1,900,000.000	920,478.667	631,858.369	48.446	68.645
019	0160	SOUTH/WEST TOWNS WATER & SANITATION	1,240,000.000	600,733.000	106,827.597	48.446	17.783
019	0163	SUPPORT TO RURAL WATER SECTOR	3,477,000.000	3,197,000.000	975,536.604	91.947	30.514
019	0164	SUPPORT TO SMALL TOWNS WATER	6,760,000.000	3,857,847.000	2,943,479.904	57.069	76.299
019	0165	SUPPORT TO THE WRMD	1,700,000.000	808,513.000	388,260.433	47.560	48.022
019	0168	URBAN WATER REFORM IMPLEMENTATION	720,000.000	330,675.333	182,435.433	45.927	55.171
019	0169	WATER FOR PRODUCTION	7,516,436.729	3,574,789.000	1,656,649.696	47.560	46.343

019	0947	FARM INCOME ENHANCEMENT PROJECT	350,000.000	142,677.667	88,661.212	40.765	62.141
019	1015	GULU WATER& SEWERAGE REHABILITATION	2,860,000.000	1,240,223.000	208,437.030	43.364	16.806
019	1021	MAPPING GROUND WATER RESOURCES	390,000.000	166,459.000	45,899.486	42.682	27.574
019	1022	STRENGTHEN CAPACITY CONCESSION/LIC	160,000.000	47,559.001	10,467.991	29.724	22.011
019	1030	SECTOR INVESTMENT PLAN COORD(SIPCP)	350,000.000	142,679.000	79,739.100	40.765	55.887

Annex Table 4: **MINISTRY OF WATER AND ENVIRONMENT**

Summary of discrepancies on Financial performance provided in the Q1 performance report

VOTE	PROJ ECT	PROJNAME	1Sst quarter releases (IFMS) MFPED	Performance report figure 1st quarter	Variance -releases	1sr quarter expenditure (IFMS) totals	Performance report expenditure	Variance expenditures	Comments
019	0124	ENERGY FOR RURAL TRANSFORMATION	66,511,000	66,511,000	0	6,300,000.00	93,718,000	(87,418,000.00)	Expenditure incurred on the IFMS is short by 87,418,000 as per the performance report.
019	0137	L.VICTORIA ENVIRONMENT MNGMT PROG.	349,826,000	477,000,000	-127,174,000	107,200,970.00	59,000,000	48,200,970.00	Expenditure incurred on the IFMS is over by 48,200,970.
019	0140	METEOROLOGICAL SUPPORT FOR PMA	122,896,000	122,896,000	0	65,637,072.00	65,637,072	-	
019	0146	NATIONAL WETLAND PROJECT - PHASE 3	90,943,000	232,104,075	-141,161,075	47,988,796.00	199,028,419	(151,039,623.00)	There are big differences in the receipts and expenditures on both the IFMS and the Performance report
019	0148	NORTH EAST TOWNS WATER & SAN -BADEA	734,085,000	734,085,000	0	678,473,225.00	1,223,000,000	(544,526,775.00)	IFMS expenditure varies from the amounts in the performance report and is short by 544,526,775.
019	0149	OPER.WATER RESOURCE MGT -NILE BASIN	127,812,000	127,812,000	0	21,783,126.00	4,000,000	17,783,126.00	Expenditures figures don't agree on the IFMS and the performance report
019	0151	POLICY AND MANAGEMENT SUPPORT	395,826,000	331,800,000	64,026,000	153,840,592.00	226,500,000	(72,659,408.00)	
019	0154	RURAL TOWNS WATER - ADB	1,059,246,000	1,059,246,000	0	428,252,324.00	3,782,857,000	(3,354,604,676.00)	The difference between the IFMS and the Performance report is to a tune of 3,354,604,676.The performance figure is higher.
019	0158	SCHOOL/COMMUNITY SANITATION & WATER	468,040,000	368,579,000	99,461,000	193,221,986.00	136,657,170	56,564,816.00	There are differences in both the receipt and expenditures in the IFMS and Performance report
019	0160	SOUTH/WEST TOWNS WATER & SANITATION	305,457,000	305,457,000	0	33,052,782.00	1,469,000,000	(1,435,947,218.00)	The performance report figure shows a higher expenditure figure than the IFMS by 1,435,947,218
019	0163	SUPPORT TO RURAL WATER SECTOR	689,743,000	689,743,000	0	281,484,874.00	510,640,005	(229,155,131.00)	The performance report figure shows a higher expenditure figure than the IFMS by 229,155,131

019	0164	SUPPORT TO SMALL TOWNS WATER	1,657,847,000	1,657,847,000	0	1,463,206,886.00	1,367,731,000	95,475,886.00	The amount spent as per the IFMS is above the amount reflected in the performance report by 95,475,886
019	0165	SUPPORT TO THE WRMD	417,847,000	417,847,000	0	121,145,616.00	80,000,000	41,145,616.00	
019	0168	URBAN WATER REFORM IMPLEMENTATION	147,800,000	138,000,000	9,800,000	79,750,401.00	128,000,000	(48,249,599.00)	IFMS expenditure varies from the amounts in the performance report and is short by 48,249,599.We need their explanation
019	0169	WATER FOR PRODUCTION	1,847,483,000	1,847,483,000	0	325,208,734.00	469,000,000	(143,791,266.00)	The amount spent as per the IFMS is below the amount reflected in the performance report by 143,791,266
019	0947	FARM INCOME ENHANCEMENT PROJECT	73,737,000	73,737,000	0	21,084,500.00	4,256,000	16,828,500.00	
019	1015	GULU WATER& SEWERAGE REHABILITATION	630,622,000	630,622,000	0	-	0	-	
019	1021	MAPPING GROUND WATER RESOURCES	76,027,000	76,027,000	0	3,380,796.00	65,500,000	(62,119,204.00)	
019	1022	STRENGTHEN CAPACITY CONCESSION/LIC	15,362,000	15,362,000	0	911,388.00	13,000,000	(12,088,612.00)	
019	1030	SECTOR INVESTMENT PLAN COORD(SIPCP)	63,204,000	63,204,000	0	38,523,496.00	32,000,000	6,523,496.00	the amount as per the IFMS figure is higher than the performance report figure

Annex Table 5: 1st and 2nd Quarter Planned Activities under UNRA, MoWT, District Local Governments, and KCC

Agency	Planned Output Description	Output Indicator	Annual Planned Output	Target for Quarter 1	Target for Quarter 2	Remarks
UNRA	National Roads Maintenance (Manual)	Km maintained	10,800 Km	10,800 Km	10,800 Km	
	National Roads Maintenance (Mechanized)	Km maintained	9,865 Km	822 Km	2466 Km	
	Paved Roads Rehabilitation/resealing	Km rehabilitated Km resealed	100 Km 4 Km	Nil Nil	10km Nil	
	Unpaved roads gravelling	Km re-graveled	1400 Km	140 Km	420Km	
	National roads bridges maintained	No. of bridges	24	3	8	
	Busega – Mityana road reconstruction	%	30%		7%	
	Reconstruction of Kampala Northern Bypass	%	20%	10%	10%	Monitored in quarter 1
	Upgrading of Kabale – Kisoro – Bunagana road	%	35%	8%	9%	Monitored in quarter 2
	Upgrading of Matugga – Semuto – Kapeka road	%	30%		7%	
	Strengthening and Upgrading of Kampala – Gayaza – Zirobwe road	%	20%	5%	5%	Monitored in quarter 2
	Upgrading of Soroti – Dokolo road	%	30%	7%	7%	Monitored in quarter 1
	Upgrading of Dokolo – Lira road	%	20%	2%	5%	Monitored in quarter 1
	Rehabilitation of Jinja –Bugiri road	%	35%	10%	10%	Monitored in quarter 1
	Reconstruction of Masaka – Mbarara road	%	25%	4%	5%	Monitored in quarter 1
	Reconstruction of Kampala – Masaka road	%	15%		3%	
	Rehabilitation of Kawempe – Luwero road	%	52%	15%	20%	Monitored in quarter 1
	Rehabilitation of Luwero – Kafu road	%	30%	15%	15%	Monitored in quarter 1
	Rehabilitation of Hoima – Kaiso – Tonya Road	%	100%	50%	50%	Monitored in quarter 2
	Rehabilitation of Hoima – Kizirafumbi road	%	100%	50%	50%	
MoWT	Tourism roads rehabilitation	Km	80Km	20Km	20Km	Quarter 1: Kabale – L. Bunyonyi, Katuna – Bigaaga roads Quarter 2: Bigaaga – Muko, Butogota – Buhooma roads
	Spot gravelling of national and district roads using labor based techniques	Km	73Km	18Km	18Km	Tororo – Majanji, Kapchorwa – Saum roads
	Rehabilitation of district roads (AAMP) - Feeder	Km	420 Km	140Km	145 Km	
	Rehabilitation of district roads (AAMP) - Community	Km	300 Km	90Km	80Km	
	Construction of Ngusi bridge in Hoima	%	100%		30%	
	Tarmacking of Urban Roads	Km	10Km	2.8Km	1.9Km	
	Rehabilitation of district Roads	Km	271Km			Targeted to commence in quarter 2
	Rehabilitation priority district bridges	No.	5			Targeted to commence in quarter 2
District Local Governments	Routine maintenance of district roads – Manual	Km	23,000Km			Targets are as per the different Annual District Roads Work Plans FY 2008/09
	Regravelling of district roads	Km	1,400Km			
	Rehabilitation of district roads	Km	930Km			

Agency	Planned Output Description	Output Indicator	Annual Planned Output	Target for Quarter 1	Target for Quarter 2	Remarks
	Resealing of Urban roads	Km	146Km			
	Re-gravelling of district roads	Km	476Km			
	Rehabilitation of community access roads	Km	570Km			
Kampala City Council	Routine and recurrent maintenance of tarmac roads in city centre Package 1	Km	88Km			Works were planned to commence in the 2nd Quarter FY2008/09
	Routine and recurrent maintenance of tarmac roads in city centre Package 2	Km	70Km			
	Periodic maintenance of dilapidated tarmac roads Package 3	Km	10.3Km			
	Upgrading of gravel roads package 4	Km	4.7Km			
	Upgrading of gravel roads package 5	Km	6.1Km			
	Completion of periodic maintenance of dilapidated tarmac roads package 3 FY2007/08	Km	4.2Km			
	Upgrading of gravel roads package 4 FY 2007/08	Km	7.0Km			
	Construction of pedestrian sidewalks on Acacia Avenue (RHS)	Km				
	Design and Build of Mutungo Hill and Circular roads	Km	2.4Km			