



Works and Transport Sector

Overview of 2017/18 Grant and Budget Guidelines

Presentation Outline

- Policy Priorities/Sector Objectives
- Structure and Purpose of Sector Transfers
- FY 2017/18 Programme
- Allocation Formulae
- Budget Requirements for 2017/18
- Sectoral Issues



Policy Priorities / sector objectives

Align sector plans and targets to NDP II Objective 2:

To increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.

Over the medium term:

- 2,205Km of gravel roads will be upgraded to tarmac
- 700Km of old paved roads will be rehabilitated
- 2,500Km of paved roads will be maintained
- 10,000Kms of unpaved roads will be maintained
- Priority will be given to opening community access roads to link farmers to markets and social services.

National Transport Policy and Strategy

To develop an integrated and sustainable transport system that will continue to propel national economic growth.

- ✓ **Plan for integrated road network**

Non Motorised transport Policy

to increase the recognition of NMT as one of the key transport modes and essential component of public transport.

- ✓ **Urban authorities encouraged to integrate NMT designs in urban roads**

Rural Transport Policy

- a) reliable basic access for all rural women, men, and children to social and economic services
- b) reliable connectivity to higher order transport infrastructure
- c) dependable, affordable, equitable and safe means of transport availed

Roles, Responsibilities and Mandates

Local Governments:

Local Government Act (Chapter 243) specifies responsibilities of LGs- (ss30,31),

- ▶ Under road services – the construction, rehabilitation and maintenance of roads not under the Central Government.
- ▶ Roads that are the responsibility of Local Government are classified as District, Urban, or Community Access Roads (together referred to as DUCAR).
- ▶ District roads link communities to trading centres and national roads (responsibility of District Councils).
- ▶ Urban roads are in the boundaries of Municipalities and Town Councils (responsibility of Municipal and Town Councils).
- ▶ Community Access Roads are smaller link roads (responsibility of Sub-County).
- ▶ National roads (central government by Uganda National Road Authority (UNRA)).



Ministry of Works and Transport

Policy formulation, legislation, regulation, standard setting, strategic multi-modal transport planning, monitoring and evaluation, and general oversight of the sector.

URF

Finance the routine and periodic maintenance of public roads in Uganda;
Control of overloading of vehicles on public roads.

UNRA

Plan, Develop and Maintain the national roads network; and axle load control.

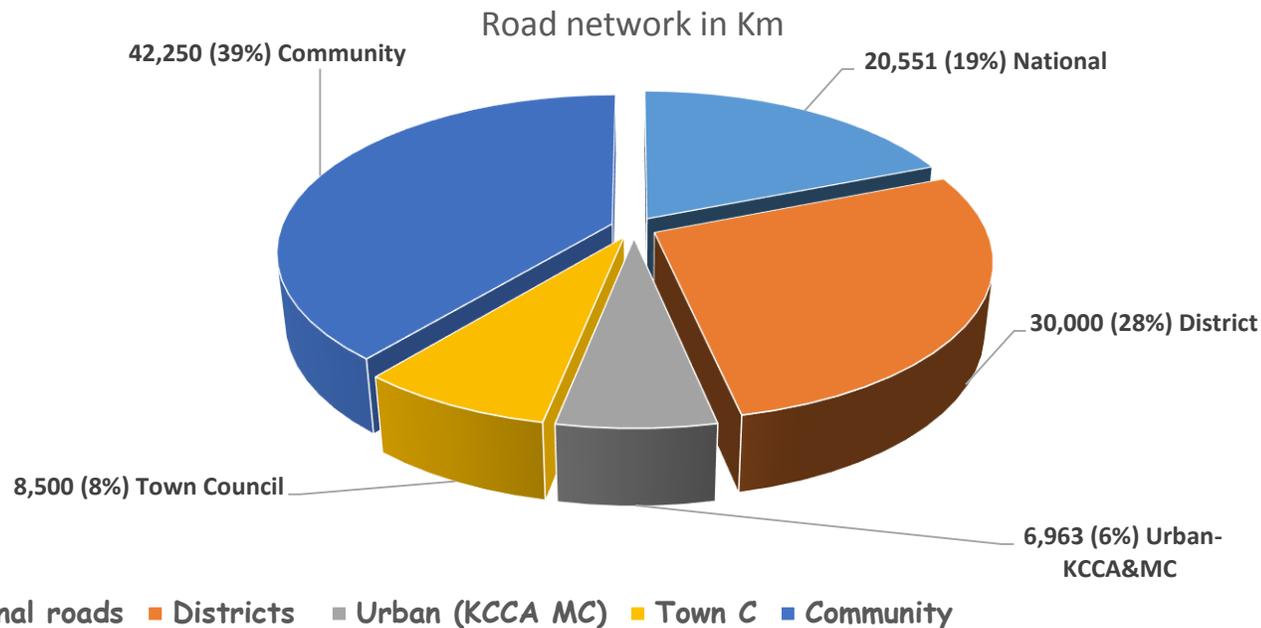
Structure and Purpose of Sector Transfers

| Grant | Purpose |
|----------------------------------|---|
| Non-Wage Conditional Grant (URF) | To conduct maintenance of District, Urban and Community Access Roads |
| Development Conditional Grant | To maintain and rehabilitate District, Urban and Community Access Roads |

N.B. These grants fund the activities of the Local Government Workplan for Roads and Engineering (7a)

FY 2017/18 Programme

- The major target of FY 2017/18 is to reduce percentage of roads in poor condition by 5%;
- Funding of a network equivalent to 107,020km within the MTEF of UGX 417.84 bn for routine and periodic maintenance of both paved and unpaved roads;



- UGX12bn is allocated to LGs for mechanical imprest
- UGX 4.4bn for sealing of roads and bridge maintenance.

FY 2017/18 Programme

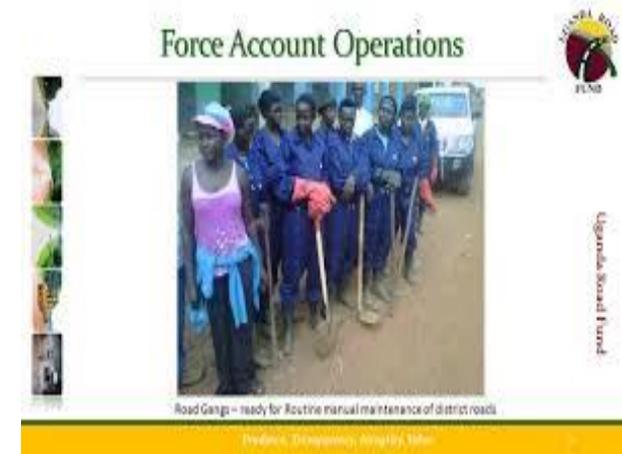
Priority Areas

- First call on funds should be carried over projects from FY 2016/17;
- Full routine manual maintenance on maintainable network;
- Removal of bottlenecks;
- Periodic Maintenance on network;
- Road safety;
- Crosscutting Issues: Health, Environment, HIV/AIDS, Gender mainstreaming

FY 2017/18 Programme

Delivery approaches

- ▶ All works on DUCAR network shall be implemented by force account/ direct labour. The guidelines were issued by MoWT to all DAs;
- ▶ All Local governments were provided with equipment sets light routine mechanized maintenance and associated emergency works;
- ▶ The Force Account planning and reporting tables to be used during the FY 2017/18 have previously been issued to agencies;



Allocation Formulae

- ▶ URF Act, section 22 (2) provides for allocations of funds designated agencies.
 1. Conditions of the public roads,
 2. Maintenance requirements,
 3. Length of the road network and
 4. Relevant volume of traffic

Key Variables Used in Allocation Formulae

The URF allocation for maintenance is made in three stages:

1. Allocation by surface type (paved -39%, gravel-52%, earth-9%) based on vehicle utilisation, road length, asset value and maintenance requirements.

$$M_s = P_s * B \quad \text{Where}$$

M_s = allocation to road surface type s

B = total available budget to URF

P_s = a parameter defined as function f (traffic, road length, asset value, maintenance cost) for road surface types

2. Allocation by road network type (national, district, urban, municipal, community) based on vehicle utilisation and economic factors.

$$M_{sj} = W_j * Q_j * M_s \quad \text{Where}$$

M_{sj} = allocation to road network j (j = national, district, town council, municipal or CAR)

M_s = allocation to road surface type s (obtained from Stage 1)

W_j = relative weight based on perceived proportional contribution of each road hierarchy and functional class to the overall national objective of promoting economic efficiency for road network j

Q_j = a parameter defined as function f (traffic, road length)

Key Variables Used in Allocation Formulae

3. Allocation to designated authority (Districts, Town Councils, Municipalities, sub counties) based on (i) vehicle utilisation and road length; (ii) equity and climatic factors; and (iii) unit cost factors and population-

$M_{sz} = Q_z * R_z * E * M_{sj}$ Where

M_{sz} = allocation to designated agency z for road surface type s

M_{sj} = allocation to road network jurisdiction j and road surface s (obtained from Stage 2)

Q_z = a parameter defined as function f (traffic, road length)

R_z = a parameter defined as function f (climate, unit cost), see Assumption 5 above

E = a parameter defined as function f (equity, social concerns), see Assumption 4 above

Key Variables Used in Allocation Formulae

The district development grant allocation remains a flat figure for “old” and “new” districts under the RTI Programme based on the formula

Old districts: Apac, Gulu, oyam, Amuru, Amuria, Kitgum, Pader, Lira, Kaberamaido, Amolatar, Dokolo, Soroti, Katakwi, Kumi, Bukedea

New districts : Ngora, Nwoya, Apac, Otuke, Lamwo, Alebtong, Kole, Agago

1.0 Formula

1.1 Allocation to Old districts F_0

$$F_0 = \frac{70.4xT}{100 \times N_0}$$

Where;

T = Total funds available

N_0 = Number of old districts (currently 15)

Allocation to new districts F_n

$$F_n = \frac{29.6xT}{100 \times N_n}$$

Where;

T = total funds available

N_n = Number of new districts (currently 8)

Overview of Budget Requirements

| Area | Requirement |
|---|--|
| 1. Narrative and performance contract | <ul style="list-style-type: none">▪ The budget narrative summarises information on revenue, expenditure and key outputs in the performance contract. |
| 2. Overview of Revenues and Expenditure | <ul style="list-style-type: none">▪ Total Work plan revenues and expenditures balance and are divided correctly between wage, non-wage recurrent, GoU and donor development. |
| 3. Salaries and Related Costs | <ul style="list-style-type: none">▪ Salaries of permanent staff must be within the overall staff and budget ceilings, and funded from the sector conditional wage grant▪ Salary allocations to the Roads and Engineering Department of a local government must be according to the filled posts within the approved structure, recruitment plan and salary scales within a given financial year.▪ As a minimum, the following key positions in the approved structure must be filled: District Engineer, Engineering Assistant, Road Inspector, Office Attendant, Driver, Office Typist. |

Overview of Budget Requirements (cont)

| Area | Requirement |
|--|---|
| 4. Non-wage allocations for road maintenance | <ul style="list-style-type: none"><li data-bbox="529 287 2423 386">▪ The Uganda Road Fund (URF) maintenance allocation will be used to fund maintenance and mechanical imprest.<li data-bbox="529 444 2423 544">▪ All road maintenance will be prioritised using RAMPS and approved by the District Roads Committee. |
| 5. Roads maintenance by LLGs | <ul style="list-style-type: none"><li data-bbox="529 572 2486 672">▪ Allocations to each sub-county for road maintenance are at least UGX 0.8m, for removal of bottlenecks on community access roads.<li data-bbox="529 729 2423 829">▪ Allocations to town councils are at least UGX 50m for routine or periodic maintenance of urban roads and bridges within their jurisdiction, and street lighting. |
| 6. Roads maintenance by HLGs | <ul style="list-style-type: none"><li data-bbox="529 868 2466 1015">▪ Allocations for maintenance from the URF to higher local governments in the non-wage recurrent budget may only be used for routine or periodic maintenance of district or urban roads and bridges. |

Overview of Budget Requirements (cont)

| Area | Requirement |
|------------------------------|--|
| 7. Monitoring and Management | <ul style="list-style-type: none">Up to 4.5% of the non-wage recurrent budget may be allocated for other operations and maintenance, including monitoring activities and provisions for the District Roads Committee. |
| 8. Capital Investments | <ul style="list-style-type: none">The sector development budget will be used to fund road rehabilitation or construction and may also fund the purchase of vehicles and equipment.In FY2017/18, the sector development grant will be restricted to financing road sealing, unless the local government is provided with written exemption.All road rehabilitation and construction will be prioritised using Road asset RAMPS and approved by the District Roads Committee.Between 5% and 10% of the development allocations to capital investments will finance investment service costs, such as bills of quantities or economic impact assessments. |

Sectoral Issues

- 1) Every DA will have to determine its maintainable network that shall be eligible for funding and declare it to URF;
- 2) The declared network should not include roads that are receiving funding from other sources such as CAIP, DLSP, PRDP, DANIDA, or under defects liability period;
- 3) DA are required to capture and indicate all road maintenance programmes to be carried out each FY.
- 4) All programmes being funded outside the URF funding i.e CAIP, DLSP, PRDP, DANIDA etc should be included in the Annual Road Maintenance Work plan submitted to URF;
- 5) The Fund`s outreach to the DUCAR agencies will be rendered in close collaboration with DRCs. All districts should therefore ensure formation and operationalization of these committees in the year.
- 6) In FY 2017/18, all workplans and accountability submitted to URF shall be under seal and blessed by the DRC as was the case in FY 2016/17.
- 7) The DRC's meeting minutes approving the reports shall be part of the work plan and quarterly reports submitted to URF. The agencies should budget for DRC operations within the 4.5% operational expenses budget line.
- 8) Details of the planning, reporting and accountability requirements are in the FY 2017/18 budget guidelines accessible on www.roadfund.ug.
- 9) Government is process of acquiring new equipment for heavy road works LGs prepare operators for training before arrival of equipment.

Sectoral Issues

- 1) Government is process of acquiring new equipment for heavy road works LGs prepare operators for training before arrival of equipment.
- 2) Government will embark on mandatory motor vehicle inspection by SGS by Mid September 2016.
- 3) Reduction of murrum for gravel roads should be mitigated by implementing low cost seals on roads especially for RTI programme. Circular dated 4th March 2016 to all RTI CAOs- all resources for FY 2016 -17 towards sealing of district roads.
- 4) Land acquisition for the right of way remains a big challenge for railway and road projects; the process is costly and complex because of current land tenure system. Sector supports the process to the Constitutional amendment for land acquisition to develop infrastructure projects
- 5) Government promotes involvement of local contractors in the execution of road and bridge works especially financed using Government of Uganda resources;
- 6) The Ministry is in the process of finalizing the classification of contractors. The register will enable the Sector to determine which contractor can bid for a given type of work

Sectoral Issues

- 7) Failure to meet the road maintenance targets is due to inadequate financing for road maintenance,
 - a) do recommend fast tracking the establishment of the Second Generation Road Fund to address the issue of inadequate funding for road maintenance
 - b) also recommend that in the short term MoFPED increases the budget allocation for road maintenance
- 8) High rate of accidents:
 - a) The Ministry is undertaking media campaigns on road safety to influence driver behavior
 - b) A road safety operation is underway on the Kampala – Masaka road, to rollout to other parts of the country
 - c) Cabinet approved the National Road Safety Policy in November 2014 and efforts are underway to strengthen the department responsible for road safety and the National Road safety Council
 - d) Traffic police should strengthen enforcement of seat belts, crash helmets and no driving under the influence of alcohol.
 - e) Commence on mandatory motor vehicle inspection by the end of this year. This will eliminate vehicles in dangerous mechanical condition from the road.
 - f) Construction of vehicle inspection stations is in progress at Kawanda on Bbombo road, Namulanda on Entebbe road, Nabbingo on Masaka road and Namanve on Jinja road is yet to commence.
- 9) LGs have been provided with costing guidance for preparing maintenance budgets details in overall sector guidelines
- 10) The Budget will be assessed for compliance. Get details in the overall sector guidelines

Conclusion

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We need your cooperation, collaboration, commitment and support in the development of an integrated and sustainable transport system that will continue to propel national economic growth.

Thank for your attention

